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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**SCHEDULE 14A**

(RULE 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

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Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under § 240.14a-12

**CARGURUS, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check all boxes that apply):

- No fee required
  - Fee paid previously with preliminary materials
  - Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11
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April 26, 2023

Dear Stockholder:

You are cordially invited to attend the 2023 Annual Meeting of Stockholders of CarGurus, Inc. (the "Annual Meeting"), which will be held virtually on Tuesday, June 6, 2023 at 2:00 p.m. Eastern Time, conducted via live audio webcast at [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023).

Pursuant to the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to stockholders over the internet, we are posting the proxy materials on the internet and delivering to our stockholders a Notice of Internet Availability of Proxy Materials. This delivery process will allow us to provide stockholders with the information they need quickly and efficiently, while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting. On or about April 26, 2023, we will begin mailing to our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access or request a copy of our Proxy Statement for the 2023 Annual Meeting and our Annual Report on Form 10-K for the year ended December 31, 2022.

The Notice of Annual Meeting of Stockholders and the Proxy Statement contain details of the business to be conducted at the Annual Meeting.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. You may vote over the internet, by telephone or by mailing a proxy card. Voting over the internet, by telephone or by written proxy will ensure your representation at the Annual Meeting regardless of whether or not you attend. Please review the instructions in the proxy materials regarding each of these voting options.

Thank you for your ongoing support of CarGurus.

Very truly yours,

A handwritten signature in black ink, appearing to read "JMT", written over a light gray rectangular background.

Jason Trevisan  
Chief Executive Officer and Director

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**CARGURUS, INC.**  
**2 Canal Park, 4th Floor**  
**Cambridge, Massachusetts 02141 USA**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**To Be Held on June 6, 2023**

The 2023 Annual Meeting of Stockholders of CarGurus, Inc. (the "Annual Meeting") will be held on Tuesday, June 6, 2023 at 2:00 p.m. Eastern Time. The Annual Meeting will be a virtual stockholder meeting, conducted via live audio webcast, through which you can submit questions and vote online, just as you could at an in-person meeting. We believe that a virtual stockholder meeting provides greater access for those who may want to attend the Annual Meeting and therefore we have chosen this approach over an in-person meeting.

The Annual Meeting can be accessed by visiting [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023) and entering your 16-digit control number (included in the Notice of Internet Availability of Proxy Materials mailed to you). At the Annual Meeting, stockholders will consider and act upon the following matters:

1. To elect the Class III director nominated by our Board of Directors to serve for a term ending in 2026, or until his successor has been duly elected and qualified;
2. To ratify the appointment of Ernst & Young LLP, an independent registered public accounting firm, as our independent auditors for the year ending December 31, 2023;
3. To conduct a non-binding advisory vote to approve the compensation of our Named Executive Officers for 2022; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Stockholders of record on our books at the close of business on April 12, 2023, the record date for the Annual Meeting, are entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof. For instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail, the question and answer titled "How do I vote?" beginning on page 2 of this Proxy Statement or, if you requested to receive printed proxy materials, your enclosed proxy card. If your shares are held in "street name," that is, held for your account by a broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted.

A list of stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder for any purpose relevant to the Annual Meeting for at least ten days prior to June 6, 2023.

**Whether or not you plan to attend the Annual Meeting, we urge you to take the time to read our proxy materials and vote your shares.**

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to be "Javier Zamora".

Javier Zamora  
General Counsel and Corporate Secretary

*April 26, 2023*

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “likely,” “may,” “might,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “target,” “goal,” “will,” “would,” or similar expressions and the negatives of those terms.

Forward-looking statements contained in this proxy statement include, but are not limited to, statements about the matters discussed regarding the expectation of performance under our compensation plans, our anticipated financial and operational performance, the plans and objectives of management, and our expectation to increase the size of our board and to do so with diverse candidates. You should not rely upon forward-looking statements as predictions of future events. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled “Risk Factors” and elsewhere in our annual report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this proxy statement. Further, our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions or joint ventures in which we may be involved, or investments we may make. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this proxy statement relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement made in this proxy statement to reflect events or circumstances after the date of this proxy statement or to reflect new information or the occurrence of unanticipated events, except as required by law.



**CARGURUS, INC.**  
**2 Canal Park, 4th Floor**  
**Cambridge, Massachusetts 02141 USA**

## **PROXY STATEMENT**

### **For the Annual Meeting of Stockholders on June 6, 2023**

This Proxy Statement and related materials are being furnished to you on the internet, or at your request a printed version will be delivered to you by mail, in connection with the solicitation of proxies by our Board of Directors ("Board of Directors") for use at the 2023 Annual Meeting of Stockholders (the "Annual Meeting") to be held virtually on Tuesday, June 6, 2023 at 2:00 p.m. Eastern Time, and at any adjournment or postponement thereof. You are entitled to vote if you were a stockholder of record as of the close of business on April 12, 2023. As used in this Proxy Statement, the terms "CarGurus," "the Company," "we," "us," and "our" mean CarGurus, Inc. unless the context indicates otherwise.

We are providing access to our proxy materials primarily on the internet. Commencing on or around April 26, 2023, we mailed a Notice of Internet Availability of Proxy Materials (the "Notice") to each stockholder. The Notice contains instructions on how to access our proxy materials and how to vote. If you would like to receive a paper or email copy of our proxy materials, please follow the instructions in the Notice. If you requested printed versions of these materials by mail, the materials will include a proxy card for the Annual Meeting.

All proxies will be voted in accordance with the instructions contained in those proxies. If no choice is specified, the proxies will be voted for the Class III director nominee and in favor of Proposals 2 and 3.

We are first making available this Proxy Statement and the accompanying proxy card to stockholders on or about April 26 2023.

## **QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING**

### **Q. Why did I receive these proxy materials?**

- A.** We are providing these proxy materials to you in connection with the solicitation by our Board of Directors of proxies to be voted at the Annual Meeting to be held virtually on Tuesday, June 6, 2023 at 2:00 p.m. Eastern Time.

### **Q. What proposals am I voting on?**

- A.** There are three proposals scheduled for a vote:
- Proposal 1: the election of the Class III director;
  - Proposal 2: the ratification of the selection of Ernst & Young LLP ("Ernst & Young") as our independent registered public accounting firm for the year ending December 31, 2023; and
  - Proposal 3: a non-binding advisory vote to approve the compensation of our Named Executive Officers for 2022.

### **Q. Who can vote at the Annual Meeting?**

- A.** Our Board of Directors has fixed April 12, 2023 as the record date for the Annual Meeting. If you were a stockholder of record as of the close of business on the record date, you are entitled to vote (including by proxy) all of the shares that you held on that date at the Annual Meeting and at any postponement or adjournment thereof. On the record date, we had 98,181,957 shares of Class A common stock outstanding (each of which entitles its holder to one vote per share) and 15,999,173 shares of Class B common stock outstanding (each of which entitles its holder to ten votes per share).

### **Q. How do I attend the Annual Meeting?**

- A.** The Annual Meeting will be held virtually on Tuesday, June 6, 2023 at 2:00 p.m. Eastern Time. The Annual Meeting will be a virtual stockholder meeting, conducted via live audio webcast, through which you can submit questions and vote online. The Annual Meeting can be accessed by visiting [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023) and entering your 16-digit control number (included on the Notice mailed to you). Information on how to vote during the Annual Meeting is discussed below.

**Q. Can I attend the Annual Meeting in person?**

- A. We will be hosting the Annual Meeting via live audio webcast on the internet. You will not be able to attend the meeting in person. Any stockholder can listen to the Annual Meeting live via the internet at [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023), where you can also vote online. The webcast will start at 2:00 p.m. Eastern Time, on June 6, 2023, but we encourage stockholders to access the Annual Meeting online prior to its scheduled start time. Stockholders may vote while connected to the Annual Meeting on the internet. In order to do so, you will need the 16-digit control number included on the Notice mailed to you. Please be aware that you bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies. If you have any technical difficulties or any questions regarding the virtual meeting website, please call the support team at the numbers listed on the log-in screen.

**Q. Can I ask questions during the Annual Meeting?**

- A. Yes. Stockholders may submit questions during the Annual Meeting via the internet at [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023) after logging in with the 16-digit control number included on the Notice mailed to you. We will endeavor to answer as many questions pertinent to Annual Meeting matters as time permits, but we do not intend to address any questions that are not pertinent to Annual Meeting matters. Questions that are substantially similar may be grouped, summarized and answered together to avoid repetition.

**Q. If I am unable to attend the virtual Annual Meeting, can I listen to the Annual Meeting by telephone?**

- A. No. The Annual Meeting is only accessible via the live audio webcast at [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023). If you are unable to join the live audio webcast, a recording will be available on [www.virtualshareholdermeeting.com](http://www.virtualshareholdermeeting.com) within 24 hours after the meeting concludes.

**Q. What happens if the meeting is postponed or adjourned?**

- A. Your proxy may be voted at the postponed or adjourned meeting. You will still be able to change your proxy until it is voted.

**Q. How do I vote?**

- A. **If your shares are registered directly in your name**, you may vote:

(1) **Over the Internet:** Go to the website of our tabulator, Broadridge Financial Solutions, Inc. ("Broadridge"), at [www.proxyvote.com](http://www.proxyvote.com). Use the vote control number printed on your Notice to access your account and vote your shares. You must specify how you want your shares voted, otherwise your internet vote cannot be completed, and you will receive an error message. Your shares will be voted according to your instructions. You must submit your internet proxy before 11:59 p.m. Eastern Time on June 5, 2023, the day before the Annual Meeting, for your proxy to be valid and your vote to count.

(2) **By Telephone:** Call 1-800-690-6903, toll free from the United States, Canada and Puerto Rico, and follow the recorded instructions. You must specify how you want your shares voted and confirm your vote at the end of the call, otherwise your telephone vote cannot be completed. Your shares will be voted according to your instructions. You must submit your telephonic proxy before 11:59 p.m. Eastern Time on June 5, 2023, the day before the Annual Meeting, for your proxy to be valid and your vote to count.

(3) **By Mail:** If you requested printed copies of the proxy materials, complete, date and sign your enclosed proxy card and mail it in the enclosed postage prepaid envelope to Broadridge. Your shares will be voted according to your instructions. Broadridge must receive the proxy card not later than June 5, 2023, the day before the Annual Meeting, for your proxy to be valid and your vote to count.

If you mail in your proxy card but do not specify how you want your shares voted, they will be voted as recommended by our Board of Directors.

(4) **During the Annual Meeting via [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023):** You may attend the Annual Meeting via the internet and vote during the Annual Meeting. Please have your Notice in hand when you access the website and then follow the instructions.

**If your shares are held in "street name,"** meaning they are held for your account by a broker or other nominee, you may vote:

(1) **Over the Internet or by Telephone:** You will receive instructions from your broker or other nominee if they permit internet or telephonic voting. You should follow those instructions.

(2) **By Mail:** You will receive instructions from your broker or other nominee explaining how you can vote your shares by mail. You should follow those instructions.

(3) **During the Annual Meeting via [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023):** You may contact your broker or other nominee who holds your shares to obtain a broker's proxy. A broker's proxy is not the form of proxy enclosed with this Proxy

Statement. **You will not be able to vote shares you hold in street name via the internet during the Annual Meeting unless you have a proxy from your broker or other nominee issued in your name giving you the right to vote your shares.**

**Q. Can I change my vote or revoke my proxy?**

**A. If your shares are registered directly in your name**, you may revoke your proxy and change your vote before or during the Annual Meeting. To do so, you must do one of the following:

(1) Vote over the internet or by telephone as instructed above. Only your latest internet or telephone vote is counted. You may not change your vote over the internet or by telephone after 11:59 p.m. eastern time, on June 5, 2023.

(2) Sign a new proxy and submit it by mail as instructed above. Only your latest dated proxy that was received by Broadridge by June 5, 2023 will be counted.

(3) Attend the Annual Meeting via [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023) and vote again.

**If your shares are held in street name**, you may submit new voting instructions by contacting your broker or other nominee. You may also vote online during the Annual Meeting if you obtain a broker's proxy as described in the answer above.

**Q. Will my shares be voted if I do not return my proxy?**

**A. If your shares are registered directly in your name**, your shares will not be voted if you do not vote over the internet, by telephone, by returning your proxy or by voting online during the Annual Meeting.

**If your shares are held in street name**, your broker or other nominee may, under certain circumstances, vote your shares if you do not timely return your proxy. **Brokers and other nominees can vote their customers' unvoted shares on "routine" matters but cannot vote such shares on "non-routine" matters.** If you do not timely return a proxy to your broker or other nominee to vote your shares, your broker or other nominee may, on "routine" matters, either vote your shares or leave your shares unvoted.

**The election of directors (Proposal 1) and the non-binding advisory vote on the compensation of our Named Executive Officers (Proposal 3) are non-discretionary matters. The ratification of the appointment of our independent auditors (Proposal 2) is a discretionary matter.**

We encourage you to provide voting instructions to your broker or other nominee. This ensures that your shares will be voted at the Annual Meeting according to your instructions.

**Q. How many shares must be present to hold the Annual Meeting?**

**A.** Shares representing a majority of the votes applicable to all of our shares of common stock issued and outstanding and entitled to vote must be present to hold the Annual Meeting and conduct business. This is called a quorum. For purposes of determining whether a quorum exists, we count as present any shares that are voted over the internet, by telephone or by completion and submission of a proxy or that are represented virtually at the Annual Meeting. Further, for purposes of establishing a quorum, we will count as present shares that a stockholder holds even if the stockholder votes to withhold or abstain or votes on only one of the proposals. In addition, broker non-votes will count as present in determining whether there is a quorum. If a quorum is not present, we expect to adjourn the Annual Meeting until we obtain a quorum.

**Q. What is a broker non-vote?**

**A.** "Broker non-votes" occur when a beneficial owner of shares held in street name fails to provide instructions to the broker or other nominee holding the shares as to how to vote on matters deemed "non-routine." If the beneficial owner does not provide voting instructions, the broker or other nominee cannot vote the shares with respect to "non-routine" matters, such as the election of directors, or the non-binding, advisory approval of the compensation of our named executive officers, but can vote the shares with respect to "routine" matters, which include the ratification of the appointment of an independent registered public accounting firm. Therefore, if you do not instruct your broker how to vote on Proposals 1 and 3, your shares will not be counted for those proposals. We urge you to give voting instructions to your broker on all voting items.

**Q. What vote is required to approve each proposal and how are votes counted?**

**A. Proposal 1 – Election of the Class III Director**

The nominee for the Class III director receiving the highest number of votes FOR election will be elected as director. This is called a plurality. **Proposal 1 is a non-routine matter.** Therefore, if your shares are held in street name and you do not instruct your broker or other nominee how to vote your shares on Proposal 1, your broker or other nominee cannot vote your shares on Proposal 1. Shares held in street name by brokers or nominees who indicate on their proxies that they do not have authority to



vote the shares on Proposal 1 will not be counted as votes FOR or WITHHELD from any nominee and will be treated as "broker non-votes." Broker non-votes will have no effect on the voting on Proposal 1. Since there is only one Class III director nominated for re-election, with respect to Proposal 1, you may:

- vote FOR the one nominee; or
- WITHHOLD your vote from the one nominee.

Votes that are withheld will not be included in the vote tally for Proposal 1 and will not affect the results of the vote.

### **Proposal 2 – Ratification of Appointment of Registered Accounting Firm**

To approve Proposal 2, the affirmative vote of a majority of votes applicable to the shares present in person or represented by proxy at the meeting and entitled to vote on the matter must vote FOR the proposal. **Proposal 2 is a routine matter.** Therefore, if your shares are held in street name and you do not instruct your broker or other nominee how to vote your shares, your broker or other nominee may vote your shares on Proposal 2. If you vote to ABSTAIN on Proposal 2, your shares will not be voted FOR or AGAINST the proposal and will also not be counted as votes cast or shares voting on the proposal. Voting to ABSTAIN will have no effect on the voting on Proposal 2.

Although stockholder approval of our Audit Committee's appointment of Ernst & Young as our independent registered public accounting firm for the year ending December 31, 2023 is not required, we believe that it is advisable to give stockholders an opportunity to ratify this appointment. As an advisory vote, this proposal is not binding. The outcome of this advisory vote will not overrule any decision by us or our Board of Directors (or any committee thereof). However, if this proposal is not approved at the Annual Meeting, our Audit Committee may reconsider its appointment of Ernst & Young as our independent registered public accounting firm for the year ending December 31, 2023.

### **Proposal 3 – Non-Binding Advisory Vote to Approve the Compensation of Our Named Executive Officers for 2022**

To approve Proposal 3, the affirmative vote of a majority of votes applicable to the shares present in person or represented by proxy at the meeting and entitled to vote on the matter must vote FOR the proposal. **Proposal 3 is a non-routine matter.** If your shares are held in street name and you do not instruct your broker or other nominee how to vote your shares, your broker or other nominee cannot vote your shares on Proposal 3. Therefore, voting to ABSTAIN and broker non-votes will have no effect on the outcome of this proposal.

Advisory votes on the compensation of our Named Executive Officers are non-binding; however, as described in more detail in Proposal 3, our Board of Directors and Compensation Committee will review and consider the outcome of this vote when making future decisions regarding our executive compensation program.

#### **Q. How does the Board of Directors recommend that I vote?**

A. Our Board of Directors unanimously recommends that you vote your shares:

- "FOR" the nominee for election as director listed in Proposal 1;
- "FOR" the ratification of the appointment of Ernst & Young as our independent registered public accounting firm for the year ending December 31, 2023; and
- "FOR" the approval, on a non-binding advisory basis, of the compensation of our Named Executive Officers for 2022.

#### **Q. How many votes do I have?**

A. On each matter to be voted upon, you have one vote for each share of Class A common stock and ten votes for each share of Class B common stock you owned as of April 12, 2023. The Class A common stock and Class B common stock will vote together as a single class on all proposals described in this Proxy Statement.

#### **Q. Are there other matters to be voted on at the Annual Meeting?**

A. We do not know of any matters that may come before the Annual Meeting other than the election of the Class III director, the ratification of the appointment of our independent registered public accounting firm and the non-binding advisory vote to approve the compensation of our Named Executive Officers for 2022. If any other matters are properly presented at the Annual Meeting, the persons named in the accompanying proxy will vote, and otherwise act, in accordance with their judgment on the matter.

#### **Q. Is my vote confidential?**

A. Proxy instructions, ballots, and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within CarGurus or to third parties, except as necessary to meet

applicable legal requirements, to allow for the tabulation of votes and certification of the vote, or to facilitate a successful proxy solicitation.

**Q. Where can I find the voting results?**

A. We will report the voting results in a Current Report on Form 8-K within four business days following the adjournment of the Annual Meeting.

**Q. What are the costs of soliciting these proxies?**

A. We will bear all expenses of this solicitation, including the cost of preparing and mailing these proxy materials. Directors, officers and employees of CarGurus may also solicit proxies in person or by other means of communication. Such directors, officers and employees will not be additionally compensated but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. We may engage the services of a professional proxy solicitation firm to aid in the solicitation of proxies from certain brokers, bank nominees and other institutional owners. Our costs for such services, if retained, will not be significant.

**Q. Who may I contact if I have any additional questions?**

A. If you hold your shares directly, please call the Company's Legal Department at (617) 354-0068. If your shares are held in street name, please contact the telephone number provided on your voting instruction form or contact your broker or nominee holder directly.

**IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS**

**For the 2023 Annual Meeting of Stockholders on June 6, 2023**

**This Proxy Statement and the 2022 Annual Report to Stockholders are available for viewing, printing and downloading at [www.proxyvote.com](http://www.proxyvote.com).**

**A copy of our Annual Report on Form 10-K (including financial statements and schedules) for the year ended December 31, 2022, as filed with the Securities and Exchange Commission ("SEC") except for exhibits, will be furnished without charge to any stockholder after written or verbal request to:**

**CarGurus, Inc.  
Attn: Investor Relations  
2 Canal Park, 4th Floor  
Cambridge, Massachusetts 02141 USA  
Telephone: +1 (617) 354-0068**

**This Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2022 are also available on the SEC's website, [www.sec.gov](http://www.sec.gov).**

**BOARD OF DIRECTORS AND MANAGEMENT**

**Information Regarding Directors and Director Nominee**

Our amended and restated certificate of incorporation provides for the classification of our Board of Directors into three classes, with the terms of service of the three classes staggered so that the term of one class expires each year.

On January 11, 2023, Yvonne Hao ("Ms. Hao") resigned from her position on our Board of Directors and a vacancy was created among our Class II directors. Our Board of Directors voted to reduce the size of the board by one seat on April 24, 2023 and, accordingly, our Board of Directors now consists of seven directors. Class I currently consists of Lori Hickok, Greg Schwartz and Jason Trevisan, each with a term expiring at the annual meeting of stockholders to be held in 2024. Class II currently consists of Steven Conine and Stephen Kaufer, each with a term expiring at the annual meeting of stockholders to be held in 2025. Class III currently consists of Ian Smith and Langley Steinert, each with a term expiring at the Annual Meeting.

At each annual meeting of stockholders, directors are elected for a full term of three years to continue or succeed those directors whose terms are expiring. Our Board of Directors has nominated Mr. Steinert for election at the Annual Meeting as the Class III director, to serve for a term ending in 2026, or until his successor has been duly elected and qualified.

On April 21, 2023, Mr. Smith notified the Board of Directors that he would not stand for re-election to the Board of Directors when his current term expires at the company's 2023 Annual Meeting. As a result, our Board of Directors voted to reduce the size of our board by one seat, effective as of the Annual Meeting. Mr. Smith has faithfully served our Board of Directors and brought tremendous value and insight to our company for nearly 15 years and we are grateful for his service. Our Board of Directors intends to seek additional members and currently intends to expand its size following the Annual Meeting with members who we expect will bring relevant expertise, and diversity of experience and representation.

**Director Qualifications**

The following table and biographical descriptions provide information as of April 1, 2023 relating to each director (other than Mr. Smith) and the director nominee, including each director's age and period of service as a member of our Board of Directors; Board of Directors committee memberships; business experience during the past five years, including directorships at other public companies; and the other experience, qualifications, attributes or skills that led our Board of Directors to conclude such person should serve as a director of our company:

	BOARD OF DIRECTORS					
	Steven Conine	Lori Hickok	Stephen Kaufer	Greg Schwartz	Langley Steinert	Jason Trevisan
<b>Current Occupation</b>	Co-Founder at Wayfair Inc.	N/A	Co-Founder and Consultant at Trip Advisor, Inc.	CEO, Co-Founder and Chairman of the Board at Tomo Networks, Inc.	Founder and Executive Chairman at CarGurus	CEO at CarGurus, Inc.
<b>Skills &amp; Experience</b>						
Independent	✓	✓	✓	✓		
Additional Board of Directors Experience	✓	✓	✓	✓	✓	✓
Executive Leadership	✓	✓	✓	✓	✓	✓
Online Marketplace Industry	✓	✓	✓	✓	✓	✓
Innovation & Technology	✓	✓	✓	✓	✓	✓
Strategic Planning	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓
Financial Reporting; Accounting; Taxation		✓				✓
Internet & Media	✓	✓	✓	✓	✓	✓
Finance & Investment Management	✓	✓	✓	✓	✓	✓
Oversight of Data Privacy and Cybersecurity	✓	✓	✓	✓	✓	✓
Human Capital Management	✓	✓	✓	✓	✓	✓
Audit Committee Financial Expert		✓				
<b>Additional Information</b>						
Board Class/ Term Ends	Class II 2025	Class I 2024	Class II 2025	Class I 2024	Class III 2026*	Class I 2024
Age	50	59	60	50	59	48
Tenure	4	4	15	5	17	2
Current Other Public Company Directorships	Wayfair Inc. (Co-Chairman)	1stDibs.com, Inc.	Trip Advisor, Inc.	None	None	None

Director Nominee

Continuing Director

\* If elected at the 2023 Annual Meeting

The ✓ indicates that the item is a specific qualification, skill or experience that the director or director nominee brings to our Board of Directors. The lack of ✓ for a particular item does not mean that the director or director nominee does not possess that qualification, characteristic, skill or experience. We expect each director to be knowledgeable in several of these areas.

For the Nasdaq Board Diversity Matrix, see "*Board Diversity Matrix*" on page 15.

**BOARD OF DIRECTORS****Class I Directors**

(term expiring 2024)

**Lori Hickok****Director Since:** August 2018**Age:** 59**Committees**

Audit – Chair

**Other Public Company Boards**

1stdibs.com, Inc. (Nasdaq: DIBS)

**Key Skills and Experience**

Independent  
Additional Board of Directors Experience  
Executive Leadership  
Online Marketplace Industry  
Innovation & Technology  
Strategic Planning  
Corporate Governance  
Financial Reporting; Accounting; Taxation  
Internet & Media  
Finance & Investment Management  
Oversight of Data Privacy and Cybersecurity  
Human Capital Management  
Audit Committee Financial Expert

Ms. Hickok has served as a member of our Board of Directors since August 2018. Ms. Hickok was the Executive Vice President, Chief Financial and Development Officer for Scripps Networks Interactive, Inc. ("Scripps"), a leading developer of engaging lifestyle content in the home, food and travel categories for television, the internet and emerging platforms, from July 2017 until April 2018. Prior to that time, she served as Scripps's Executive Vice President, Chief Financial Officer from March 2015 until June 2017, and Executive Vice President, Finance from July 2008 until February 2015. Prior to Scripps's spin off from The E.W. Scripps Company ("E.W. Scripps") on July 1, 2008, Ms. Hickok served for six years as E.W. Scripps's Vice President and Corporate Controller. She first joined E.W. Scripps in 1988, as a financial analyst in the corporate finance department, and held positions as the Chief Analyst for Corporate Development, New Media Operations Controller and Divisional Controller for E.W. Scripps's former cable television systems division, which merged in 1996 with Comcast Corporation. Ms. Hickok serves on the Board of Directors of 1stdibs.com, Inc., an online marketplace for luxury design products, a position she has held since June 2021. She also serves on the Board of Directors of the Second Harvest Food Bank of East Tennessee. A retired Certified Public Accountant, Ms. Hickok received a Bachelor of Science degree in Accounting & Finance from Miami University.

We believe Ms. Hickok is qualified to serve as a member of our Board of Directors because of her extensive finance and accounting background, including as an executive officer at a public company, and her experience as an executive in the media and internet industries.

**Greg Schwartz****Director Since:** March 2018**Age:** 50**Committees**

Audit

**Key Skills and Experience**

Independent  
 Additional Board of Directors Experience  
 Executive Leadership  
 Online Marketplace Industry  
 Innovation & Technology  
 Strategic Planning  
 Corporate Governance  
 Internet & Media  
 Finance & Investment Management  
 Oversight of Data Privacy and Cybersecurity  
 Human Capital Management

Mr. Schwartz has served as a member of our Board of Directors since March 2018. Mr. Schwartz is the co-founder of Tomo Networks, Inc. ("Tomo"), an internet-based mortgage and real estate company, and has served as Tomo's Chief Executive Officer and Chairman of its Board of Directors since June 2020. Prior to founding and joining Tomo, from June 2018 to December 2019, Mr. Schwartz served as the President Media & Marketplaces of Zillow Group, Inc. ("Zillow"), an online real estate marketplace, prior to which he served as Zillow's Chief Business Officer from August 2015 to June 2018, Chief Revenue Officer from September 2010 to August 2015 and Vice President of Sales from March 2007 to September 2010. Prior to joining Zillow, Mr. Schwartz was Vice President of Advertising Sales at CNNMoney.com, a financial media company, from July 2005 to March 2007. From August 2001 to July 2005, Mr. Schwartz served as National Accounts Director for the Automotive and Finance Properties of Yahoo!, Inc., an online search company. Mr. Schwartz held various positions at DoubleClick, Inc., an online advertising company, from 1998 to 2000, including Director of Business Development. Mr. Schwartz holds a Bachelor of Arts degree in Government from Hamilton College.

We believe Mr. Schwartz is qualified to serve as a member of our Board of Directors because of his extensive experience as an executive in the online marketplace industry and as an executive officer at a public company.

**Jason Trevisan****Director Since:** January 2021**Age:** 48**Key Skills and Experience**

Additional Board of Directors Experience  
 Executive Leadership  
 Online Marketplace Industry  
 Innovation & Technology  
 Strategic Planning  
 Corporate Governance  
 Financial Reporting; Accounting; Taxation  
 Internet & Media  
 Finance & Investment Management  
 Oversight of Data Privacy and Cybersecurity  
 Human Capital Management

Mr. Trevisan has served as our Chief Executive Officer and a member of our Board of Directors since January 2021 and is also serving as our interim Principal Financial Officer. Prior to such appointments, he served as our Chief Financial Officer from September 2015, as our Treasurer from July 2016 and as our President, International from January 2020. Prior to joining CarGurus, Mr. Trevisan was a General Partner with Polaris Partners ("Polaris"), a venture capital firm, from September 2003 to August 2015. While at Polaris, Mr. Trevisan led investments in and served as a director of numerous consumer internet and software companies including LegalZoom, PartsSource, Shoedazzle, and The Roberts Group. Prior to joining Polaris, from September 1999 to June 2001, Mr. Trevisan held management roles in analytics and client services at aQuantive, a digital marketing service and technology company, which was acquired by Microsoft Corporation in 2007. Earlier in his career, from July 1996 to August 1999, he served as a consultant with Bain & Company, a management consulting company. Mr. Trevisan received a Master of Business Administration degree from the Tuck School of Business at Dartmouth College and a Bachelor of Arts degree from Duke University.

We believe Mr. Trevisan is qualified to serve as a member of our Board of Directors because of his extensive experience in the online marketplace industry and his deep understanding of our business as it has evolved over time.

**Class II Directors**  
(term expiring 2025)

**Steven Conine**

**Director Since:** June 2018  
**Age:** 50

**Committees**

Audit  
Compensation

**Other Public Company Boards**

Wayfair Inc. (NYSE: W)

**Key Skills and Experience**

Independent  
Additional Board of Directors Experience  
Executive Leadership  
Online Marketplace Industry  
Innovation & Technology  
Strategic Planning  
Corporate Governance  
Internet & Media  
Finance & Investment Management  
Oversight of Data Privacy and Cybersecurity  
Human Capital Management

Mr. Conine has served as a member of our Board of Directors since June 2018. Mr. Conine is the co-founder of Wayfair Inc. ("Wayfair") and has served as a director of Wayfair since 2002. He previously served as Wayfair's Chief Technology Officer from 2002 until 2015. Prior to founding Wayfair, Mr. Conine served as Chief Technology Officer for Simplify Mobile Corporation, an enterprise software company he co-founded in 2001, Chief Operating Officer for the London office of iXL Enterprises, Inc. from 1999 to 2000, and Chief Technology Officer of Spinners Incorporated, an IT consulting company he co-founded, from 1995 to 1998. Mr. Conine received a Bachelor of Science degree from Cornell University.

We believe Mr. Conine is qualified to serve as a member of our Board of Directors because of his extensive experience as a co-founder, director and executive in technology and internet marketplaces, as well as serving as an executive and member of the board of directors at a public company.

**Stephen Kaufer**

**Director Since:** June 2007  
**Age:** 60

**Committees**

Compensation

**Other Public Company Boards**

TripAdvisor, Inc.

**Key Skills and Experience**

Independent  
Additional Board of Directors Experience  
Executive Leadership  
Online Marketplace Industry  
Innovation & Technology  
Strategic Planning  
Corporate Governance  
Internet & Media  
Finance & Investment Management  
Oversight of Data Privacy and Cybersecurity  
Human Capital Management

Mr. Kaufer has served as a member of our Board of Directors since June 2007. He co-founded TripAdvisor, Inc. ("TripAdvisor"), an online marketplace for travel-related content, in February 2000 and has been the President and Chief Executive Officer of TripAdvisor since that time. Mr. Kaufer has been a director of TripAdvisor since the completion of its spin-off from Expedia, Inc. in December 2011. Prior to co-founding TripAdvisor, Mr. Kaufer served as President of CDS, Inc. ("CDS"), an independent software vendor specializing in programming and testing tools. Prior to joining CDS, Mr. Kaufer co-founded CenterLine Software in 1985 and served as its Vice President of Engineering until 1998. Mr. Kaufer has served on the boards of several privately held companies, including LiveData, Inc. and GlassDoor, Inc., and currently serves as a member of the board of directors at the Neuroendocrine Tumor Research Foundation. Mr. Kaufer holds a Bachelor of Arts degree from Harvard University.

We believe Mr. Kaufer is qualified to serve as a member of our Board of Directors because of his extensive experience as an executive in the online marketplace industry. Mr. Kaufer also possesses strategic and governance skills gained through his service as an executive and member of the board of directors of a public company and with several private companies.

**Class III Director to be elected at the 2023 Annual Meeting**  
(term expiring 2023)

**Langley Steinert**

**Director Since:** March 2006  
**Chairman Since:** September 2017  
**Executive Chairman Since:** January 2021  
**Age:** 59

**Key Skills and Experience**

Additional Board of Directors Experience  
Executive Leadership  
Online Marketplace Industry  
Innovation & Technology



Strategic Planning  
Corporate Governance  
Internet & Media  
Finance & Investment Management  
Oversight of Data Privacy and Cybersecurity  
Human Capital Management

Langley Steinert is our founder and has served as our Executive Chairman since January 2021 and as a member of our Board of Directors since our founding. Mr. Steinert has served as our Chairman since September 2017, and served as our Chief Executive Officer from our founding to January 2021 and as our President from June 2015 to February 2019. Mr. Steinert is also the co-founder of ApartmentAdvisor, Inc., an apartment rental marketplace, and has served as Chairman of its board of directors since October 2020. Mr. Steinert also serves as a board member at the Tuck School of Business at Dartmouth College. From February 2000 through February 2006, Mr. Steinert was Chairman and co-founder of TripAdvisor, an online marketplace for travel-related content. Mr. Steinert holds a Master of Business Administration degree from the Tuck School of Business at Dartmouth College and a Bachelor of Arts degree from Georgetown University.

We believe Mr. Steinert is qualified to serve as a member of our Board of Directors because of his extensive experience in the online marketplace industry. As our founder and Executive Chairman, we also value his deep understanding of our business as it has evolved over time.

There are no family relationships among any of our directors or executive officers.

### **Corporate Governance Matters**

Our Board of Directors believes that good corporate governance is important to ensure that our company is managed for the long-term benefit of our stockholders. This section describes key corporate governance guidelines and practices that we have adopted. Complete copies of our Audit Committee Charter, Compensation Committee Charter, Corporate Governance Guidelines and Code of Conduct are available on the Investor Relations section of our website, <https://investors.cargurus.com>, at "Governance." Alternatively, you can request a copy of any of these documents by writing us at: CarGurus, Inc., Attn: Investor Relations, 2 Canal Park, 4th Floor, Cambridge, Massachusetts 02141 USA.

### **Code of Conduct**

Our Board of Directors has adopted a Code of Conduct which applies to all employees, officers and directors of CarGurus, Inc., its subsidiaries and its affiliates, including our Executive Chairman, Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The Code of Conduct is available on our website at <https://investors.cargurus.com> at "Governance." Amendments to the Code of Conduct, and any waivers of its requirements, will be disclosed on our website.

### **Corporate Governance Guidelines**

Our Board of Directors has Corporate Governance Guidelines to assist it in the exercise of its duties and responsibilities and to serve the best interests of our company and our stockholders. These principles, which set forth a framework for the conduct of our Board of Directors' business, provide that:

- the primary responsibility of the members of our Board of Directors is to oversee, counsel and direct our management in the interest and for the benefit of our stockholders;
- unless otherwise permitted by the rules and regulations of the Nasdaq Stock Market ("Nasdaq"), a majority of the members of our Board of Directors must be independent directors;
- the non-management directors meet at least semi-annually in executive session;
- directors have full and free access to our management;
- our Board of Directors has the authority to retain outside counsel, experts and other advisors as it determines appropriate;
- new directors receive access to information and meetings with management in order to familiarize new directors with our business, operations, risk management and accounting issues, finances, and governance practices (including our Code of Business Conduct and Ethics) and all directors are encouraged to attend director education programs; and
- at least annually, our Board of Directors and its committees conduct self-evaluations to assess their performance.

Our Corporate Governance Guidelines are available on our website at <https://investors.cargurus.com> at "Governance." Amendments to these Guidelines will be disclosed on our website.

## **Board of Directors Determination of Independence and Status as a "Controlled Company"**

Our Board of Directors has undertaken a review of the independence of each director. Based on information provided by each director concerning the director's background, employment and affiliations, our Board of Directors determined that each of Ms. Hickok and Messrs. Conine, Kaufer and Schwartz does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under applicable Nasdaq listing requirements and rules. In making these determinations, our Board of Directors considered the current and prior relationships that each such director has with our company and all other facts and circumstances our Board of Directors deemed relevant in determining their independence, including each director's direct and beneficial ownership of our capital stock and the transactions involving them described in the section of this Proxy Statement titled "Related Person Transactions."

Because Mr. Steinert controls a majority of our outstanding combined voting power, we are a "controlled company" under the corporate governance rules for Nasdaq-listed companies. Under these rules, a company is a controlled company if more than 50% of the combined voting power for the election of directors is held by an individual, group or another company. A controlled company may elect not to comply with certain corporate governance requirements otherwise applicable to Nasdaq-listed companies, including the requirements that:

- a majority of the board of directors consist of independent directors;
- the compensation committee be composed entirely of directors meeting Nasdaq independence standards applicable to compensation committee members with a written charter addressing the committee's purpose and responsibilities;
- the compensation committee consider certain independence factors when engaging compensation consultants; and
- director nominees either be selected, or recommended for selection by the board of directors, either by "independent directors," as defined under Nasdaq rules, constituting a majority of the independent directors of the board of directors in a vote in which only independent directors participate, or by a nominating committee comprised solely of independent directors.

We have availed, and intend to continue to avail, ourselves of certain of these exemptions and, for so long as we qualify as a controlled company, we will maintain the option to utilize from time to time some or all of these exemptions. For example, our Compensation Committee currently does not consist entirely of independent directors, we do not have a nominating committee, and our director nominees are not selected (or recommended for selection by our Board of Directors) in a vote in which only independent directors participate.

Our Class B common stock has ten votes per share and our Class A common stock has one vote per share. Primarily by virtue of his holdings in shares of our Class B common stock, Mr. Steinert is able to exercise voting rights with respect to a majority of the voting power of our outstanding capital stock. Transfers by holders of Class B common stock will generally result in those shares converting into Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning or charitable purposes. The conversion of Class B common stock into Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares. In particular, if Mr. Steinert retains a significant portion of his holdings of Class B common stock for an extended period of time, he could, in the future, continue to control a majority of the combined voting power of our outstanding capital stock.

### **Director Nomination Process**

As a controlled company, we do not use solely independent directors or a committee comprised solely of independent directors to evaluate director candidates and select or recommend director nominees for selection by our Board of Directors. Our entire Board of Directors is responsible for nominating candidates for election to the Board at our annual meeting of the stockholders. The process followed by our Board of Directors to identify and evaluate director candidates may include requests to members of our Board of Directors and others for recommendations; recommendations offered by our Chief Executive Officer, stockholders or any outside advisors retained by the Board of Directors, meetings from time to time to evaluate biographical information and background material relating to potential candidates; and interviews of selected candidates by members of our Board of Directors.

### **Criteria and Diversity**

In considering whether to recommend any particular candidate for inclusion in the slate of recommended director nominees for our Board of Directors, our Board of Directors applies certain criteria as set forth in our Corporate Governance Guidelines. These criteria include the candidate's business experience and skills, independence, character, wisdom, judgment, integrity, ability to make independent analytical inquiries, understanding of our business environment, the ability to commit sufficient time and attention to board activities, and the absence of potential conflicts with our interests. Our Board of Directors does not assign specific weights to particular criteria and no particular criterion is a prerequisite for any prospective nominee. In evaluating any director candidate recommended by stockholders, our Board of Directors will apply the same criteria and adhere to the same policies and procedures applicable to the evaluation of candidates proposed by members of our Board of Directors or management.

Our Board of Directors recognizes its responsibility to ensure that nominees for our Board of Directors possess appropriate qualifications and reflect a reasonable diversity of skills, abilities, industry knowledge, personal and professional experience and personal characteristics. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow our Board of Directors to promote our strategic objectives and to fulfill its responsibilities to our stockholders.

While we do not have a formal diversity policy, our Corporate Governance Guidelines sets forth our Board of Directors' commitment to diversity. Specifically, our Board of Directors believes that diversity, including differences in backgrounds, qualifications, and personal characteristics, is important to the effectiveness of its oversight of the Company and that its membership should reflect a diversity of personal characteristics. Our Board of Directors is committed to this policy of inclusiveness and will therefore continue to take reasonable steps to ensure that women and candidates from traditionally unrepresented minorities are considered for the pool of candidates from which our director nominees are chosen and will continue to endeavor to include candidates from non-traditional venues. Consistent with this philosophy, since joining our Board of Directors in August 2018, Ms. Hickok has served in a leadership role as Chair of our Audit Committee.

The director biographies on pages 10-13 indicate each director's experience, qualifications, attributes and skills that led our Board of Directors to conclude that each director should continue to serve as a member of our Board of Directors. Our Board of Directors believes that each director has had substantial achievement in such director's professional and personal pursuits and possesses the background, talents and experience that our Board of Directors desires and that will contribute to the best interests of our company and to long-term stockholder value.

## Board Diversity Matrix

The tables below provide certain highlights of the composition of our Board of Directors members and nominees as of April 1, 2023 and April 1, 2022, respectively. Each of the categories listed in the tables below has the meaning as it is used in Nasdaq Rule 5605(f).

Board Diversity Matrix (As of April 1, 2023)				
Total Number of Directors	7			
	Female	Male	Non-Binary	Did Not Disclose Gender
<b>Part I: Gender Identity</b>				
Directors	1	4	0	2
<b>Part II: Demographic Background</b>				
African American or Black	0	0	0	0
Alaskan Native or Native American	0	0	0	0
Asian	0	0	0	0
Hispanic or Latinx	0	0	0	0
Native Hawaiian or Pacific Islander	0	0	0	0
White	1	4	0	0
Two or More Races or Ethnicities	0	0	0	0
LGBTQ+	0			
Did Not Disclose Demographic Background	2			

Board Diversity Matrix (As of April 1, 2022)				
Total Number of Directors	8			
	Female	Male	Non-Binary	Did Not Disclose Gender
<b>Part I: Gender Identity</b>				
Directors	2	4	0	2
<b>Part II: Demographic Background</b>				
African American or Black	0	0	0	0
Alaskan Native or Native American	0	0	0	0
Asian	1	0	0	0
Hispanic or Latinx	0	0	0	0
Native Hawaiian or Pacific Islander	0	0	0	0
White	1	4	0	0
Two or More Races or Ethnicities	0	0	0	0
LGBTQ+	0			
Did Not Disclose Demographic Background	2			

## Board of Directors Meetings and Attendance

Our Board of Directors met six times during 2022. During 2022, six of our eight directors serving at such time attended at least 90% of the aggregate number of the meetings of our Board of Directors and the committees on which they served, for the periods during which they served, and each of our directors serving at such time attended at least 75% of the aggregate number of the meetings of our Board of Directors and the committees on which they served, for the periods during which they served.

Although we do not have a formal policy regarding director attendance at the annual meeting of stockholders, our Corporate Governance Guidelines provide that our directors are invited and encouraged to attend our annual meeting of stockholders. Seven of the eight members of our Board of Directors serving at such time attended our 2022 annual meeting of stockholders.

## Board of Directors Leadership Structure

Mr. Steinert, our Executive Chairman, is also the Chairman of our Board of Directors. Mr. Steinert has authority, among other things, to call and preside over meetings of our Board of Directors and set meeting agendas. As a result of Mr. Steinert's extensive history with and knowledge of CarGurus, he is able to provide valuable insight and help ensure that our Board of Directors and management act with a common purpose. Our Board of Directors has not appointed a lead independent director. As a result, if Mr. Steinert is not present at a meeting of our Board of Directors, our Board of Directors would appoint one independent director to chair such meeting. Effective as of Mr. Steinert's resignation as our Chief Executive Officer and Mr. Trevisan's appointment as such in

January 2021, the roles of Chairman and Chief Executive Officer are no longer combined. We have not established a policy as to whether or not the roles of Chairman and Chief Executive Officer should be separate or combined.

We have a Chair for each committee of our Board of Directors. Our Board of Directors delegates substantial responsibilities to the committees, which regularly report their activities and actions back to our Board of Directors. We believe our board and committee leadership structure provides an appropriate allocation of roles and responsibilities for our company at this time because it strikes an effective balance of the participation of management and independent leadership in the proceedings of our Board of Directors.

### **Executive Sessions**

Under our Corporate Governance Guidelines, our non-management directors are required to meet in executive session at least semi-annually to discuss, among other matters, the performance of each of the Executive Chairman and Chief Executive Officer. The director who presides at these meetings is a non-management director selected by a majority of the non-management directors. In general, these executive sessions are held on the same date as regularly scheduled meetings of our Board of Directors.

### **Board of Directors Committees**

Our Board of Directors has established an Audit Committee and a Compensation Committee, each of which operates pursuant to a charter adopted by our Board of Directors. The composition and functioning of our committees comply with all applicable requirements of the Sarbanes-Oxley Act of 2002 and rules and regulations of Nasdaq and the Securities and Exchange Commission (the "SEC"), including those related to our status as a "controlled company."

The current composition of the committees of our Board of Directors is set forth below. Members serve on these committees until their resignation, removal or as otherwise determined by our Board of Directors.

#### **Audit Committee**

Lori Hickok – Chair<sup>(1)</sup>  
Steven Conine<sup>(2)</sup>  
Greg Schwartz<sup>(2)</sup>

#### **Compensation Committee**

Ian Smith – Chair<sup>(3)</sup>  
Steven Conine  
Stephen Kaufer

- (1) Ms. Hickok meets the requirements for independence of audit committee members under applicable Nasdaq and SEC rules and regulations and meets Nasdaq financial literacy requirements. In addition, our Board of Directors has determined that Ms. Hickok is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act").
- (2) Mr. Conine and Mr. Schwartz meet the requirements for independence of audit committee members under applicable Nasdaq and SEC rules and regulations and meet Nasdaq financial literacy requirements.
- (3) Mr. Smith is serving as the chair of our Compensation Committee until May 3, 2023. Beginning on May 3, 2023, the Board expects to appoint Mr. Kaufer as chair of our Compensation Committee.

The responsibilities of each of the committees of our Board of Directors is further detailed below.

## ***Audit Committee***

The responsibilities of the Audit Committee include, among other things:

- selecting and hiring the independent registered public accounting firm to audit our financial statements and internal control over financial reporting;
- confirming the independence and overseeing the performance of the independent registered public accounting firm;
- approving the scope, fees, and terms of all audit and permissible non-audit engagements;
- reviewing financial statements and discussing with management and the independent registered public accounting firm our audited annual and unaudited quarterly financial statements, the results of the independent audit and the quarterly reviews, and any reports and certifications regarding internal controls over financial reporting and disclosure controls;
- preparing the Audit Committee report that the SEC requires to be included in our annual proxy statement;
- reviewing reports and communications from the independent registered public accounting firm;
- reviewing the adequacy and effectiveness of our internal controls and disclosure controls and procedures;
- reviewing our policies on risk assessment and risk management;
- reviewing related person transactions;
- overseeing procedures for the receipt, retention, and treatment of complaints regarding accounting, internal account controls or auditing matters and the confidential submission by our employees of concerns regarding questionable accounting or auditing matters; and
- reviewing annually the Audit Committee Charter and the Audit Committee's performance.

The Audit Committee operates under a written Charter that satisfies applicable Nasdaq standards and is available on our website at <https://investors.cargurus.com> at "Governance." The Audit Committee met seven times during 2022.

## ***Compensation Committee***

The purpose of the Compensation Committee is, to the extent such tasks are not performed by our full Board of Directors, to oversee our compensation philosophy, policies, plans, and benefit programs and to discharge the responsibilities of our Board of Directors relating to the compensation of our officers.

Except to the extent that our full Board of Directors undertakes any responsibility directly, the responsibilities of the Compensation Committee include, among other things:

- overseeing our compensation philosophy, policies, plans, and benefit programs;
- reviewing and approving, or making recommendations to our Board of Directors regarding, the compensation of our executive officers;
- reviewing and approving, and, where appropriate, recommending to our Board of Directors for approval, any material employment agreements, severance arrangements and change in control agreements and provisions for our Chief Executive Officer and other executive officers when and if appropriate, as well as any special supplemental benefits;
- reviewing annually the Compensation Committee Charter and the Compensation Committee's performance;
- preparing the annual report of the Compensation Committee for inclusion in our proxy statement or annual report on Form 10-K, as applicable; and
- administering our equity compensation plans.

The Compensation Committee may delegate any of its responsibilities to subcommittees as it deems necessary or appropriate in its sole discretion.

Because we are a controlled company under Nasdaq rules, the Compensation Committee is not required to be fully independent. As the composition of our Board of Directors changes, we may however have a Compensation Committee comprised entirely of independent directors. In addition, if such rules change in the future or we no longer meet the definition of a controlled company under current rules, we will adjust the composition of the Compensation Committee in order to comply with such rules.

The Compensation Committee operates under a written charter that satisfies applicable Nasdaq standards and which is available on our website at <https://investors.cargurus.com> at "Governance." The Compensation Committee met four times during 2022.

## Board of Directors Role in Risk Oversight

Our Board of Directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. Our Board of Directors performs this oversight role by using several different levels of review. In connection with its review of the operations and corporate functions of our company, our Board of Directors addresses the principal risks associated with those operations and corporate functions. In addition, our Board of Directors reviews the risks associated with our business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies. Our Board of Directors has also implemented – and is responsible for overseeing – an executive compensation recovery, or "clawback," policy (the "Clawback Policy") that allows the Company to recoup certain incentive-based cash compensation from its officers pursuant to such policy.

Our Board of Directors administers its risk oversight responsibilities by delegating certain business and governance activities to the appropriate committees for more detailed consideration and evaluation. In performing this oversight function, each committee has full access to management, as well as the ability to engage advisors or other experts it deems necessary in the performance of its duties. The committee regularly report their risk oversight activities to our Board of Directors.

The Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management are undertaken. The Audit Committee also monitors our compliance with legal and regulatory requirements, in addition to oversight of the performance of our internal audit function. As part of this function, the Audit Committee oversees cybersecurity matters and regularly meets with members of management responsible for data privacy, technology and information security risks to discuss these risks, risk management activities, incident response plans, best practices, the effectiveness of our security measures and other related matters.

The Compensation Committee assesses and monitors the extent to which our incentive compensation policies and programs for employees may encourage excessive risk-taking and the relationship between risk management policies and practices and compensation, and evaluates compensation policies and practices that could mitigate any such risk.

Our management is responsible for the day-to-day identification, evaluation, management, and mitigation of the Company's risk exposures. The Company manages these enterprise risks through a variety of policies, programs, committees, and internal controls designed to protect the Company's assets, operations, and reputation, while ensuring compliance with applicable laws and regulations. Our management provides a quarterly update to the Audit Committee on compliance and risk management developments, policies and procedures, and auditing covering the risk topics of financial accounting, technology and security, legal and corporate governance and people and talent.

## People and Talent

Our investment in our greatest asset – our people – is integral to our core values, evidenced by our inclusion of employee engagement, retention targets and cultural efforts as components of our 2022 strategic and organizational initiatives. Our Board of Directors oversees our people and talent efforts and views building our culture – from employee development and retention to diversity, equity, inclusion and belonging initiatives – as key to driving long-term value for our business and helping to mitigate risks.

### *Diversity, Equity, Inclusion and Belonging and Equal Employment Policy*

We are an equal opportunity employer and strive to build and nurture a culture where inclusiveness is a reflex, not an initiative. With support from our Diversity, Equity, Inclusion and Belonging Advisory Council, we seek to foster diversity, equity, inclusion and belonging ("DEIB"), and to build a workplace where everyone can thrive. We believe that our commitment to these efforts helps us attract and retain the best talent, enables employees to realize their full potential and drives high performance through innovation and collaboration. In 2022, based on data from employees who chose to self-identify (87.3%), on a year-over-year basis we increased representation among women and non-binary employees (35.1% to 37.4%) and increased representation among underrepresented racial minorities (30.1% to 34.4%) within our U.S. workforce. We also saw year-over-year increases in the U.S. among women and non-binary employees in technical (25.9% to 26.2%) and management-level roles (34.2% to 38.6%), as well as among underrepresented racial/ethnic groups in technical roles (45.7% to 49.4%) and management-level roles (19.4% to 21.6%).

While we expect to make further progress on these important initiatives, during 2022 we made significant strides toward fostering a culture that prioritizes diversity, promotes equity and inclusivity, and ensures belonging by:

- Incorporating targeted improvements in representation and belonging for underrepresented populations at the Company in the U.S. as part of our annual strategic and organizational initiatives, one of the components of our annual cash incentive award program, which formed a part of our executive compensation design for 2022 (see "*Compensation Discussion and Analysis*" below for more information);
- Continuing to partner with our internal Diversity, Equity, Inclusion and Belonging Advisory Council, a cross-functional leadership team focused on guiding and supporting our efforts around our short and long-term Diversity, Equity,

Inclusion, and Belonging goals through the five pillars of DEIB at CarGurus: career equity, education and learning, representation, community impact, and business impact;

- Continuing to nurture and leverage our six thriving Employee Resource Groups (each, an "ERG") (which in 2022 grew from 500 to 889 members,) as thought leaders and community advocates, and planning and hosting over 40 events;
- Implementing a bonus plan for our Diversity, Equity, Inclusion and Belonging Advisory Council members and ERG Leaders, positioning us as a leader in this space;
- Launching Elevate, our internal mentoring program. In its first year, we had 97 mentors, 102 mentees, and held 612 1:1 mentor sessions;
- Providing a variety of learning opportunities to fuel engagement, inclusion and belonging, including specialized DEIB trainings and workshops, ongoing speaker series and community conversations; and
- Launching CarGurus Career Development Model, a comprehensive, inclusive program that empowers our employees with the tools, resources, and information to take charge of their career progression and professional development.

Building on the progress we made in 2022 on DEIB, we believe we entered 2023 with a strong foundation in place for goal setting, feedback and accountability, and both top-down and bottom-up strategies as we seek to continue to make meaningful progress towards these shared objectives.

### ***Employee Engagement***

Each year, we conduct an employee engagement survey to help our management team gain insight into and gauge employees' feelings, attitudes, and behaviors around working at CarGurus. Our latest survey, completed in September 2022, had a participation rate of approximately 90% of our eligible employees worldwide. The survey results indicated that we excelled in areas like manager empathy and support, as well as key indicators of belonging - including fairly considering each other's ideas and feeling respected as a member of our community. Based on employee feedback, we also identified several company-wide opportunity areas to improve engagement and drive long-term success. Our culture and commitment to building a workplace where we can all thrive has been recognized externally with the following awards: Built In Boston's "Best Places to Work" in 2019, 2020, 2021, 2022 and 2023; Boston Business Journal's "Best Places to Work" in 2015, 2016, 2017, 2018, 2019, 2021, and 2022; Boston Globe's "Top Place to Work" in 2014, 2015, 2016, 2018, and 2022; and multiple awards from Comparably including "Best Perks & Benefits" in 2021 and 2022, "Best Work-Life Balance" in 2021 and 2022, and "Best Company Culture" in 2022.

### ***Training and Development***

Our people and talent strategy is essential for our ability to continue to develop and market innovative products and customer solutions. We continually invest in our employees' career growth and provide employees with a wide range of development opportunities, including mandatory quarterly compliance training courses as well as one-on-one, virtual, social and self-directed learning, mentoring, coaching, and external development. In 2022, nearly 100% of our employees participated in learning and development activities worldwide.

### ***Charitable Giving***

One of our core values is integrity, which we endeavor to achieve by acting responsibly and considering the impact of our actions on one other, our partners and the world around us. Our Charitable Giving program, established in 2018, highlights our commitment to this core value by supporting our local communities. This program allows our employees to submit nominations for grants to tax-exempt organizations, which are then reviewed by a committee of our employees and awarded to selected charities on a quarterly basis. During 2022, we awarded more than \$195,000 in grants to over 30 charitable organizations.

Additionally, within the broader community in which we operate, dealerships are known for their charitable giving and community service. Our Dealer Sponsorship program, formally established in 2017, supports customer requests for us to make financial contributions to dealership charitable events. CarGurus has budgeted funds to support these initiatives and continue to grow our partnership with our loyal customers. During 2022, we awarded more than \$204,000 to 44 different dealership causes.

### ***Environmentally Conscious***

We also believe that it is important to conduct business in an environmentally responsible manner. For example, the building that will house our future headquarters in Boston, Massachusetts will offer cutting edge systems for energy efficiency and sustainability, consistent with a LEED Gold certified building, will be easily accessible by public transportation and will have electric vehicle charging stations and indoor bike racks. For our employees in our offices, we encourage participation in a robust recycling program that includes recycling bins at every employee desk and conference room as well as next to all trash receptacles in our office kitchens. We also incentivize low-carbon-producing means of transportation via public transportation subsidies and by offering a generous annual stipend for employees who bike or walk to work.



In addition, we offer an Environmental, Social and Governance ("ESG") focused fund option through Calvert Investments (the "Calvert Fund") with our available lineup of funds under our Section 401(k) plan for our eligible U.S. employees. The Calvert Fund targets responsible investments in companies that provide positive leadership through business operations focused on materially improving societal outcomes, including those that will affect future generations.

We will continue to invest in our employees, culture and community, and we expect to consider and report on ESG factors as they evolve within the Company.

### **Communicating with our Board of Directors**

Our Board of Directors gives appropriate attention to written communications that are submitted by stockholders and other interested parties and will respond if and as appropriate. Our Secretary is primarily responsible for monitoring communications to our Board of Directors, its committees and individual directors, from stockholders and other interested parties and for providing copies or summaries of such communications to members of our Board of Directors as they consider appropriate.

Communications are forwarded to all members of our Board of Directors if they relate to important substantive matters and include suggestions or comments that our Secretary considers to be important for the members of our Board of Directors to know. In general, communications relating to corporate governance and corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and duplicative communications.

Stockholders and other interested parties who wish to send communications on any topic to our Board of Directors should address such communications to: The Board of Directors, c/o Secretary, CarGurus, Inc., 2 Canal Park, 4th Floor, Cambridge, Massachusetts 02141 USA.

Additionally, we have established a confidential process for reporting, investigating and resolving employee and third-party concerns related to accounting, auditing and similar matters under the Sarbanes-Oxley Act of 2002. Stockholders and other interested parties may confidentially provide information to our Audit Committee or to one or more of our individual directors by using the confidential and anonymous financial concern hotline that is operated by an independent, third-party service. Within the United States and Canada, the ethics hotline can be reached by telephone, toll-free, at 1-877-325-9953 or worldwide via the internet at <https://www.whistleblowerservices.com/CARG/>.

## Information About Our Executive Officers

Certain information regarding our executive officers who are not also directors, as of April 1, 2023, is set forth below.

Name	Age	Positions(s)
Jason Trevisan*	48	Chief Executive Officer and Director
Langley Steinert*	59	Executive Chairman and Chairman of the Board of Directors
Thomas Caputo	49	Chief Product Officer
Andrea Eldridge	48	Chief People Officer
Matthew Quinn	51	Chief Technology Officer
Dafna Sarnoff	59	Chief Marketing Officer
Samuel Zales	59	Chief Operating Officer and President
Javier Zamora	52	General Counsel and Corporate Secretary

\*See "Board of Directors and Management – Information Regarding Directors and Director Nominees" for biographical information.

**Thomas Caputo.** Thomas Caputo has served as our Chief Product Officer since February 2019. Mr. Caputo also served as our Senior Vice President of Product from January 2017 to February 2019. Prior to joining CarGurus, from July 2012 to January 2017, Mr. Caputo served as the Chief Product Officer at Fiksu Inc. ("Fiksu"), a mobile marketing company. Prior to Fiksu, from January 2011 to August 2012, Mr. Caputo was Vice President of Product Management at [x+1] Inc. ("[x+1]"), a digital marketing company, which was acquired by Rocket Fuel Inc. in August 2014. Prior to joining [x+1], from October 2007 to January 2011, Mr. Caputo served as Vice President at Advanced Technology Ventures ("ATV"), a venture capital firm. Prior to joining ATV, from August 2003 to October 2007, Mr. Caputo served as a Group Product Manager at Microsoft Corporation, a multinational software and technology company. Mr. Caputo holds a Master of Science degree from Stanford University, a Master of Business Administration degree from Stanford University Graduate School of Business and a Bachelor of Arts degree from Dartmouth College.

**Andrea Eldridge.** Andrea Eldridge has served as our Chief People Officer since February 2020. Prior to joining CarGurus, from October 2018 to November 2019, Ms. Eldridge served as Senior Vice President, Talent & Employee Experience for Cengage Learning, Inc. ("Cengage"), an educational content and technology company. Prior to joining Cengage, from February 2006 to February 2018, Ms. Eldridge held various positions in talent, marketing and general management at Ahold USA, a subsidiary of Ahold Delhaize, a global grocery retailing group. Ms. Eldridge holds a Bachelor of Arts degree from Wellesley College.

**Matthew Quinn.** Matthew Quinn has served as our Chief Technology Officer since January 2022. Prior to joining CarGurus, from January 2020 to December 2021, Mr. Quinn was Vice President of Engineering at the small business referral network, Alignable, Inc. He has also led large development teams at technology companies such as Audible, Inc. ("Audible"), an Amazon.com, Inc. ("Amazon") company providing online audiobook and podcast services, where he served in roles from June 2015 to December 2019 including as Vice President of Software Development from May 2018 to December 2019, as well as Vistaprint ("Vistaprint"), a Cimpress plc company providing online marketing and printing services to small businesses, and Amazon, an e-commerce and cloud computing company. Mr. Quinn pioneered Vistaprint's promotional products business, built and led their digital services engineering team, managed teams on Amazon's Fire Phone launch, served as the site lead for Audible's Boston office and led teams that launched Audible on Alexa, FireTV and Kindle. Mr. Quinn holds a Master of Science degree in Management from Emmanuel College and a Bachelor of Arts degree in Mathematics and Computer Science from the College of the Holy Cross.

**Dafna Sarnoff.** Dafna Sarnoff has served as our Chief Marketing Officer since December 2021. Prior to joining CarGurus, Ms. Sarnoff led marketing for several technology and growth companies, including Aura Sub, LLC, a digital security innovator, from September 2020 to November 2021; Intersection Parent, Inc., an experience-driven media and technology company from August 2016 to September 2020; and Yodle, Inc., a digital marketing software-as-a-service business that was acquired by Web.Com Group, Inc. in 2016, from November 2012 to August 2016. Ms. Sarnoff also held various leadership roles over ten years at American Express Company, in both consumer and B2B marketing, after starting her career at Bain & Company, Inc., a management consulting company. Ms. Sarnoff holds a Master of Business Administration degree from Harvard Business School and a Bachelor of Arts degree in Mathematics from Dartmouth College.

**Samuel Zales.** Samuel Zales has served as our Chief Operating Officer since September 2017 and as our President since February 2019. Mr. Zales also served as our Chief Revenue Officer from December 2015 to September 2017 and as our President of Dealer Operations and International from November 2014 to December 2015. Prior to joining CarGurus, from January 2014 to October 2014, Mr. Zales was Executive Vice President of Zeta Interactive, a marketing software company that acquired ClickSquared, Inc. ("ClickSquared") in January 2014. From March 2013 to January 2014, Mr. Zales was Chief Executive Officer of ClickSquared, a marketing software company. Prior to ClickSquared, Mr. Zales was a consultant to multiple technology and software companies and served on the boards of four venture-backed companies. From October 2008 to November 2011, Mr. Zales was President of Zoom Information, Inc. ("ZoomInfo"), a software-as-a-service company, where he led day-to-day operations and oversaw the company's

growth strategy into the marketing services and sales intelligence arenas. Prior to ZoomInfo, from January 2007 to October 2008, Mr. Zales was Chief Executive Officer of BuyerZone.com LLC ("BuyerZone"), an online marketplace for business purchasing and a division of Reed Business Information, a business unit of Reed Elsevier PLC, which acquired BuyerZone in January 2007. From November 1999 to January 2007, Mr. Zales was President and Chief Executive Officer of BuyerZone, which he led to its acquisition by Reed Business Information. Mr. Zales holds a Master of Business Administration degree from the Kellogg Graduate School of Management at Northwestern University and a Bachelor of Arts degree from Dartmouth College.

**Javier Zamora.** Javier Zamora has served as our General Counsel and Corporate Secretary since August 2022. Prior to joining CarGurus, Mr. Zamora was VP, General Counsel & Corporate Secretary of Converse, Inc., a footwear and apparel company, from February 2021 to July 2022. From March 2008 to January 2021, he served as Assistant General Counsel at Nike, Inc. ("Nike"), an iconic global footwear and apparel company. Prior to Nike, Mr. Zamora practiced corporate and securities law at a national law firm based in Chicago and was an officer in the military who served a tour of duty in Iraq. Mr. Zamora holds a Juris Doctor degree from DePaul University and a Bachelor of Arts degree in Political Science from the University of California, Los Angeles.

## AUDIT COMMITTEE REPORT

*The report of the Audit Committee is not considered to be "soliciting material," is not deemed "filed" with the SEC, and is not to be incorporated by reference into any filing of the Company under the Securities Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act").*

The Audit Committee has reviewed (i) the audited consolidated financial statements of the Company as of and for the year ended December 31, 2022, (ii) management's report on its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2022, and (iii) the report from Ernst & Young, the Company's independent registered public accounting firm, on the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. The Audit Committee has met with representatives of Ernst & Young, with and without management present, to discuss the results of their examinations; their evaluations of the Company's internal control, including internal control over financial reporting; and the overall quality of the Company's financial reporting.

The Company's management is responsible for the Company's financial reporting process, including its system of internal controls, and for the preparation of its consolidated financial statements in accordance with generally accepted accounting principles. The independent registered public accounting firm audits the annual consolidated financial statements prepared by management in accordance with standards of the Public Company Accounting Oversight Board (the "PCAOB"), expresses an opinion as to such financial statements and issues a report on the effectiveness of the Company's internal control over financial reporting. The Audit Committee is responsible for providing independent, objective oversight of the Company's accounting functions and internal controls.

The Audit Committee also received from, and discussed with, Ernst & Young the written disclosures and other communications that the Company's independent registered public accounting firm is required to provide to the Audit Committee, including the matters required to be discussed by the Statement on Auditing Standards No. 1301, as amended (Communication with Audit Committees), as adopted by the PCAOB, in Rule 3200T.

Ernst & Young also provided the Audit Committee with the written disclosures and the letter required by Rule 3526 of the PCAOB requiring independent registered public accounting firms annually to disclose in writing all relationships that in their professional opinion may reasonably be thought to bear on independence, to confirm their perceived independence and to engage in a discussion of independence. The Audit Committee has reviewed this disclosure and has discussed with Ernst & Young their independence from the Company.

Based on these discussions and the Company's review of the representations and information provided by management and the Company's independent registered public accounting firm, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 for filing with the SEC.

By the Audit Committee of the Board of Directors of CarGurus, Inc.

Lori Hickok (Chair)  
Steven Conine  
Greg Schwartz

## Compensation Discussion and Analysis

This Compensation Discussion and Analysis discusses the principles underlying our executive compensation policies and decisions and the most important factors relevant to an analysis of these policies and decisions. In addition, we explain how and why the Compensation Committee arrived at the specific compensation policies and decisions involving our executive officers during the year ended December 31, 2022. During 2022, these individuals were:

- Jason Trevisan, our Chief Executive Officer and Principal Financial Officer<sup>(1)</sup>;
  - Scot Fredo, our former Chief Financial Officer, Treasurer and Secretary<sup>(2)</sup>;
  - Langley Steinert, our founder, Executive Chairman and Chairman of our Board of Directors
  - Matthew Quinn, our Chief Technology Officer; and
  - Andrea Eldridge, our Chief People Officer;
- (1) Following Mr. Fredo's resignation from the Company on October 3, 2022, Mr. Trevisan has been acting as the Company's Principal Financial Officer. Mr. Trevisan has also been acting as the Company's Principal Accounting Officer since December 2, 2022.
  - (2) Mr. Fredo's employment with the Company ended on October 3, 2022.
  - (3) Mr. Quinn's employment with the Company began effective as of January 3, 2022.

We refer to these executive officers collectively in this Compensation Discussion and Analysis and the accompanying compensation tables as our "Named Executive Officers."

### Executive Summary

CarGurus is a multinational, online automotive platform for buying and selling vehicles that is building upon its industry-leading listings marketplace with both digital retail solutions and the CarOffer online wholesale platform. The CarGurus marketplace gives consumers the confidence to purchase or sell a vehicle either online or in-person, and it gives dealerships the power to accurately price, effectively market, instantly acquire and quickly sell vehicles, all with a nationwide reach. CarGurus uses proprietary technology, search algorithms and data analytics to bring trust, transparency and competitive pricing to the automotive shopping experience. In addition to the United States, we operate online marketplaces under the CarGurus brand in Canada and the United Kingdom. In the United States and United Kingdom, we also operate the Autolist and PistonHeads online marketplaces, respectively, as independent brands.

### 2022 Executive Compensation Highlights

Consistent with our performance and compensation objectives, the Compensation Committee took the following actions relating to the compensation of our Named Executive Officers for 2022:

- **Base Salary** – Approved increases in base salary from 3% to 22%, which aligned with our practice of annual merit base salary increases, and in the case of the 22% increase, aligned with our practice of conducting period market adjustments as necessary to ensure base salaries are aligned with our peer group. Maintained Mr. Steinert's annual base salary of \$10,000.
- **Annual Cash Incentive Awards** – Made annual cash incentive award payments, which represented approximately 84.4% on average of the target annual cash incentive award opportunity for the full year for our Named Executive Officers, based on our actual achievement against pre-established performance objectives, except for Mr. Steinert who did not receive an annual cash incentive award for 2022.
- **Equity Awards** – Granted restricted stock unit ("RSU") awards that may be settled in shares of our Class A common stock, subject to certain time vesting requirements.

### 2022 Executive Compensation Policies and Practices

We endeavor to maintain sound governance standards consistent with our executive compensation policies and practices. The Compensation Committee evaluates our executive compensation program on a regular basis to ensure consistency with our short-term and long-term goals given the dynamic nature of our business and the market in which we compete for executive talent. The following policies and practices were in effect during 2022:

**What We Do:**

- **Annual Executive Compensation Review.** The Compensation Committee annually reviews and approves our compensation strategy, including, as applicable, a review of our compensation peer group used for comparative purposes.
- **Compensation Risk Oversight.** The Compensation Committee reviews the extent to which our incentive compensation policies and programs may encourage excessive risk-taking. At least annually, the Compensation Committee also reviews the relationship between our risk management policies and practices and compensation, and evaluates alternative compensation policies and practices that could mitigate any such risk.
- **Utilize Independent Compensation Advisor.** Pursuant to its charter, the Compensation Committee has authority to engage outside compensation consultants or other advisors to assist the committee in carrying out its duties. With respect to 2022 executive compensation, the Compensation Committee engaged Compensia, Inc. ("Compensia"), a national compensation consulting firm, as its compensation consultant. Except as described below under "*Compensation-Setting Process – Role of Compensation Consultant*," Compensia performed no consulting or other services for us in 2022. Based on its review, the Compensation Committee has determined that Compensia is independent and does not have other relationships with us that would impair its independence.
- **Compensation At Risk.** Our executive compensation program is designed so that a significant portion of the cash incentive compensation of our executive officers, including our Named Executive Officers, is "at risk" based on corporate performance, and all of their RSU awards that were made or otherwise outstanding during 2022 were "at risk" based on continued employment through applicable vesting dates.
- **Equity-Based Compensation.** A significant portion of the total compensation we pay to our executive officers, including our Named Executive Officers, is in the form of equity-based compensation, which we believe aligns the interests of our executive officers and stockholders. Approximately 86% of compensation for our Named Executive Officers other than Jason Trevisan for 2022 was equity-based.
- **"Double Trigger" Change of Control Provisions in Executive Equity Awards.** Our current forms of time-based RSU and non-qualified stock option ("NQSO") award agreements with our executive officers, including our Named Executive Officers, provide for acceleration of unvested RSUs or NQSOs, as applicable, under such award solely in the event of a qualifying termination of employment within 12 months following a Change of Control (as defined in the Company's Omnibus Incentive Compensation Plan (the "2017 Plan")). None of our executive officers, including our Named Executive Officers, is currently entitled to "single trigger" acceleration of vesting of any currently outstanding equity awards.
- **Health or Welfare Benefits.** Our executive officers, including our Named Executive Officers, participate in broad-based Company-sponsored health and welfare benefits programs on the same basis as our other full-time, salaried employees.
- **Compensation Clawback Policy.** We maintain the Clawback Policy, which provides for the recoupment of certain incentive compensation from covered individuals, including executive officers, in connection with certain triggering events. See "*Compensation Clawback Policy*" below for more information.

**What We Don't Do:**

- **No Retirement Plans Other than Standard Plans Offered to Employees.** We do not currently offer, nor do we have plans to provide, pension arrangements, retirement plans or nonqualified deferred compensation plans or arrangements to our executive officers, including our Named Executive Officers.
- **Limited Perquisites.** Except as described below in "*Perquisites and Other Personal Benefits*," we do not provide significant perquisites or other personal benefits to our executive officers, including our Named Executive Officers, except as generally made available to our other full-time employees.
- **No Change-of-Control-Related Tax Gross-Ups.** We do not provide any tax gross-ups that may arise due to the application of Sections 280G and 4999 of the Internal Revenue Code of 1986 (the "Code") to our executive officers, including our Named Executive Officers.
- **No Cash Severance Payments for Executives Arising Solely as a Result of a Change of Control.** Our current agreements with our executive officers, including our Named Executive Officers, do not provide for any cash payments or other benefits that arise solely as a result of a change of control of the Company.

- **Hedging and Pledging Prohibitions.** Our Insider Trading Policy prohibits our non-employee directors, executive officers, employees, and certain other persons as may be designated by the administrator of such policy from (i) entering into hedging or monetization transactions or similar arrangements with respect to our securities and (ii) holding our securities in a margin account or pledging our securities as collateral for a loan, in each instance without prior approval from the policy administrator.

### **Stockholder Advisory Vote on Named Executive Officer Compensation**

At the Annual Meeting, we will be conducting a non-binding stockholder advisory vote on the compensation of our Named Executive Officers for 2022 (commonly known as a "Say-on-Pay" vote). This Say-on-Pay vote provides stockholders the opportunity to express their views on our Named Executive Officers' compensation. This vote is not intended to advise on any specific element of our compensation programs, but rather on the overall compensation of our Named Executive Officers and the philosophy, policies and practices described in this Proxy Statement.

At our 2019 Annual Meeting of Stockholders, our stockholders approved, on an advisory basis, a frequency of every year for casting advisory votes regarding our executive compensation. After considering the vote of stockholders on the matter, as well as our general compensation philosophy, we adopted an annual frequency for holding the Say-on-Pay vote. As a result, we held a Say-on-Pay vote at each of our 2020, 2021 and 2022 Annual Meetings of Stockholders. In 2020 and 2021, the Say-on-Pay vote received the approval of 97% of the votes cast for the proposal. In 2022, the Say-on-Pay vote received 80% of the votes cast for such proposal. Although these results were advisory and not binding on the Company, our Board of Directors or the Compensation Committee, we value the opinions of our stockholders and have and commit to continue take the results of the Say-on-Pay vote into account when making subsequent decisions regarding the compensation of our Named Executive Officers.

### **Compensation Philosophy and Objectives**

We believe in providing a competitive total compensation package to our executive officers, including our Named Executive Officers, through a combination of annual base salary, annual cash incentive award opportunities, equity awards and broad-based health and welfare benefit plans. Our executive compensation program is designed to achieve the following objectives:

- attract, motivate and retain executive officers of outstanding ability and potential;
- reward the achievement of key performance measures; and
- ensure that executive compensation is meaningfully related to the creation of stockholder value.

We believe that our executive compensation program should generally include short-term and long-term elements, including cash and equity compensation, and should reward consistent performance that meets or exceeds expectations. We evaluate the compensation provided to our executive officers to ensure it remains competitive relative to compensation paid by companies of similar size and geographic location operating in our industry, taking into account our relative performance, our financial and strategic objectives, and the performance of the individual executive officer.

### **Executive Compensation Design**

The compensation arrangements for our executive officers, including our Named Executive Officers, consist of annual base salary, annual cash incentive award opportunities, long-term incentive compensation opportunities in the form of equity awards and certain broad-based employee health and welfare benefit plans. The key component of our executive compensation program continues to be equity compensation. We have generally emphasized the use of equity to provide incentives for our executive officers to focus on the growth of our overall enterprise value and, correspondingly, to create sustainable value for our stockholders.

Historically and during 2022, our principal equity incentive vehicle was in the form of time-based RSU awards that may be settled in shares of our Class A common stock as they are earned. We believe that time-based RSU awards that may be settled in shares of our Class A common stock offer our executive officers a valuable long-term incentive that aligns their interests with the long-term interests of our stockholders. In 2021, we expanded the form of equity awards granted to our executive officers to include performance-based RSU awards and NQSO awards. However, in February 2022, the Compensation Committee amended the vesting provisions of the performance-based RSU awards granted to our executive officers in 2021 and 2022 from performance-based to time-based. See "*Modification of 2021 and 2022 Performance-Based Equity Grants*" below for more information regarding the amended performance-based RSU awards. Going forward, as we deem appropriate, we expect to continue to offer time-based RSU awards; however, we may also introduce other forms of stock-based compensation awards into our executive compensation program to provide our executive officers with various types of equity incentives that further this objective.

We also offer cash compensation in the form of annual base salaries and annual cash incentive award opportunities. Typically, we have structured our annual cash incentive award opportunities to focus on the achievement of specific short-term financial and strategic objectives that will further our longer-term growth objectives.

We have not adopted any formal policies or guidelines for allocating compensation between current and long-term compensation, between cash and non-cash compensation or among different forms of non-cash compensation. Instead, the Compensation Committee reviews each element of executive compensation separately and also takes into consideration the value of each executive officer's target total direct compensation opportunity (the sum of annual base salary, annual cash incentive award opportunity and equity awards) as a whole, and its relative size in comparison to our other executive officers. The Compensation Committee also considers amounts realizable from prior compensation awarded to each executive officer, including equity that is nearly- or fully-vested, when setting each individual's target total direct compensation opportunity for the fiscal year.

The Compensation Committee reviews our executive compensation program at least annually. As part of this review process, the Compensation Committee considers whether our overall compensation philosophy is aligned with the interests of our stockholders while considering the compensation levels needed to ensure that our executive compensation program remains reasonable and competitive. In addition, the Compensation Committee considers our ability to achieve our retention objectives and the potential cost of replacing executive officers. From time to time the Compensation Committee may determine that it is in the best interest of the Company and our stockholders to modify, amend or otherwise adjust previous compensation awards.

#### ***Modification of 2021 and 2022 Performance-Based Equity Grants***

On February 8, 2022, the Compensation Committee amended the performance-based RSU awards granted to our executive officers in 2021 and 2022 to modify the vesting terms of such awards from performance-based to time-based ("2022 PSU Amendment") so that all outstanding RSUs held by our executive officers are aligned with our compensation philosophy and objectives. The RSUs subject to the 2022 PSU Amendment may be settled in shares of our Class A common stock and are subject to vesting over four years from the date of grant of the performance-based RSU. After a thorough review of our executive compensation program, the Compensation Committee believes that this updated program design reflects current market practices, more effectively links pay and performance by offering incentives to our executives that are not overly reactive to current market volatility, and serves as a compelling means of retaining our important talent in a competitive market, thus making it in the best long-term interests of our stockholders.

#### ***Compensation-Setting Process***

##### *Role of the Compensation Committee*

The Compensation Committee is responsible for reviewing and approving the compensation of our officers, including our Named Executive Officers, subject to any approval of our Board of Directors that the Compensation Committee determines to be desirable or is required by applicable law or Nasdaq listing standards. Specifically, the Compensation Committee oversees our compensation and benefit plans and policies, administers our equity compensation plans and reviews and approves (or makes recommendations to our Board of Directors regarding) the compensation of our officers.

##### *Role of our Chief Executive Officer*

Our Chief Executive Officer evaluates at least annually the performance of each of our executive officers and makes recommendations to the Compensation Committee with respect to annual base salary adjustments, target annual cash incentive award opportunities, actual award payments, and equity awards for each such executive officer. While the Compensation Committee takes these recommendations into consideration in its deliberations, it exercises its own independent judgment in approving the executive compensation of our executive officers. Our Chief Executive Officer does not make recommendations regarding his own compensation, and he does not participate in any discussions regarding his own compensation.

##### *Role of Compensation Consultant*

The Compensation Committee has the authority under its Charter to engage the services of a compensation consultant to assist it in carrying out its responsibilities. In each of the past three years, the Compensation Committee formally retained Compensia to assist it in developing and overseeing the Company's executive compensation program and non-employee director compensation program and practices and to provide market data. Pursuant to these engagements, Compensia reviewed our existing compensation peer group and recommended an updated set of companies in 2019, which the Compensation Committee considered in determining our compensation peer group. After considering updated analyses from Compensia, the Compensation Committee maintained this same compensation peer group for 2020 but modified the compensation peer group for 2021 and 2022. To assist the Compensation Committee with its consideration of 2022 executive compensation decisions, Compensia provided the Compensation Committee with compensation data and an updated market analysis for similarly situated executive officers at these peer companies. Similarly, to assist the Compensation Committee with its consideration of 2022 non-employee board or director compensation program, Compensia provided the Compensation Committee with compensation data and an updated market analysis for similarly situated board members at peer companies. Compensia also provided consulting services to the Company on an ad hoc basis regarding equity compensation matters and assisted with review of the "Compensation Discussion and Analysis" section of the Company's 2022 Proxy Statement.

Compensia maintains a policy that is specifically designed to prevent any conflicts of interest. In addition, the Compensation Committee has assessed the independence of Compensia taking into account, among other things, the factors set forth in Exchange



Act Rule 10C-1 and Nasdaq listing standards, and concluded that no conflict of interest has arisen with respect to the work that Compensia performs for the Compensation Committee.

### *Competitive Positioning*

The Compensation Committee established a compensation peer group consisting of publicly traded companies, which the Compensation Committee reviews and modifies from time to time, including in 2022, to consist of the following set of peers for purposes of reviewing and considering our executive officers' 2022 base salaries, target annual cash incentive award opportunities and annual equity awards. The Compensation Committee believes that this compensation peer group accurately reflected the Company's growth, opportunities and current market positioning. This group consisted of technology companies that the Compensation Committee determined operate within our industry, compete with us for talent, or are located in the same general geographic area. Other factors considered include comparable revenues, market capitalization and projected revenue growth. In connection with its review, the Compensation Committee removed four peer companies for 2022 – Etsy, Paylocity and TrueCar because they fell outside of the comparable revenue and market capitalization ranges and Grubhub was removed because it was acquired.

The following companies were used by the Compensation Committee during 2022 as our compensation peer group:

Alarm.com Holdings, Inc.	EverQuote, Inc.	Qualys, Inc.	Wayfair Inc.
Bottomline Technologies Inc.	HubSpot, Inc.	Rapid7, Inc.	Yelp Inc.
Cars.com Inc.	Lending Tree, Inc.	Redfin Corporation	Yext, Inc.
Cerence Inc.*	New Relic, Inc.	Shutterstock, Inc.*	
Everbridge, Inc.	Pegasystems Inc.	Tripadvisor, Inc.	

\*Represents new addition to peer group.

The Compensation Committee considered both Compensia's market analysis and compensation data drawn internally from publicly-available proxy statements and industry-specific survey data for this compensation peer group as reference points for its 2022 executive compensation decisions. While the Compensation Committee takes into account peer company compensation practices, the Compensation Committee uses this information as one of many factors in its deliberations on compensation matters and does not set compensation levels to meet specific percentiles.

The Compensation Committee reviews the analyses prepared internally and by a compensation consultant based on the compensation data drawn from a compensation peer group to develop a subjective representation of the "competitive market" with respect to current executive compensation levels and related policies and practices. The Compensation Committee then evaluates how our pay practices and the compensation levels of our executive officers compare to the competitive market. As part of this evaluation, the Compensation Committee also reviews the performance measures and performance goals generally used within the competitive market to reward performance.

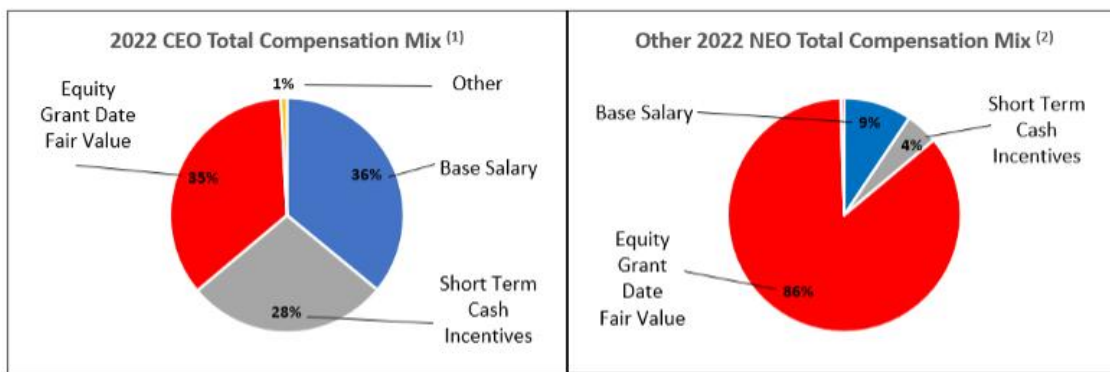
Management and the Compensation Committee strive to incorporate flexibility into our executive compensation program and the assessment process to respond to and adjust for the evolving business environment and the value delivered by our executive officers, including our Named Executive Officers.

### *Elements of Executive Compensation*

The 2022 compensation program for our executive officers, including our Named Executive Officers, consisted of three principal components:

- annual base salary;
- annual cash incentive awards; and
- long-term incentive compensation in the form of RSU awards that are settled in shares of our Class A common stock.

The following charts illustrate the composition of the 2022 total direct compensation for Mr. Trevisan on a weighted-average basis and for our other Named Executive Officers in aggregate as comprised of annual base salary, annual cash incentive award opportunities and long-term incentive compensation in the form of equity awards. These compensation elements are considered to be performance-based, or "at-risk," with the exception of base salary.



- (1) Consists of Mr. Trevisan's 2022 annualized base salary, Mr. Trevisan's annual cash incentive award paid for 2022 performance as well as the modification expense associated with the 2022 PSU Amendment. Due to the size of the equity grant date fair value awarded in 2021 upon his appointment as Chief Executive Officer, Mr. Trevisan did not receive a new equity award in 2022.
- (2) For our Named Executive Officers other than Mr. Trevisan, consists of these individuals' average 2022 actual base salaries, annual cash incentive awards paid for 2022 performance, the grant date fair values of the equity awards granted in 2022, the modification expense associated with the 2022 PSU Amendment, and other compensation. At Mr. Steinert's request, to demonstrate his confidence in the Company and to continue to align his interests with those of our stockholders, the Compensation Committee maintained Mr. Steinert's annual base salary of \$10,000 for 2022. At Mr. Steinert's request, to demonstrate his confidence in the Company and to continue to align his interests with those of our stockholders, the Compensation Committee continued to consider Mr. Steinert ineligible to receive an annual cash incentive award for his 2022 performance.

#### Base Salary

Annual base salary represents the fixed portion of the compensation of our executive officers, including our Named Executive Officers, and is an important element of compensation intended to attract and retain highly-talented individuals. Generally, we use annual base salary to provide each executive officer with a specified level of cash compensation during the year with the expectation that the executives will perform their responsibilities to the best of their abilities and in our best interests.

Generally, the Compensation Committee reviews the annual base salaries of our executive officers, including our Named Executive Officers, at the beginning of each year and at that time establishes the annual base salary for that fiscal year as it determines to be necessary or appropriate. Typically, the Compensation Committee sets annual base salaries of our executive officers at levels that it believes are competitive with current market practices with reference to our compensation peer group (other than Mr. Steinert whose annual base salary is intentionally set lower than current market practices) after taking into consideration each individual executive officer's role, responsibilities, qualifications, experience, past performance and expected future contributions, prior annual base salary with the Company and the annual base salary levels of our other executive officers (other than Mr. Steinert). The Compensation Committee does not apply specific formulas to determine annual base salary amounts.

In February 2022, the Compensation Committee reviewed the annual base salary of each of our executive officers, including our Named Executive Officers. The Compensation Committee considered Compensia's competitive market analysis, including a comparison of our Named Executive Officers' annual base salaries to those of executives holding comparable positions at the companies in our compensation peer group, as well as its own assessment of our 2021 performance and the other factors described above. Based on this review, the Compensation Committee determined that it was appropriate to set the annual base salaries of our Named Executive Officers for 2022 as follows:

Named Executive Officer	2021 Base Salary	2022 Base Salary <sup>(1)</sup>	Percentage Increase <sup>(4)</sup>
Mr. Trevisan	\$ 540,000	\$ 556,200	3%
Mr. Fredo <sup>(2)</sup>	\$ 315,000	\$ 385,000	22%
Mr. Steinert <sup>(3)</sup>	\$ 10,000	\$ 10,000	0%
Mr. Quinn	N/A	\$ 325,000	N/A
Ms. Eldridge	\$ 325,000	\$ 335,000	3.1%

- (1) These annual base salaries were effective as of January 1, 2022, except for Mr. Quinn, who commenced employment with the Company on January 3, 2022.

- (2) Mr. Fredo resigned from the Company effective as of October 3, 2022.
- (3) At Mr. Steinert's request, to demonstrate his confidence in the Company and to continue to align his interests with those of our stockholders, the Compensation Committee maintained Mr. Steinert's annual base salary of \$10,000 for 2022.
- (4) The Compensation Committee awarded base merit salary increases for 2022 to our Named Executive Officers after its annual review of our compensation program. Mr. Fredo received a 22% increase based on his past performance, his time in his role and a market adjustment to align better with our peer group levels.

The actual base salaries paid to our Named Executive Officers in 2022 are set forth in the "Summary Compensation Table" below.

#### Cash Incentive Awards

In 2022, we provided our executive officers, including our Named Executive Officers other than Mr. Steinert, with the opportunity to earn cash incentive awards to encourage the achievement of our corporate performance objectives and to reward those individuals who significantly impact our corporate results based on the objectives set forth in our annual operating plan. The Compensation Committee determines and approves cash incentive award decisions for our executive officers.

In February 2018, the Compensation Committee approved the CarGurus, Inc. Annual Incentive Plan (the "Annual Incentive Plan"), providing an opportunity for certain of our salaried employees, including our Named Executive Officers, to earn annual cash incentive awards, as described below. Pursuant to the Annual Incentive Plan, each participant is eligible to receive a cash incentive award for the relevant fiscal year based on our level of achievement of one or more pre-established business and financial performance goals and the participant's individual performance goals, if applicable, during such fiscal year. The amount actually paid to a participant could be more or less than the participant's target award, depending on the extent to which applicable performance goals were satisfied. Participants, including our Named Executive Officers, will not receive a payout for any performance measure that fails to achieve threshold level criteria.

In February 2022, the Compensation Committee established the 2022 performance measures and related target performance levels, as well as the corresponding weighting for each measure, for our executive officers, including our Named Executive Officers other than Mr. Steinert, under the Annual Incentive Plan (the "2022 Annual Incentive Plan"). The 2022 Annual Incentive Plan design was unchanged from 2021.

#### Target Cash Incentive Award Opportunities

Under the Annual Incentive Plan, each participant's actual annual cash incentive award is calculated, in part, by reference to a target annual cash incentive award opportunity based on either a percentage of the participant's annual base salary for the fiscal year or a specified dollar amount, in the case of our executive officers, as determined by the Compensation Committee. To set the target annual cash incentive award opportunities of our Named Executive Officers for 2022, the Compensation Committee considered Compensia's competitive market analysis, including a comparison of our Named Executive Officers' target cash incentive award opportunities to those executives holding comparable positions at the companies in our compensation peer group, as well as its own assessment of our 2021 performance and the other factors described in "Elements of Executive Compensation – Base Salary" above. In February 2022, the Compensation Committee determined to set the target annual cash incentive award opportunities of our Named Executive Officers for 2022 as follows:

Named Executive Officer	Target Cash Incentive Award Opportunity	Target Cash Incentive Award Opportunity (as a percentage of annual base salary)	Percentage Change from 2021 Target Cash Incentive Award Opportunity <sup>(3)</sup>
Mr. Trevisan	\$ 500,000	90%	6%
Mr. Fredo <sup>(1)</sup>	\$ 280,000	73%	40%
Mr. Steinert <sup>(2)</sup>	—	—	—
Mr. Quinn	\$ 205,000	63%	N/A
Ms. Eldridge	\$ 200,000	61%	2.5%

- (1) Mr. Fredo resigned from the Company effective as of October 3, 2022.
- (2) At Mr. Steinert's request, to demonstrate his confidence in the Company and to continue to align his interests with those of our stockholders, the Compensation Committee continued to consider Mr. Steinert ineligible to receive an annual cash incentive award for his 2022 performance.
- (3) The Compensation Committee determined our Named Executive Officers target cash incentive award opportunities for 2022 as a part of its annual practice of conducting a market review of peer group executive pay practices. The Compensation Committee considered that higher target cash incentive award opportunities means more at-risk compensation. Mr. Fredo's target cash incentive award was determined based on his past performance, his time in his role and a market adjustment from his 2021 target incentive cash award to align better with our peer group levels. Mr. Quinn's

target cash incentive award was determined following the Compensation Committee's evaluation of peer group data on others in similar Chief Technology Officer positions.

The amount actually paid to a participant could be more or less than the participant's target annual cash incentive award, depending on the extent to which applicable performance goals were satisfied. Consistent with prior years, for 2022, the Compensation Committee determined that annual incentive awards for such year would be paid to our executive officers in two installments rather than in one lump sum, whereby (i) 40% of each executive officer's target annual cash incentive award opportunity would be made in an initial lump sum payment following completion of our second fiscal quarter of 2022 (the "First Half 2022 Payment") and (ii) the remainder of each executive officer's full-year annual cash incentive award would be paid in a lump sum payment following the end of the 2022 fiscal year based on the Compensation Committee's evaluation of our actual performance for the full fiscal year as measured against the achievement of the pre-established corporate and individual performance goals described below (the "Second Half 2022 Payment"). The Compensation Committee has traditionally determined that annual incentive awards would be paid in two installments to align with the incentive plan for our broader employee base, which awards a portion of employees bonuses out mid-year for retention purposes.

#### Corporate Strategic and Organizational Goals

Our Board of Directors approves annual strategic and organizational initiatives for the Company, which are formulated by management to reflect the Company's goals for that year, and the Compensation Committee utilizes these initiatives as the business performance goals upon which annual cash incentive award payments are based. The 2022 strategic and organizational initiatives involved optimizing marketplace growth along with the launch and scale of our digital retail and wholesale businesses, including Instant Max Cash Offer, activities related to employee engagement and enablement, and the build out of our organizational capabilities. Each of these initiative categories involved one or more quantitative and qualitative metrics as established by our management that had to be successfully completed for that portion of the initiative to be considered achieved. For 2022, the threshold, target, and maximum performance levels for the number of strategic and organizational initiatives achieved and the corresponding payout levels on a sliding scale under the 2022 Annual Incentive Plan were established as follows:

Performance Measure	Performance Level	Payout Percentage
Strategic and Organizational Initiatives	Threshold (33%) <sup>(1)</sup>	50%
	Target (70%)	100%
	Maximum (100%)	150%

- (1) There is no payout under the strategic and organizational initiatives performance measure for performance that does not meet the threshold level criteria.

#### Corporate Financial Performance Goals

In addition, the Compensation Committee selected gross profit and adjusted earnings before interest and taxes ("EBIT"), a non-U.S. generally accepted accounting principles ("GAAP") financial measure, as the financial performance measurements for the fiscal year. For 2022, the threshold, target, and maximum performance levels for gross profit and adjusted EBIT, as set forth in our annual operating plan, and the corresponding payout levels on a sliding scale for achievement of such measures under the 2022 Annual Incentive Plan, were established as follows:

Performance Measure	Performance Level	Payout Percentage
Gross Profit	Threshold (95%)	50%
	Target (100%)	100%
	Maximum (105%)	200%
Adjusted EBIT	Threshold (90%)	50%
	Target (100%)	100%
	Maximum (110%)	150%

We calculate "adjusted EBIT" as GAAP consolidated net income, adjusted to exclude: depreciation and amortization, impairment of long-lived assets, stock-based compensation expense, acquisition-related expenses, other income, net, the provision for income taxes, and net income attributable to redeemable noncontrolling interest.

The Compensation Committee determined that, for purposes of the 2022 Annual Incentive Plan, these corporate financial measures were the most appropriate performance measures to use in determining cash incentive awards because, in its view, they were the best indicators of our successful execution of our annual operating plan. Thus, the threshold performance levels for these corporate performance goals were the minimum performance levels that had to be achieved before participants could earn any annual cash incentive awards relating to this measure. If the threshold performance goal for a particular measure was not achieved, then no award payments would be made under the 2022 Annual Incentive Plan with respect to such measure.

The above-referenced performance objectives should not be interpreted as a prediction of how we will perform in future periods. As described above, the purpose of these objectives was to establish a method for determining the payment of annual cash incentive compensation in 2022. You are cautioned not to rely on these performance goals as a prediction of our future performance.

#### Individual Performance Goals

For purposes of the 2022 Annual Incentive Plan, the Compensation Committee authorized (i) Mr. Steinert to establish one or more individual performance goals for Mr. Trevisan's annual cash incentive award opportunity and (ii) Mr. Trevisan to establish one or more individual performance goals for each executive officer, including each Named Executive Officer other than Mr. Steinert and himself, as part of the executive's annual cash incentive award opportunity. As part of our annual performance evaluation process, Messrs. Steinert and Trevisan, after consultation with Mr. Trevisan or each other executive officer, respectively, established the executive's performance goals for the fiscal year. These performance goals were not intended to be formulaic, but rather to serve as the framework upon which Messrs. Steinert and Trevisan could evaluate the applicable executive officer's overall performance. Such performance goals were established with reference to each individual executive officer's position or function within the Company and included operational metrics that could reflect corporate or departmental goals or could include specific operational goals with respect to the executive's area of responsibility. These performance goals also included the demonstration of leadership and effective decision-making, effective communication, promotion of our strategic and organizational initiatives and values, and commitment to excellence and work ethic and could include more specific objectives for the executive officer, such as the successful completion of major projects and organization capability building.

For our executive officers other than Mr. Steinert in 2022, the Compensation Committee established performance ratings for the individual performance goals achieved and the corresponding payout levels under the 2022 Annual Incentive Plan as follows:

Performance Measure	Performance Rating	Payout Percentage
Individual Performance Goals	Developing	40 – 80%
	Strong	100 – 115%
	Leading	115 – 130%
	Outstanding	130 – 150%

Our executive officers other than Mr. Steinert were subject to reviews conducted by their respective direct managers at the conclusion of the 2022 fiscal year (or, in the case of Mr. Fredo, prior to his separation from the Company) to evaluate their performance for such year. These evaluations were the basis for the assessment of their performance rating against the pre-established individual performance goals.

#### Weighting of Performance Goals

In February 2022, in connection with establishing the corporate performance goals for the fiscal year, the Compensation Committee also determined the relative weighting for our executive officers (other than Mr. Steinert) with respect to the business and financial performance goals and the individual performance goals. For purposes of the 2022 Annual Incentive Plan, the weighting of the performance goals for our executive officers, including our Named Executive Officers other than Mr. Steinert, was as follows:

Performance Measure	Weighting
Strategic Initiatives	25%
Gross Profit	30%
Adjusted EBIT	15%
Individual Performance Goals	30%

#### 2022 Annual Incentive Award Results

In July 2022, the Compensation Committee approved the First Half 2022 Payments for our Named Executive Officers as follows:

Named Executive Officer	Actual Cash Incentive Award for First Half of 2022 Payment (40% of Annual Target Award)
Mr. Trevisan	\$ 200,000
Mr. Fredo <sup>(1)</sup>	\$ 112,000
Mr. Steinert <sup>(2)</sup>	—
Mr. Quinn <sup>(3)</sup>	\$ 79,116
Ms. Eldridge	\$ 82,000

- (1) Mr. Fredo's resignation from the Company, which was effective as of October 3, 2022, had no impact on his First Half of 2022 Payment.
- (2) At Mr. Steinert's request, to demonstrate his confidence in the Company and to continue to align his interests with those of our stockholders, the Compensation Committee continued to consider Mr. Steinert ineligible to receive an annual cash incentive award for his 2022 performance.
- (3) Mr. Quinn's employment with the Company began effective as of January 3, 2022. His annual cash incentive award for his 2022 performance was prorated.

In February 2023, the Compensation Committee determined the Second Half 2022 Payments to be paid to our executive officers, including our Named Executive Officers, other than Mr. Steinert under the 2022 Annual Incentive Plan. The Compensation Committee determined the Second Half 2022 Payments based on the appropriate total amounts to be paid to our executive officers, including our Named Executive Officers other than Mr. Steinert, under the 2022 Annual Incentive Plan based on our actual performance for the 2022 fiscal year with respect to each corporate performance goal and each executive officer's individual performance against the executive's distinct performance goals. For 2022, the actual results against the targets set for the corporate components under the 2022 Annual Incentive Plan were as follows:

Performance Measure	Achievement Percentage or Rating	Payout Percentage
Strategic Initiatives	52%	76%
Gross Profit	95%	50% <sup>(2)</sup>
Adjusted EBIT	90%	50% <sup>(2)</sup>
Individual Performance Goals	(1)	(1)

- (1) Performance ratings and corresponding payout percentages for each Named Executive Officer varied based on the 2022 performance reviews conducted for each such individual.
- (2) Gross Profit and Adjusted EBIT actual achievement fell below the benchmark for any payout percentage. Given the impact this result would have had on the integrity of the 2022 Annual Incentive Plan, the Compensation Committee approved 2022 incentive payments based on a payout percentage at 50%.

In order to protect the integrity of the 2022 Annual Incentive Plan, the Compensation Committee also approved a 9% upward adjustment to actual cash incentive award payments. As a result, the target annual cash incentive award opportunities and the actual cash incentive award payments (inclusive of the First Half 2022 Payments) made to our Named Executive Officers (other than Mr. Steinert) for 2022 were as follows:

Named Executive Officer	Target Annual Cash Incentive Award	Actual Annual Cash Incentive Award	Percentage of Target Annual Cash Incentive Award Actually Paid
Mr. Trevisan	\$ 500,000	\$ 432,480	86.5%
Mr. Fredo <sup>(1)</sup>	\$ 280,000	\$ 112,000	40.0%
Mr. Steinert <sup>(2)</sup>	—	—	—
Mr. Quinn <sup>(3)</sup>	\$ 198,904	\$ 175,028	88.0%
Ms. Eldridge	\$ 205,000	\$ 171,167	83.5%

- (1) Mr. Fredo's employment with the Company ended as of October 3, 2022. As a result, he only received a First Half of 2022 Payment.
- (2) At Mr. Steinert's request, to demonstrate his confidence in the Company and to continue to align his interests with those of our stockholders, the Compensation Committee continue to consider Mr. Steinert ineligible to receive an annual cash incentive award for his 2022 performance.
- (3) Mr. Quinn's employment with the Company began effective as of January 3, 2022. His annual cash incentive award for his 2022 performance was prorated.

The annual cash incentive award payments made to our Named Executive Officers for 2022 are set forth in the "Summary Compensation Table" below.

## Long-Term Incentive Compensation

Historically and during 2022, we have used RSU awards with time-based vesting requirements to retain, motivate and reward our executive officers, including our Named Executive Officers, for long-term increases in the value of our Class A common stock and, thereby, to align their interests with those of our stockholders. In 2021, we expanded the form of equity awards granted to our executive officers to include performance-based RSU awards and NQSO awards in order to supplement the time-based RSU awards granted to our executive officers, including our Named Executive Officers, and in an effort to further align our executive officers' interests with the long-term interests of our stockholders. However, in 2022 the Compensation Committee determined to (i) amend the vesting terms of the performance-based RSU awards granted in 2021 and 2022 from performance-based to time-based with retrospective effect to the date of grant; and (ii) grant time-based RSU awards in lieu of performance-based RSU awards and NQSO awards, as it believes time-based RSU awards most effectively links pay versus performance by offering incentives to our executives that are not overly reactive to current market volatility, and serves as a compelling means of retaining our important talent in a competitive market, thus making it in the best long-term interests of our stockholders. See "Modification of 2021 and 2022 Performance-Based Equity Grants" above for more information regarding the amended performance-based RSU awards.

Typically, the size and form of the equity awards granted to our existing or newly-hired executive officers are determined in the discretion of the Compensation Committee at a level that it believes is competitive with current market practices (with reference to our compensation peer group) and after taking into consideration each individual executive officer's role and the scope of responsibilities, qualifications, experience, past performance and expected future contributions, current equity holdings and the potential equity awards to be granted to our other executive officers.

For its determination of the size and form of equity awards to issue to our executive officers in 2022, the Compensation Committee considered Compensia's competitive market analysis, including a review of equity awards granted to executives holding comparable positions at the companies in our compensation peer group, as well as its own assessment of our 2021 performance and the other factors described in "Elements of Executive Compensation – Base Salary" above. Additionally, while we typically grant equity awards to our executive officers on an annual basis, the Compensation Committee previously determined to increase the size of the 2021 award granted to Mr. Trevisan to cover the value of awards he would otherwise receive through 2024. As a result, the Compensation Committee has indicated that it does not currently contemplate that Mr. Trevisan would be eligible for another equity grant in respect of long-term incentive compensation until 2025. Based on this review, the Compensation Committee granted the following equity awards to our Named Executive Officers in February 2022:

### Time-Based RSU Awards

<u>Named Executive Officer</u>	<u>RSU Award (number of shares)</u>	<u>RSU Award (grant date fair value)<sup>(1)</sup></u>
Mr. Trevisan	0	—
Mr. Fredo	64,506 <sup>(2)</sup>	\$ 2,249,969
Mr. Steinert	71,674 <sup>(2)</sup>	\$ 2,499,989
Mr. Quinn	28,571 <sup>(3)</sup>	\$ 999,985
Ms. Eldridge	48,738 <sup>(2)</sup>	\$ 1,699,981

- (1) The amounts reported represent the grant date fair value of the time-based RSU awards, as computed in accordance with the Financial Accounting Standard Board's ASC Topic 718 ("FASB ASC Topic 718"), which excludes the impact of estimated forfeitures related to service-based vesting conditions, reflects the accounting cost for the equity awards, and does not correspond to the actual economic value that may be received by our Named Executive Officers from the equity awards.
- (2) Annual retention award, vesting as follows: 6.25% of the RSUs subject to the award vests on the date that is three months following the vesting commencement date of January 1, 2022 and 6.25% of the RSUs subject to the award vests on the last day of each three-month period thereafter until the fourth anniversary of the vesting commencement date, contingent upon such Named Executive Officer remaining continuously employed by us through each applicable vesting date.
- (3) New hire award, vesting as follows: 25% of the RSUs subject to the award vests on the one-year anniversary of the vesting commencement date of January 3, 2022 and 6.25% of the RSUs subject to the award vests on the last day of each three-month period thereafter until the fourth anniversary of the vesting commencement date, contingent upon Mr. Quinn remaining continuously employed by us through each applicable vesting date.

Upon vesting, all of the RSU awards presented in the tables above will be settled by issuing the number of shares of our Class A common stock that have vested on such date. In addition, as described above, all such RSU awards provide for acceleration of vesting in the event the executive officer's employment is terminated by us without cause or by the executive officer for good reason within 12 months following a qualifying change of control of the Company.

### New Hire Equity Awards

Mr. Quinn's employment with the Company commenced prior to the PSU Amendment. Accordingly, as part of his new hire compensation, Mr. Quinn received equity awards in the form of timed-based RSUs, NQSOs and performance-based RSU awards. Specifically, 50% of the value of the equity awards granted to Mr. Quinn was awarded in the form of time-based RSU awards, 25% of the value was awarded in the form of performance-based RSU awards, and the remaining 25% of the value was awarded in the form of NQSOs. At grant, the Compensation Committee contemplated that the time-based RSU awards and NQSOs would vest quarterly over four years while the performance-based RSU awards would be earned and vest, if at all, at the end of three- and four-year performance periods ending on December 31, 2023 and December 31, 2024, respectively, based on the change in our total stockholder return ("TSR") compared to the TSR growth of the companies that comprise the S&P 500 Index as of the day before the applicable performance period (the "PSU Peer Group Companies"). Because the value of these equity awards increases with any increase in the value of the underlying shares of Class A common stock, the awards provide incentives to Mr. Quinn that are aligned with the interests of our stockholders. The time-based RSU awards granted to Mr. Quinn in 2022 are disclosed above under "Time-Based RSU Awards."

#### Performance-Based RSU Awards

The Compensation Committee granted the following performance-based RSUs to Mr. Quinn in January 2022 at a level that it believed was competitive with current market practices (with reference to our compensation peer group) and after taking into consideration Mr. Quinn's role and the scope of responsibilities, qualifications, experience, past performance and expected future contributions, current equity holdings and the potential equity awards to be granted to our other executive officers.

Named Executive Officer	RSU Award (number of shares)	RSU Award (grant date fair value) <sup>(1)</sup>
Mr. Quinn	14,285 <sup>(2)</sup>	\$ 700,250

- (1) The amounts reported reflect the value of the performance-based RSU awards at the grant date based upon the grant date fair value determined utilizing a Monte Carlo simulation model, a generally accepted statistical technique used, in this instance, to simulate a range of possible future prices for the Company and the PSU Peer Group Companies over the applicable performance periods under the performance-based RSU awards, which reflects the accounting cost for the equity awards, and does not correspond to the actual economic value that may be received by our Named Executive Officers from the equity awards.
- (2) New hire award, vesting on each of December 31, 2024 and December 31, 2025. The total number of shares of our Class A common stock issuable on each such vesting date is based on our TSR compared to a pre-established relative TSR goal, with the maximum number of shares of our Class A common stock issuable on each such vesting date equal to the product of (i) 200% and (ii) one-half of the number of shares reported herein. After giving effect to the 2022 PSU Amendment, the vesting is treated as a time-based vested award, with 25% of the RSUs subject to the award vesting on the one-year anniversary of the vesting commencement date of December 1, 2021 and 6.25% of the RSUs subject to the award vesting on the last day of each three-month period thereafter until the fourth anniversary of the vesting commencement date, contingent upon Mr. Quinn remaining continuously employed by us through each applicable vesting date.
- (3) The vesting terms of the above performance-based RSUs were amended to timed-based RSUs in February 2022 pursuant to the 2022 PSU Amendment. See "Modification of 2021 and 2022 Performance-Based Equity Grants" above for more information regarding the amended performance-based RSU awards.

#### NQSO Awards

The Compensation Committee granted the following NQSO awards to Mr. Quinn in January 2022 at a level that it believed was competitive with current market practices (with reference to our compensation peer group) and after taking into consideration Mr. Quinn's role and the scope of responsibilities, qualifications, experience, past performance and expected future contributions, current equity holdings and the potential equity awards to be granted to our other executive officers.

Named Executive Officer	NQSO Award (number of shares)	NQSO Award (grant date fair value) <sup>(1)</sup>
Mr. Quinn	30,266 <sup>(2)</sup>	\$ 499,994

- (1) The amounts reported represent the grant date fair value of the NQSO awards, as computed in accordance with FASB ASC Topic 718, which excludes the impact of estimated forfeitures related to service-based vesting conditions, reflects the accounting cost for the equity awards, and does not correspond to the actual economic value that may be received by our Named Executive Officers from the equity awards.
- (2) New hire award, vesting as follows: 25% of the shares of our Class A common stock underlying this NQSO award vests on the one-year anniversary of the vesting commencement date of December 1, 2021 and 6.25% of the shares of our Class A common stock underlying this award vests on the last day of each three-month period thereafter until the fourth



anniversary of the vesting commencement date, contingent upon Mr. Quinn remaining continuously employed by us through each applicable vesting date.

Upon vesting, all of the RSU and NQSO awards presented in the tables above will be settled by issuing the number of shares of our Class A common stock that have vested (and, in the case of NQSOs, exercised) on such date. In addition, all such RSU and NQSO awards provide for acceleration of vesting in the event the executive officer's employment is terminated by us without cause or by the executive officer for good reason within 12 months following a qualifying change of control of the Company.

The equity awards granted to our Named Executive Officers in 2022 are set forth in the "*Summary Compensation Table*" and the "*Grants of Plan-Based Awards Table*" below.

#### *Welfare and Health Benefits*

We have established a broad-based tax-qualified savings plan under Section 401(k) of the Code for our eligible U.S. employees, including our executive officers, who satisfy certain eligibility requirements, including requirements relating to age and length of service. Currently, we match contributions made to the plan by our employees as follows: 50% of an employee's calendar-year contributions, up to a maximum of 8% of the employee's cash compensation paid during the period. Mandatory matching contributions may be subject to vesting based on an employee's start date and length of service. Employees can designate the investment of their Section 401(k) accounts into a broad range of mutual funds. We do not allow investment in our common stock through the Section 401(k) plan. We intend for the plan to qualify under Section 401(a) of the Code so that contributions by employees to the plan, and income earned on plan contributions, are not taxable to employees until withdrawn from the plan.

In addition, our executive officers, including our Named Executive Officers, are eligible to receive the same employee benefits that are generally available to all of our U.S. CarGurus employees, subject to the satisfaction of certain eligibility requirements. These benefits include medical, dental and vision coverage, health savings and flexible spending accounts, paid time off, flexible hybrid work schedules or remote work on a case-by-case basis, employee assistance programs, short term and long term disability insurance and term life insurance, as well as paid access to certain wellness and family care resources.

In structuring our employee benefit programs, we seek to provide an aggregate level of benefits that are competitive with those provided by similar companies, compliant with applicable laws and practices and affordable to our employees. We adjust these programs as needed based upon regular monitoring of applicable laws and practices, the competitive market and our employees' needs.

#### *Perquisites and Other Personal Benefits*

We do not view perquisites or other personal benefits as a significant component of our executive compensation program. Accordingly, we do not provide significant perquisites or other personal benefits to our executive officers, including our Named Executive Officers, except as generally made available to our employees, or in situations where we believe it is appropriate to assist an individual in the performance of the individual's duties, to make our executive officers more efficient and effective and for recruitment and retention purposes. During 2022, we provided Mr. Trevisan with a supplemental commuting benefit to and from our offices in Cambridge, Massachusetts to allow him to more efficiently use commuting hours for business purposes. The amounts associated with this benefit are reflected in the "*Summary Compensation Table*" below.

In the future, we may provide perquisites or other personal benefits in limited circumstances, such as those described in the preceding paragraph. All future practices with respect to perquisites or other personal benefits for our executive officers will be approved and subject to periodic review by the Compensation Committee.

#### *Employment Arrangements*

We have entered into employment offer letters with each of our executive officers. For a summary of the material terms and conditions of our employment arrangements with our Named Executive Officers, see "*Executive Employment Arrangements*" below.

#### *Post-Employment Compensation Arrangements*

The employment offer letters with certain of our executive officers provide for certain protections in the event of their termination of employment under specified circumstances. We believe that these protections were necessary to induce these individuals to forego other opportunities or leave their then-current employment for the uncertainty of a demanding position in a new and unfamiliar organization. We also believe that these arrangements continue to serve our executive retention objectives by helping these executive officers maintain continued focus and dedication to their responsibility to maximize stockholder value.

For a summary of the material terms and conditions of the post-employment compensation arrangements with our Named Executive Officers, see "*Executive Employment Arrangements*" below. For an estimate of the value of payments and benefits that our Named Executive Officers would have been eligible to receive if a hypothetical change of control or other trigger event had occurred on December 31, 2022, see "*Potential Payments upon Termination of Employment or Change in Control*" below.

## **Other Compensation Policies**

### *Hedging and Pledging Policy*

Our Insider Trading Policy prohibits our non-employee directors, executive officers, employees, and certain other persons as may be designated by the administrator of such policy from engaging in short sales of our securities, buying or selling puts or calls or other derivative securities on our securities or entering into hedging or monetization transactions or similar arrangements with respect to our securities without prior approval from the policy administrator. In addition, our Insider Trading Policy prohibits our non-employee directors, executive officers, and certain other persons as may be designated by the administrator of such policy from holding our securities in a margin account or pledging our securities as collateral for a loan without prior approval from the policy administrator.

### *Compensation Clawback Policy*

Our Board of Directors has adopted the Clawback Policy, which provides that if we are required to prepare an accounting restatement due to the material non-compliance with any financial reporting requirement, then our Board of Directors (or a committee thereof) may take, in its discretion, such actions as it deems necessary to recover from any executive officer or other current or former employee that is covered by the policy (i.e., an individual that our Board of Directors determines has contributed to the restatement through willful misconduct, fraud or a breach of a fiduciary duty) (a "Covered Person") any incentive-based equity compensation received by such individual during the previous three years that is determined to be in excess of the amount the individual would have received if such compensation had been calculated based on the restated financial statements. The Clawback Policy also provides for the recovery of excess incentive-based cash and equity compensation from a Covered Person that our Board of Directors (or a committee thereof) determines, in its discretion, has engaged in "Detrimental Conduct" (i.e., willful misconduct, fraud, the violation of a law or regulation, or non-compliance with Company policies that (in the case of each of the foregoing) has resulted, or is reasonably likely to result, in a material adverse impact on our financial results, operations or reputation), to the extent such compensation was granted during the one-year period preceding the date of the Detrimental Conduct or any time thereafter.

In October 2022, the SEC adopted new Rule 10D-1 under the Exchange Act, which requires national securities exchanges, including Nasdaq, to establish listing standards related to executive officer compensation clawback and disclosure rules. The Company intends to monitor the development and adoption of Nasdaq's final listing standards and, if needed, amend our current clawback policy as appropriate in accordance with the requirements of Nasdaq's final listing standards.

## **Tax and Accounting Considerations**

### *Deductibility of Executive Compensation*

In determining executive compensation, the Compensation Committee considers the possible income tax consequences to the Company and to our executive officers. To maintain maximum flexibility in designing our executive compensation program, the Compensation Committee, while considering tax deductibility as one factor in determining compensation, does not limit compensation to those levels or types of compensation that are intended to be deductible.

Generally, Section 162(m) of the Code disallows a federal income tax deduction for public corporations of remuneration in excess of \$1 million paid for any fiscal year to certain current or former executive officers. To maintain flexibility to compensate our executive officers in a manner designed to promote our short-term and long-term corporate goals and objectives, the Compensation Committee has not adopted a policy that all compensation must be deductible. Therefore, the Compensation Committee may approve base salaries and other compensation awards for our executive officers that may not be fully deductible because of the deduction limit of Section 162(m).

### *Accounting for Stock-Based Compensation*

We follow FASB ASC Topic 718 for our stock-based compensation awards. FASB ASC Topic 718 requires us to measure the compensation expense for all share-based payment awards made to our employees and non-employee members of our Board of Directors, including RSU awards that may be settled in shares of our Class A common stock, options to purchase shares of our Class A common stock and other stock awards, based on the grant date "fair value" of these awards. For options to purchase shares of our Class A common stock, the grant date fair value is determined utilizing the Black-Scholes option-pricing model, a generally accepted option valuation methodology. For performance-based (also referred to by us as "market-based" in our Annual Report on Form 10-K for the year ended December 31, 2022) RSU awards, the grant date fair value is determined utilizing a Monte Carlo simulation model, a generally accepted statistical technique used, in this instance, to simulate a range of possible future prices for the Company and the PSU Peer Group Companies over the applicable performance periods under the performance-based RSU awards. We no longer have any outstanding performance-based RSUs following the 2022 PSU Amendment.

This calculation is performed for accounting purposes and reported in the executive compensation tables required by the federal securities laws, even though the recipient of the awards may never realize any value from their awards. FASB ASC Topic 718 also requires us to recognize the compensation cost of our stock-based compensation awards in our income statements over the period that an employee or director is required to render service in exchange for an RSU award, stock option or other stock award.

## Executive Compensation

### Summary Compensation Table

The following table presents for the fiscal years ended December 31, 2022, 2021 and 2020, the compensation paid or awarded to, or earned by, our Named Executive Officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(1)</sup>	NQSO Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Jason Trevisan Chief Executive Officer	2022	556,200	—	542,278 <sup>(3)</sup>	—	432,480 <sup>(4)</sup>	13,158 <sup>(5)</sup>	1,547,116
	2021	540,000	—	13,512,566	4,499,992	640,882 <sup>(6)</sup>	17,810	19,211,250
	2020	382,813	—	2,673,612	—	335,893 <sup>(7)</sup>	5,000	3,397,317
Scot Fredo <sup>(9)</sup> Former Chief Financial Officer, Treasurer and Secretary	2022	290,354 <sup>(10)</sup>	—	2,249,969	—	112,000 <sup>(11)</sup>	15,138 <sup>(12)</sup>	2,667,461
	2021	315,000	—	1,785,713	499,990	262,560 <sup>(6)</sup>	5,000	2,868,263
	2020	—	—	—	—	—	—	—
Langley Steinert Executive Chairman	2022	10,000	—	2,575,722 <sup>(13)</sup>	—	—	—	2,585,722
	2021	10,000	—	1,876,728	625,000	—	—	2,511,728
	2020	10,000	—	2,291,672	—	—	—	2,301,672
Matthew Quinn Chief Technology Officer	2022	325,000	—	1,700,235	499,994	175,028 <sup>(4)</sup>	33,569 <sup>(14)</sup>	2,733,826
	2021	—	—	—	—	—	—	—
	2020	—	—	—	—	—	—	—
Andrea Eldridge Chief People Officer	2022	325,000	—	1,699,981	—	171,167 <sup>(4)</sup>	9,596 <sup>(8)</sup>	2,215,744
	2021	325,000	—	2,009,014	562,495	268,560 <sup>(6)</sup>	5,000	3,170,069
	2020	—	—	—	—	—	—	—

- (1) Represents the aggregate grant date fair value of the time-based RSU awards based on the closing market price of our Class A common stock on the date of grant computed in accordance with FASB ASC Topic 718. See Notes 2 and 10 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 1, 2023 for the assumptions regarding the valuation of these equity awards. For performance-based RSUs granted in 2021, the value reported reflects the value of the awards at the grant date based upon the grant date fair value determined utilizing a Monte Carlo simulation model, a generally accepted statistical technique used, in this instance, to simulate a range of possible future prices for the Company and the PSU Peer Group Companies over the applicable performance periods under the performance-based RSU awards. If the performance-based RSU awards granted in 2021 and, with respect to Mr. Quinn, granted in 2022, were earned at the maximum level, the grant date fair value of the performance-based RSUs would be as follows: Mr. Trevisan, \$5,650,752; Mr. Fredo, \$1,571,497; Mr. Steinert, \$783,432; Mr. Quinn, \$1,400,499; and Ms. Eldridge, \$1,768,046 utilizing a Monte Carlo simulation model, a generally accepted statistical technique used, in this instance, to simulate a range of possible future prices for the Company and the PSU Peer Group Companies over the applicable performance periods under the performance-based RSU award. Such performance-based RSUs were subsequently amended pursuant to the 2022 PSU Amendment. The amounts listed in the table above for the 2022 awards include the modification expense associated with the 2022 PSU Amendment. See "*Modification of 2021 and 2022 Performance-Based Equity Grants*" above for more information regarding the amended performance-based RSU awards.
- (2) Represents the aggregate grant date fair value of the NQSO awards based on the closing market price of our Class A common stock on the date of grant computed in accordance with FASB ASC Topic 718. See Notes 2 and 10 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 1, 2023 for the assumptions regarding the valuation of these equity awards.
- (3) Due to the aggregate size of Mr. Trevisan' 2021 equity award package upon his appointment to Chief Executive Officer, he did not receive an award in 2022. The amount reflected in the table above is related to the modification expense associated with the 2022 PSU Amendment.
- (4) Represents a cash incentive award under the 2022 Annual Incentive Plan determined by the Compensation Committee based on our achievement of certain business and financial performance goals and the individual Named Executive Officer's performance goals, of which 40% of the target amount was paid in July 2022 and the remainder of which was paid in February 2023.
- (5) Consists of (i) \$8,158 attributable to Mr. Trevisan for his use of a limited supplemental shared commuting benefit and (ii) \$5,000 for the Company's Section 401(k) matching contribution.
- (6) Represents a cash incentive award under the Annual Incentive Plan for 2021 determined by the Compensation Committee based on our achievement of certain business and financial performance goals and the individual Named Executive

Officer's performance goals, of which 40% of the target amount was paid in July 2021 and the remainder of which was paid in February 2022.

- (7) Represents a cash incentive award under the Annual Incentive Plan for 2020 determined by the Compensation Committee based on our achievement of certain business and financial performance goals and the individual Named Executive Officer's performance goals, all of which was paid in February 2021.
- (8) Represents the Company's Section 401(k) matching contributions.
- (9) Mr. Fredo's employment with the Company ended as of October 3, 2022.
- (10) The figure reflected in the above table represents the actual base salary paid related to service provided in 2022.
- (11) The figure reflected in the above table represents Mr. Fredo's First Half of 2022 Payment under the 2022 Annual Incentive Plan.
- (12) Consists of (i) \$10,138 attributable to Mr. Fredo for payment of unused vacation time upon his termination of employment and (ii) \$5,000 for the Company's Section 401(k) matching contribution.
- (13) Includes \$75,733 related to the modification expense associated with the 2022 PSU Amendment.
- (14) Consists of (i) 75% of Mr. Quinn's one-time signing bonus in connection with his hiring and (ii) \$11,069 for the Company's Section 401(k) matching contribution. The remaining 25% of Mr. Quinn's one-time signing bonus is payable within sixty days following the one-year anniversary of January 3, 2022, subject to his continued employment through such date.

## Grants of Plan-Based Awards Table

The following table presents, for each of our Named Executive Officers, information concerning each grant of a cash or equity award made during the fiscal year ended December 31, 2022.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(2)</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options(#)	Exercise or Base Price of Option Awards (\$/sh)	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(3)</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Jason Trevisan	02/08/2022	—	—	—	—	—	—	—	—	—	545,278 <sup>(4)</sup>
	—	250,000	500,000	825,222	—	—	—	—	—	—	—
Scot Fredo <sup>(5)</sup>	02/08/2022	—	—	—	—	—	—	—	—	—	2,249,969
	02/08/2022	—	—	—	—	—	—	—	—	—	0 <sup>(4)</sup>
	—	140,000	280,000	462,000	—	—	—	—	—	—	—
Langley Steinert	02/08/2022	—	—	—	—	—	—	71,674	—	—	2,499,989
	02/08/2022	—	—	—	—	—	—	—	—	—	75,733 <sup>(4)</sup>
Matthew Quinn	01/03/2022	—	—	—	—	—	—	—	—	—	999,985
	01/03/2022	—	—	—	—	—	—	—	—	35.00	499,994
	01/03/2022	—	—	—	0	14,285	28,570	—	—	—	700,250
	02/08/2022	—	—	—	—	—	—	—	—	—	0 <sup>(4)</sup>
	—	99,452	198,904 <sup>(6)</sup>	328,191.60	—	—	—	—	—	—	—
Andrea Eldridge	02/08/2022	—	—	—	—	—	—	48,738	—	—	1,699,981
	02/08/2022	—	—	—	—	—	—	—	—	—	0 <sup>(4)</sup>
	—	102,500	205,000	338,250	—	—	—	—	—	—	—

- (1) The amounts reported in the "Threshold" sub-column reflect the minimum payment level of non-equity incentive plan compensation for each of our Named Executive Officers assuming a threshold level of performance under the 2022 Annual Incentive Plan. The amounts reported in the "Maximum" sub-column reflect that for 2022, the program provided each Named Executive Officer with the potential to earn a maximum of 165% of the target cash incentive award opportunity. The design and operation of the 2022 Annual Incentive Plan are described in the "Compensation Discussion and Analysis" section of this Proxy Statement. Non-equity incentive plan awards actually paid by us for services rendered in 2022 are reported in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table" above.
- (2) The amounts reported in the "Threshold" "Target" and "Maximum" sub-columns represent the minimum, target and maximum number of shares of our Class A common stock that may be issuable upon the vesting of our performance-based RSU awards, in each case, based on a formula determined by comparing our TSR to a pre-established relative TSR goal. After giving effect to the 2022 PSU Amendment, the figures set forth under the heading "Threshold" and "Maximum" are no longer applicable and the figures set forth under the heading "Target" reflect the total number of shares of our Class A common stock underlying each such amended RSU award. See "New Hire Equity Awards - Performance-Based RSU Awards" for more information.
- (3) Represents the aggregate grant date fair value of the time-based RSU awards based on the closing market price of our Class A common stock on the date of grant computed in accordance with FASB ASC Topic 718. See Notes 2 and 10 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 1, 2023 for the assumptions regarding the valuation of these equity awards
- (4) The amount reflected in the table above is related to the modification expense associated with the 2022 PSU Amendment. See "Modification of 2021 and 2022 Performance-Based Equity Grants" above for more information regarding the amended performance-based RSU awards.
- (5) Mr. Fredo resigned from the Company effective as of October 3, 2022 and, consequently, Mr. Fredo forfeited his 2022 awards listed in the table above except the First Half of 2022 Payment.
- (6) 2022 Target pro-rated for service time provided in 2022.

### Outstanding Equity Awards at Fiscal Year-End Table

The following table presents, for each of our Named Executive Officers, information regarding outstanding equity awards held as of December 31, 2022.

Name	Option Awards				Stock Awards	
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price(\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$) <sup>(1)</sup>
Jason Trevisan	—	—	—	—	3,587 <sup>(2)</sup>	50,254
	—	—	—	—	35,527 <sup>(3)</sup>	497,733
	—	—	—	—	24,260 <sup>(4)</sup>	339,883
	—	—	—	—	142,165 <sup>(5)</sup>	1,991,732
	—	—	—	—	71,082 <sup>(5)(6)</sup>	995,859
	114,996 <sup>(7)</sup>	147,854 <sup>(7)</sup>	35.61	02/10/2031	—	—
Scot Fredo <sup>(8)</sup>	12,777 <sup>(9)</sup>	—	35.61	02/10/2031 <sup>(10)</sup>	—	—
Langley Steinert	—	—	—	—	4,014 <sup>(2)</sup>	56,236
	—	—	—	—	20,795 <sup>(4)</sup>	291,338
	—	—	—	—	19,745 <sup>(5)</sup>	276,627
	—	—	—	—	58,236 <sup>(11)</sup>	815,886
	—	—	—	—	9,872 <sup>(5)(6)</sup>	138,307
	15,971 <sup>(7)</sup>	20,536 <sup>(7)</sup>	—	—	—	—
Matt Quinn	—	—	—	—	28,571 <sup>(12)</sup>	400,280
	—	—	—	—	14,285 <sup>(6)(12)</sup>	200,133
	0 <sup>(13)</sup>	30,266 <sup>(13)</sup>	35.00	01/03/2032	—	—
Andrea Eldridge	—	—	—	—	3,845 <sup>(14)</sup>	53,868
	—	—	—	—	4,487 <sup>(15)</sup>	62,863
	—	—	—	—	17,771 <sup>(4)</sup>	248,972
	—	—	—	—	39,600 <sup>(11)</sup>	554,796
	—	—	—	—	8,883 <sup>(5)(6)</sup>	124,451
	14,374 <sup>(7)</sup>	18,482 <sup>(7)</sup>	35.61	02/10/2031	—	—

- (1) The market price for our Class A common stock is based on \$14.01 per share, the closing market price of our Class A common stock on December 30, 2022, the last trading day of 2022. Our Class B common stock is valued the same as our Class A common stock.
- (2) 6.25% of the shares of our Class A common stock subject to this RSU award vested on April 1, 2019 and 6.25% of the shares subject to the award will vest (or have vested, as applicable) on the last day of each three-month period thereafter until January 1, 2023, contingent upon the Named Executive Officer remaining continuously employed by us through each applicable vesting date.
- (3) 50% of the shares of our Class A common stock subject to this RSU award vested on January 1, 2021 and the remaining 50% of the shares subject to the award will vest on January 1, 2023, contingent upon the Named Executive Officer remaining continuously employed by us through such vesting date.
- (4) 6.25% of the shares of our Class A common stock subject to this RSU award vested on April 1, 2020 and 6.25% of the shares subject to the award will vest (or have vested, as applicable) on the last day of each three-month period thereafter until January 1, 2024, contingent upon the Named Executive Officer remaining continuously employed by us through each applicable vesting date.
- (5) 6.25% of the shares of our Class A common stock subject to this RSU award vested on April 1, 2021 and 6.25% of the shares subject to the award will vest (or have vested, as applicable) on the last day of each three-month period thereafter until January 1, 2025, contingent upon the Named Executive Officer remaining continuously employed by us through each applicable vesting date.
- (6) In February 2022, as part of the Compensation Committee's continued evaluation of our executive compensation program and in order to ensure consistency with our short-term and long-term goals, the Compensation Committee amended the vesting provisions of the performance-based RSU awards granted to our executive officers in 2021 from

performance-based to time-based. See "*Modification of 2021 and 2022 Performance-Based Equity Grants*" above for more information regarding the amended performance-based RSU awards. This table gives effect to the 2022 PSU Amendment.

- (7) 6.25% of the shares of our Class A common stock underlying this NQSO award vested on April 1, 2021 and 6.25% of the shares of our Class A common stock underlying the award will vest (or have vested, as applicable) on the last day of each three-month period thereafter until January 1, 2025, contingent upon the Named Executive Officer remaining continuously employed by us through each applicable vesting date.
- (8) Mr. Fredo's employment with the Company ended as of October 3, 2022. All of Mr. Fredo's vested and unexercised options were canceled upon the expiration of the post-termination exercise period.
- (9) At the time of termination, all unvested equity award tranches were cancelled. The figures in the above table represent the NQSO which were vested at the time Mr. Fredo's employment with the Company ended.
- (10) Represents the original NQSO expiration date. The post-termination exercise period was 90 days from the date Mr. Fredo's employment with the Company ended. The post-termination date has expired.
- (11) 6.25% of the shares of our Class A common stock subject to this RSU award vested on April 1, 2022 and 6.25% of the shares subject to the award will vest (or have vested, as applicable) on the last day of each three-month period thereafter until January 1, 2026, contingent upon the Named Executive Officer remaining continuously employed by us through each applicable vesting date.
- (12) 25% of the shares of our Class A common stock underlying this RSU award vested on January 3, 2023 and 6.25% of the shares of our Class A common stock underlying the award will vest on the last day of each three-month period thereafter until January 3, 2026, contingent upon the Named Executive Officer remaining continuously employed by us through each applicable vesting date.
- (13) 25% of the shares of our Class A common stock underlying this NQSO award vested on January 3, 2023 and 6.25% of the shares of our Class A common stock underlying the award will vest on the last day of each three-month period thereafter until January 3, 2026, contingent upon the Named Executive Officer remaining continuously employed by us through each applicable vesting date.
- (14) 25% of the shares of our Class A common stock subject to this RSU award vested on March 1, 2021 and 6.25% of the shares subject to the award will vest (or have vested, as applicable) on the last day of each three-month period thereafter until March 1, 2024, contingent upon the Named Executive Officer remaining continuously employed by us through each applicable vesting date.
- (15) 6.25% of the shares of our Class A common stock subject to this RSU award vested on October 1, 2020 and 6.25% of the shares subject to the award will vest (or have vested, as applicable) on the last day of each three-month period thereafter until July 1, 2024, contingent upon the Named Executive Officer remaining continuously employed by us through each applicable vesting date.

### Option Exercises and Stock Vested Table

The following table presents, for each of our Named Executive Officers, the number of shares of our Class A common stock acquired upon the exercise of stock options and vesting of RSU awards during the fiscal year ended December 31, 2022, and the aggregate value realized upon the exercise or vesting of such awards.

Name	Stock Awards – number of shares acquired on vesting (#) <sup>(1)</sup>	Stock Awards – value realized on vesting (\$) <sup>(2)</sup>
Jason Trevisan	155,351	4,596,494
Scot Fredo <sup>(3)</sup>	31,839	906,347
Langley Steinert	66,230	1,901,653
Matthew Quinn	—	—
Andrea Eldridge	29,587	838,569

- (1) The amounts reported in this column represent the gross number of shares of our Class A common stock acquired upon the vesting of RSU awards without taking into account any shares that may have been withheld to satisfy applicable tax withholding obligations. Upon vesting of these awards, the Company withheld a portion of distributable shares in respect of taxes. The number of shares received after taking into account any shares withheld are as follows: 90,496 for Mr. Trevisan, 20,159 for Mr. Fredo, 40,680 for Mr. Steinert, 0 for Mr. Quinn, and 19,104 for Mrs. Eldridge.
- (2) The amounts reported in this column represent the taxable income recognized upon the vesting of RSU awards calculated by multiplying the gross number of units vested by the closing market price of our Class A common stock on the vesting date or, if the vesting occurred on a day on which Nasdaq was closed for trading, the prior trading day.
- (3) Mr. Fredo's employment with the Company ended as of October 3, 2022.



**Potential Payments upon Termination of Employment or Change in Control**

The following table sets forth the potential (estimated) payments and benefits to which our Named Executive Officers would have been entitled, as specified under their respective employment offer letter or equity award agreement, as applicable, assuming, subject to footnotes (1) and (4), an employment termination date of December 31, 2022, on which the market price for our Class A common stock was \$14.01 per share (the closing price on December 30, 2022, the last trading day of the year). As discussed above, Mr. Fredo resigned from the Company in October 3, 2022. Accordingly, Mr. Fredo was not entitled to any payments or benefits as a result of his departure.

Name and Benefit	Termination w/o Cause (\$)	Resignation for Good Reason (\$)	Change in Control (\$)	Termination w/o Cause or for Good Reason in connection with Change in Control (\$)
<b>Jason Trevisan</b>				
Base Salary	—	—	—	—
Bonus	—	—	—	—
Equity Awards (Accelerated Vesting) <sup>(1)</sup>	—	—	—	3,875,460
Health & Benefits	—	—	—	—
Other <sup>(2)</sup>	100,000	100,000	—	100,000
Total Estimated Value	100,000	100,000	—	3,975,460
<b>Scot Fredo<sup>(3)</sup></b>				
Base Salary	—	—	—	—
Bonus	—	—	—	—
Equity Awards (Accelerated Vesting)	—	—	—	—
Health & Benefits	—	—	—	—
Other	—	—	—	—
Total Estimated Value	—	—	—	—
<b>Langley Steinert</b>				
Base Salary	—	—	—	—
Bonus	—	—	—	—
Equity Awards (Accelerated Vesting) <sup>(1)</sup>	—	—	—	1,578,395
Health & Benefits	—	—	—	—
Other <sup>(2)</sup>	—	—	—	—
Total Estimated Value	—	—	—	1,578,395
<b>Matthew Quinn</b>				
Base Salary <sup>(3)</sup>	243,750	243,750	—	243,750
Bonus	—	—	—	—
Equity Awards (Accelerated Vesting) <sup>(1)</sup>	—	—	—	600,413
Health & Benefits <sup>(4)</sup>	16,150	16,150	—	16,150
Other <sup>(2)</sup>	—	—	—	—
Total Estimated Value	259,900	259,900	—	860,312
<b>Andrea Eldridge</b>				
Base Salary	—	—	—	—
Bonus	—	—	—	—
Equity Awards (Accelerated Vesting) <sup>(1)</sup>	—	—	—	1,044,950
Health & Benefits	—	—	—	—
Other <sup>(2)</sup>	100,000	—	—	100,000
Total Estimated Value	100,000	—	—	1,144,950

- (1) Our forms of time-based RSU award agreement and NQSO award agreement provide for acceleration of unvested RSUs or NQSOs, as applicable, under such award in the event that such officer is terminated by us without Cause or by such officer for Good Reason (each, as defined in the Company's standard time-based RSU award agreement and NQSO award agreement, as applicable, for executive officers, the forms of which have been previously filed with the SEC) within 12 months following a Change of Control (as defined in the 2017 Plan).

Prior to giving effect to the 2022 PSU Amendment, our form of performance-based RSU award agreement provided for acceleration of unvested RSUs (i) in the event that an officer was terminated by us without Cause or by such officer for Good Reason (each, as defined in the Company's original performance-based RSU award agreement for executive officers, the form of which has been previously filed with the SEC) within 12 months following a Change of Control and (ii) following a Change of Control. For purposes of this table, we have assumed that 50% of each recipient's targeted award would be accelerated in connection with the events described in clauses (i) and (ii) above. After giving effect to the 2022 PSU Amendment, the acceleration provisions of our performance-based RSU award agreement are substantially

For all purposes above, a Change of Control under the 2017 Plan generally occurs if: (i) a person, entity or affiliated group, with certain exceptions, acquires more than 50% of our then outstanding voting securities; (ii) we merge into another entity unless the holders of our voting shares immediately prior to the merger have at least 50% of the combined voting power of the securities in the merged entity or its parent; (iii) we merge into another entity and the members of the board of directors prior to the merger would not constitute a majority of the board of directors of the merged entity or its parent; (iv) we sell or dispose of all or substantially all of our assets; (v) our stockholders approve a plan of complete liquidation or dissolution; or (vi) a majority of the members of our Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the incumbent directors.

- (2) Represents a lump-sum cash severance payment. The applicable Named Executive Officer is required to sign and not revoke a release of any and all claims against the Company (and in the case of Mr. Quinn, a reaffirmation of all his post-employment obligations under his nondisclosure agreement, and in the Company's sole discretion, a one-year post-employment noncompetition agreement) in order to remain eligible for the lump-sum cash severance payments. Mr. Trevisan and Ms. Eldridge's severance payments are determined as one lump-sum in their employment agreements. Mr. Quinn's severance payment is determined as nine months of his base salary in his employment agreement. See "*Executive Employment Arrangements*" for more information.
- (3) Pursuant to an offer letter between the Company and Mr. Quinn dated December 1, 2021, Mr. Quinn's annual base salary is \$325,000. The figure presented herein reflects the prorated amount of nine months of such base salary based on Mr. Quinn's commencement of employment with the Company on January 3, 2022 and an assumed termination date of December 31, 2022.
- (4) Pursuant to an offer letter between the Company and Mr. Quinn dated December 21, 2022, if we terminate Mr. Quinn's employment without cause or if Mr. Quinn terminates his employment for good reason, subject to his signing and not revoking a release of any and all claims against the Company and a reaffirmation of all his post-employment obligations under his nondisclosure agreement, and in the Company's sole discretion, a one-year post-employment noncompetition agreement, Mr. Quinn is entitled to reimbursement for the COBRA premiums that he would pay for continued health care coverage under our group health plans for himself and his dependents until the earlier of nine months, until he becomes eligible under another employer's group coverage, or until he ceases to be eligible for COBRA coverage for any reason.

### **Executive Employment Arrangements**

We have entered into employment offer letters with each of our Named Executive Officers. These agreements provide for "at-will" employment and generally include the Named Executive Officer's initial annual base salary, an indication of eligibility for an annual performance-based bonus opportunity, an equity award recommendation, and, as applicable, certain severance and change of control payments and benefits. These employment arrangements are described below.

#### ***Jason Trevisan***

The employment offer letter with Mr. Trevisan, dated August 10, 2015, provides for an initial annual base salary, which may be adjusted on an annual basis, consistent with salary review procedures for other company employees.

Mr. Trevisan is entitled to participate in all employee benefit programs made available to other company employees, including but not limited to health insurance, paid time off, and reimbursement for business expenses in accordance with our expense reimbursement policy.

If we terminate his employment for cause, we will pay Mr. Trevisan his accrued compensation and benefits through the date of termination. If Mr. Trevisan terminates his employment for any reason, we will pay him his accrued compensation and benefits through the date of termination.

If we terminate Mr. Trevisan's employment without cause, or Mr. Trevisan terminates his employment for good reason, he will receive accrued compensation through the date of termination and, provided he executes and does not revoke a release of claims, he will be entitled to a severance payment of \$100,000, which will be paid in a lump sum within 60 days following his termination of employment.

Pursuant to the terms of the employment offer letter: (1) "cause" is generally defined as a finding by our Board of Directors that Mr. Trevisan has: (i) materially breached the offer letter, which breach has not been remedied within 30 days following written notice to him; (ii) engaged in disloyalty to our company, including, without limitation, fraud, embezzlement, theft, commission of a felony, or proven dishonesty; (iii) disclosed trade secrets or confidential information of our company to persons not entitled to receive such information; (iv) breached the nondisclosure, developments, and non-competition agreement that he entered into in connection with the commencement of his employment; or (v) engaged in such other behavior detrimental to the interests of our company as our Board

of Directors reasonably determines; and (2) "good reason" is generally defined as the occurrence of any of the following events, without Mr. Trevisan's consent: (i) a material diminution in his title, responsibilities, authority, or duties; (ii) a material diminution of his base salary or target annual discretionary bonus, except for across-the-board reductions based on our company's financial performance similarly affecting all or substantially all senior management employees; (iii) a material change in the principal geographic location at which he provides services to our company (with the exception of travel related to his duties); or (iv) our company's material breach of the offer letter; provided that Mr. Trevisan notifies us within 30 days of the occurrence of the condition constituting good reason, he cooperates with us to cure the condition for a period of not less than 30 days following the notice, and, if we fail to cure the condition following our cure period, he terminates his employment within 30 days following the end of the cure period.

The employment offer letter requires that Mr. Trevisan comply with our nondisclosure, developments, and non-competition agreement, which provides that at all times during Mr. Trevisan's employment and thereafter, he will maintain the confidentiality of all confidential information obtained by him as a result of his employment and assign to the Company all inventions relating to his employment with the Company. In addition, during the term of Mr. Trevisan's employment, and for the one-year period (subject to certain extensions in the event of a breach) after Mr. Trevisan's termination of employment, Mr. Trevisan cannot (i) compete against our company, (ii) interfere or do business with any customers or affiliates of our company, or (iii) solicit in any way the employees of our company or any others who provide services to our company.

#### ***Scot Fredo***

The employment offer letter with Mr. Fredo, dated November 30, 2015, provides for an initial annual base salary, which may be adjusted on an annual basis, consistent with salary review procedures for other company employees. Mr. Fredo is eligible to receive a discretionary annual bonus.

Mr. Fredo is entitled to participate in all employee benefit programs made available to other company employees, including but not limited to health insurance, paid time off, and reimbursement for business expenses in accordance with our expense reimbursement policy.

The employment offer letter requires that Mr. Fredo comply with our nondisclosure, developments, and non-competition agreement, which provides that at all times during Mr. Fredo's employment and thereafter, Mr. Fredo will maintain the confidentiality of all confidential information obtained by him as a result of his employment and assign to the Company all inventions relating to his employment with the Company. In addition, during the term of Mr. Fredo's employment, and for the one-year period (subject to certain extensions in the event of a breach) after Mr. Fredo's termination of employment, Mr. Fredo cannot (i) compete against our company, (ii) interfere or do business with any customers or affiliates of our company, or (iii) solicit in any way the employees of our company or any others who provide services to our company.

#### ***Langley Steinert***

The employment offer letter with Mr. Steinert, effective March 17, 2006, memorializes the terms of Mr. Steinert's employment with the Company. The terms provide that Mr. Steinert is entitled to an annual base salary, which may be adjusted on an annual basis, and participation in our employee benefit programs. In connection with his commencement of employment, Mr. Steinert entered into a non-disclosure, development and non-competition agreement, which provides that at all times during his employment and thereafter, Mr. Steinert will maintain the confidentiality of all confidential information obtained by him as a result of his employment and assign to the Company all inventions relating to his employment with the Company. In addition, during the term of Mr. Steinert's employment, and for the one-year period (subject to certain extensions in the event of a breach) after Mr. Steinert's termination of employment, Mr. Steinert cannot (i) compete against our company, (ii) interfere or do business with any customers or affiliates of our company, or (iii) solicit in any way the employees of our company or any others who provide services to our company.

#### ***Matthew Quinn***

The employment offer letter with Mr. Quinn, dated December 1, 2021, provides for an initial annual base salary, which may be adjusted on an annual basis, consistent with salary review procedures for other company employees. In connection with the commencement of his employment, Mr. Quinn received a \$30,000 sign-on bonus, 50% of which he received within 60 days of his start date, 25% of which he received within 60 days of the start of the six-month anniversary of such start date, and the remainder he received within 60 days of the one-year anniversary of such start date. This sign-on bonus would have been subject to repayment, and the remainder of his sign-on bonus would have been forfeited, if Mr. Quinn's employment terminated within 12 months following Mr. Quinn's start date. Mr. Quinn is eligible to receive a discretionary annual bonus.

In connection with the commencement of his employment, Mr. Quinn was granted (i) time-based RSUs with an award value of \$1,000,000 under the 2017 Plan, which can be settled for shares of Class A common stock that will vest over four years, of which 25% of the RSUs vested on January 3, 2023 and 6.25% of the shares subject to the award will vest (or have vested, as applicable) on the last day of each three-month period thereafter until January 3, 2026, subject to Mr. Quinn's continued employment on the vesting dates; and (ii) a NQSO to purchase shares of Class A common stock with an award value of \$500,000 under the 2017 Plan that will vest over four years, of which 25% of the shares underlying the NQSO vested on January 3, 2023 and 6.25% of the shares underlying

the NQSO will vest (or have vested, as applicable) on the last day of each three-month period thereafter until January 3, 2026, subject to Mr. Quinn's continued employment on the vesting dates. Vesting of such time-based RSUs and NQSOs may be fully accelerated in the event Mr. Quinn is terminated by us without Cause or by him for Good Reason (each, as defined in the Company's standard time-based RSU and NQSO award agreements for executive officers, the forms of which have been previously filed with the SEC) within 12 months following a Change of Control (as defined in the 2017 Plan). Mr. Quinn was also granted 14,284 RSUs subject to performance-based vesting conditions with an award value of \$500,000 under the 2017 Plan. The performance-based RSU awards would have vested, if at all, at the end of three- and four-year performance periods ending on December 31, 2024 and December 31, 2025, respectively, based on the change in our TSR compared to the TSR growth of the companies that comprise the S&P 500 Index as of the day before the applicable performance period. However, such performance-based RSUs were subsequently amended in accordance with the 2022 PSU Amendment.

Mr. Quinn is entitled to participate in all employee benefit programs made available to other company employees, including but not limited to health insurance, paid time off, and reimbursement for business expenses in accordance with our expense reimbursement policy.

If we terminate Mr. Quinn's employment without cause, or Mr. Quinn terminates his employment for good reason, he will receive accrued compensation through the date of termination and, provided he executes and does not revoke a release of claims, he will be entitled to (i) a severance payment of an amount equal to nine months of his base salary, which will be paid in substantially equal installments in accordance with the Company's payroll practices over six months commencing within 60 days following his termination of employment and (ii) reimbursement on a monthly basis for the COBRA premiums that Mr. Quinn pays for continued health care coverage under our group health plans for himself and his dependents until the earlier of nine months, until he becomes eligible under another employer's group coverage, or until he ceases to be eligible for COBRA coverage for any reason.

Pursuant to the terms of the employment offer letter: (1) "cause" is generally defined as a finding by our Board of Directors that (i) there is a reasonable basis for our company's dissatisfaction with Mr. Quinn entertained in good faith, for reasons such as lack of capacity or diligence, failure to conform to usual standards of conduct, or other culpable or inappropriate behavior; (ii) there are grounds for discharge of Mr. Quinn reasonably related, in our company's judgment, to the needs of its business; (iii) there is a breach of any covenant or obligation set forth in the offer letter or any other agreement between Mr. Quinn and our company during Mr. Quinn's employment; or (iv) there is a layoff other than one that is unrelated to Mr. Quinn's performance or conduct; and (2) "good reason" is generally defined as the occurrence of any of the following events, without Mr. Quinn's consent: (i) a material diminution in his title, responsibilities, authority, or duties; (ii) a material diminution of his base salary or target annual discretionary bonus, except for across-the-board reductions based on our company's financial performance similarly affecting all or substantially all senior management employees; (iii) a material change in the principal geographic location at which he provides services to our company (with the exception of travel related to his duties); or (iv) our company's material breach of Mr. Quinn's offer letter; provided that Mr. Quinn notifies us within 30 days of the occurrence of the condition constituting good reason, he cooperates with us to cure the condition for a period of not less than 30 days following the notice, and, if we fail to cure the condition following our cure period, he terminates his employment within 30 days following the end of the cure period.

The employment offer letter requires that Mr. Quinn comply with our nondisclosure agreement, which provides that at all times during Mr. Quinn's employment and thereafter, he will maintain the confidentiality of all confidential information obtained by him as a result of his employment and assign to the Company all inventions relating to his employment with the Company. In addition, during the term of Mr. Quinn's employment, and for the one-year period (subject to certain extensions in the event of a breach) after Mr. Quinn's termination of employment, Mr. Quinn cannot (i) compete against our company, (ii) interfere or do business with any customers or affiliates of our company, or (iii) solicit in any way the employees of our company or any others who provide services to our company.

#### ***Andrea Eldridge***

The employment offer letter with Ms. Eldridge, dated January 16, 2020, provides for an initial annual base salary, which may be adjusted on an annual basis, consistent with salary review procedures for other company employees. In connection with the commencement of her employment, Ms. Eldridge received a \$10,000 sign-on bonus, which would have been subject to repayment if Ms. Eldridge's employment terminated within 12 months following Ms. Eldridge's start date. Ms. Eldridge is eligible to receive a discretionary annual bonus.

In connection with the commencement of her employment, Ms. Eldridge was granted RSUs with an award value of \$450,000 under the 2017 Plan, which can be settled for shares of Class A common stock that will vest over four years, of which 25% of the RSUs vested on March 1, 2021 and 6.25% of the shares subject to the award will vest (or have vested, as applicable) on the last day of each three-month period thereafter until March 1, 2024, subject to Ms. Eldridge's continued employment on the vesting dates. Vesting of such RSUs may be fully accelerated in the event Ms. Eldridge is terminated by us without Cause or by her for Good Reason (each, as defined in the Company's standard time-based RSU award agreement for executive officers, the form of which has been previously filed with the SEC) within 12 months following a Change of Control (as defined in the 2017 Plan).

Ms. Eldridge is entitled to participate in all employee benefit programs made available to other company employees, including but not limited to health insurance, paid time off, and reimbursement for business expenses in accordance with our expense reimbursement policy.

If we terminate Ms. Eldridge's employment without cause, she will receive accrued compensation through the date of termination and, provided she executes and does not revoke a release of claims, she is entitled to a severance payment of \$100,000, which will be paid in a lump sum within 60 days of Ms. Eldridge's last day of employment with us. Pursuant to the terms of the employment offer letter, "cause" is generally defined as a finding by our Board of Directors that Ms. Eldridge has: (i) materially breached the offer letter, which breach has not been remedied within 30 days following written notice to her; (ii) engaged in disloyalty to our company, including, without limitation, fraud, embezzlement, theft, commission of a felony, or proven dishonesty; (iii) disclosed trade secrets or confidential information of our company to persons not entitled to receive such information; (iv) breached the nondisclosure agreement that she entered into in connection with the commencement of her employment; or (v) engaged in such other behavior detrimental to the interests of our company as our Board of Directors reasonably determines.

The employment offer letter requires that Ms. Eldridge comply with our nondisclosure agreement, which provides that at all times during Ms. Eldridge's employment and thereafter, she will maintain the confidentiality of all confidential information obtained by her as a result of her employment and assign to the Company all inventions relating to her employment with the Company. In addition, during the term of Ms. Eldridge's employment, and for the one-year period (subject to certain extensions in the event of a breach) after Ms. Eldridge's termination of employment, Ms. Eldridge cannot (i) compete against our company, (ii) interfere or do business with any customers or affiliates of our company, or (iii) solicit in any way the employees of our company or any others who provide services to our company.

## CEO Pay Ratio Disclosure

As required by Item 402(u) of Regulation S-K, we are providing disclosure regarding the ratio of the annual total compensation of Mr. Trevisan, our Chief Executive Officer, to the median of the annual total compensation of all our employees. We consider the pay ratio set forth below to be a reasonable estimate, calculated in a manner in accordance with Item 402(c)(2)(x) of Regulation S-K.

We identified our median employee for 2022 using a consistently applied compensation measure, annualized base salary, for all of our 1,403 active employees (348 of whom were employed through CarOffer, LLC) as of December 31, 2022, excluding Mr. Trevisan. Compensation data for our employees outside the United States was converted to U.S. dollars using the currency exchange rates used for organizational planning purposes, which consider factors including historic and forecasted rates. We did not make any cost-of-living adjustments. We identified employees within \$1,000 of the calculated median base salary amount for 2022 and selected the employee from that group most representative of our consolidated employee population. We annualized the compensation of all newly-hired and part-time employees in 2022. Other than Mr. Trevisan, we included all of our employees and those of our consolidated subsidiaries as of December 31, 2022, whether employed on a full-time or part-time basis. We selected December 31, 2022 as the date as of which we would identify the "median employee" because it enabled us to make such identification in a reasonably efficient and economical manner.

For 2022, the annual total compensation of Mr. Trevisan, calculated pursuant to SEC rules, was \$1,533,958, as set forth in the "Summary Compensation Table" above, approximately 36% of such amount was equity-based. Additionally, Mr. Trevisan's annualized base salary was \$556,200 for 2022, as set forth in the "Summary Compensation Table" above. The annualized base salary of the employee identified at the median of all of our employees (other than Mr. Trevisan) was \$97,000. The resulting ratio of our Chief Executive Officer's base salary to the base salary of the median employee is approximately 5.7:1.

After identifying our median employee, we also calculated that employee's annual total compensation for 2022 utilizing the same methodology used to calculate the total compensation of Mr. Trevisan as reflected in the "Summary Compensation Table" above. Based on such calculation, our median employee's annual total compensation was \$110,207, which amount is inclusive of the individual's annual base salary, actual short-term incentive cash payment and the Company's Section 401(k) matching contribution. This individual did not receive any equity-based compensation for 2022. The resulting ratio of our Chief Executive Officer's annual total compensation to the annual total compensation of the median employee is approximately 14:1.

## Pay versus Performance

The following information is presented to disclose the relationship between compensation actually paid ("CAP"), as calculated under applicable SEC rules, and the financial performance of the Company. As required by SEC rules, the table presented below discloses CAP for (i) the Company's principal executive officer ("PEO") and (ii) the Company's Named Executive Officers other than the PEO (the "Non-PEO NEOs"), on an average basis, for the fiscal years 2020, 2021, and 2022.

The methodology for calculating amounts presented in the columns "CAP to PEO (Current)," "CAP to PEO (Former)," and "Average CAP to Non-PEO NEOs," including details regarding the amounts that were deducted from, and added to, the Summary Compensation Table ("SCT") totals to arrive at the values presented for CAP, are provided in the footnotes to the table. A narrative discussion of the relationship between CAP and the Company performance measures (i) listed in the table and (ii) that the Company has deemed most important in linking CAP during 2022 to Company performance is also presented below.

Consistent with SEC rules, the Company has identified Gross Profit as its "Company-Selected Measure." The Company believes that this measure represents the most important financial performance measure used to link "CAP" to Company performance. Gross Profit is a key component of the Company's compensation program, as described in the Compensation Discussion and Analysis.

Compensation decisions at the Company are made independently of the Pay versus Performance disclosure requirements and this disclosure is intended to be supplemental to the compensation program objectives and strategy discussed in the Compensation Discussion and Analysis, not in replacement.

### Pay Versus Performance Table

In accordance with applicable SEC rules, the following table sets forth information concerning Summary Compensation Table Total Compensation and CAP for the Company's PEO and Non-PEO NEOs for fiscal years 2022, 2021, and 2020 and the corresponding financial performance in each year.

Year	SCT Total for PEO (Former) <sup>(1)</sup>	SCT Total for PEO (Current) <sup>(1)</sup>	CAP to PEO (Former) <sup>(1)(3)</sup>	CAP to PEO (Current) <sup>(1)(3)</sup>	Average SCT Total for Non-PEO NEOs <sup>(1)</sup>	Average CAP to Non-PEO NEOs <sup>(1)(4)</sup>	Value of Initial Fixed \$100 Investment Based on:		Net Income (in thousands)	Gross Profit (in thousands) <sup>(6)</sup>
							Total Shareholder Return	Peer Group Total Shareholder Return <sup>(5)</sup>		
(a)	(b)	(b)	(c)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
2022	—	\$1,547,116	—	\$(5,908,845)	\$2,550,688	\$236,663	\$39.82	\$98.30	\$78,954	\$657,553
2021	\$2,511,728	\$19,211,250	\$2,146,098	\$16,797,283	\$5,174,391	\$3,598,175	\$94.51	\$256.69	\$110,373	\$657,358
2020	\$2,301,672	—	\$1,503,671	—	\$4,062,953	\$2,984,557	\$91.96	\$203.16	\$77,553	\$508,745

- (1) As a result of a PEO transition that occurred in 2021, two PEOs are reported in the above table. In fiscal years 2020 and 2021, Mr. Steinert was the PEO (listed as "Former PEO"). On January 21, 2021, Mr. Steinert ceased to serve as PEO and Mr. Trevisan was appointed PEO (listed as "Current PEO"). The Company's Non-PEO NEOs for the applicable years are as follows:
- 2022: Langley Steinert, Scot Fredo (who resigned from the Company effective as of October 3, 2022), Matthew Quinn and Andrea Eldridge
  - 2021: Samuel Zales, Andrea Eldridge, Scot Fredo, Dafna Sarnoff and Sarah Welch
  - 2020: Jason Trevisan, Samuel Zales, Thomas Caputo and Sarah Welch
- (2) CAP does not mean that our executive officers were actually paid these amounts in the listed year, but this is a dollar amount derived from the starting point of SCT total compensation under the methodology prescribed under the relevant rules as required by Item 402(v) of Regulation S-K.
- Consistent with SEC rules, we calculated CAP amounts for the NEOs as follows: (i) Total compensation from the SCT, (ii) deduct, the total amounts reported in the Stock Awards and Option Awards columns of the SCT, (iii) add, the fair value as of the end of the covered fiscal year of all awards granted during the covered fiscal year that are outstanding and unvested as of the end of the covered fiscal year, (iv) add, the amount equal to the change as of the end of the covered fiscal year (from the end of the prior year) in fair value of any awards granted in any prior fiscal years that are outstanding and unvested as of the end of the covered fiscal year, (v) add, for awards that are granted and vest in the same year, the fair value as of the vesting date, (vi) add, the amount equal to the change as of the vesting date (from the end of the prior fiscal year) in fair value of any awards granted in any prior fiscal year for which all applicable vesting conditions were satisfied at the end of or during the covered fiscal year, and (vii) deduct, for awards granted in any prior fiscal year that fail to meet the applicable vesting conditions during the covered year, the amount equal to the fair value at the end of the prior fiscal year.
- (3) The following table sets forth the adjustments made to SCT total compensation pursuant to Item 401(v) of Regulation S-K to determine CAP for the Current PEO and Former PEO in 2022, 2021 and 2020:

PEO SCT Total to CAP Adjustments	2022	2021 - PEO (Current)	2021 - PEO (Former)	2020
Total Reported in 2022 SCT	\$1,547,116	\$19,211,250	\$2,511,728	\$2,301,672
Less Grant Date Fair Value of Stock Awards and Option Awards Reported in SCT	\$(545,278)	\$(18,012,558)	\$(2,501,728)	\$(2,291,672)
Year-End Fair Value of Equity Awards Granted During Covered Year That Remained Unvested as of Last Day of Covered Year	\$0	\$13,651,861	\$1,896,098	\$1,715,482
Change in Fair Value from Last Day of Prior Year to Last Day of	\$(7,994,953)	\$191,487	\$116,789	-\$187,524

Covered Year of Unvested Equity Awards

Vesting-Date Fair Value of Equity Awards Granted During Year that Vested During Year	\$0	\$1,891,757	\$262,730	\$272,397
Change in Fair Value from Last Day of Prior Year to Vesting Date of Unvested Equity Awards that Vested During Covered Year	\$1,084,270	\$(136,514)	\$(139,519)	\$(306,684)
Fair Value at Last Day of Prior Year of Equity Awards Forfeited During Covered Year	\$0	\$0	\$0	\$0
Total Adjustments	\$(7,455,961)	\$(2,413,967)	\$(365,630)	\$(798,001)
CAP	\$(5,908,845)	\$16,797,283	\$2,146,098	\$1,503,671

- (4) The following table sets forth the adjustments made to SCT total compensation pursuant to Item 401(v) of Regulation S-K to determine CAP for the Non-PEO NEOs in 2022, 2021, and 2020:

Non-PEO NEOs Average SCT to CAP Adjustments	2022	2021	2020
Total Reported in 2022 SCT	\$2,550,688	\$5,174,391	\$4,062,953
Less Grant Date Fair Value of Stock Awards and Option Awards Reported in SCT	\$(2,181,475)	\$(4,225,087)	\$(3,437,517)
Year-End Fair Value of Equity Awards Granted During Covered Year That Remained Unvested as of Last Day of Covered Year	\$537,561	\$3,027,728	\$2,771,171
Change in Fair Value from Last Day of Prior Year to Last Day of Year of Unvested Equity Awards	\$(960,465)	\$53,440	\$(311,807)
Vesting-Date Fair Value of Equity Awards Granted During Covered Year that Vested During Covered Year	\$231,449	\$342,600	\$272,391
Change in Fair Value from Last Day of Prior Year to Vesting Date of Unvested Equity Awards that Vested During Covered Year	\$58,906	\$(57,775)	\$(373,634)
Fair Value at Last Day of Prior Year of Equity Awards Forfeited During Covered Year	\$0	\$(717,123)	\$0
Total Adjustments	\$(2,314,024)	\$(1,576,217)	\$(1,078,396)
CAP	\$236,663	\$3,598,175	\$2,984,557

- (5) Total Shareholder Return is determined based on the value of an initial fixed investment of \$100 in our Class A common stock on December 31, 2019, assuming the reinvestment of any dividends. The peer group Total Shareholder Return represents the Total Shareholder Return of our CD&A peer group companies, weighted by market cap at each fiscal year end. CD&A peer group companies for 2020 – 2022 include the following:
- 2022 CD&A peer companies: Alarm.com, Inc., Bottomline Technologies Inc., Cars.com Inc., Cerence Inc., Everbridge, Inc., EverQuote, Inc. HubSpot, Inc., LendingTree, Inc., New Relic, Inc., Pegasystems Inc., Qualys, Inc. Rapid7, Inc., Redfin Corporation, Shutterstock, Inc., TripAdvisor, Inc., Wayfair Inc, Yelp Inc., Yext, Inc.
  - 2021 CD&A peer companies: Alarm.com, Inc., Bottomline Technologies Inc., Cars.com Inc., Etsy Inc., Everbridge, Inc., EverQuote, Inc. HubSpot, Inc., LendingTree, Inc., New Relic, Inc., Paylocity Holding Corporation, Pegasystems Inc., Qualys, Inc. Rapid7, Inc., Redfin Corporation, TripAdvisor, Inc., TrueCar, Inc. Wayfair Inc, Yelp Inc., Yext, Inc
  - 2020 CD&A peer companies: Alarm.com, Inc., Cars.com Inc., Etsy Inc., GrubHub, Inc., HubSpot, Inc., LendingTree, Inc., New Relic, Inc., Paylocity Holding Corporation, Pegasystems Inc., Qualys, Inc. Rapid7, Inc., TripAdvisor, Inc., TrueCar, Inc., Varonis Systems, Inc., Wayfair Inc, Yelp Inc., Yext, Inc., Zillow Group, Inc.
- (6) Gross Profit is the financial performance measure, which, in the Company's assessment, represents for 2022 as the most important performance measure used to link compensation actually paid to our PEOs and Non-PEO NEOs to the Company's performance.

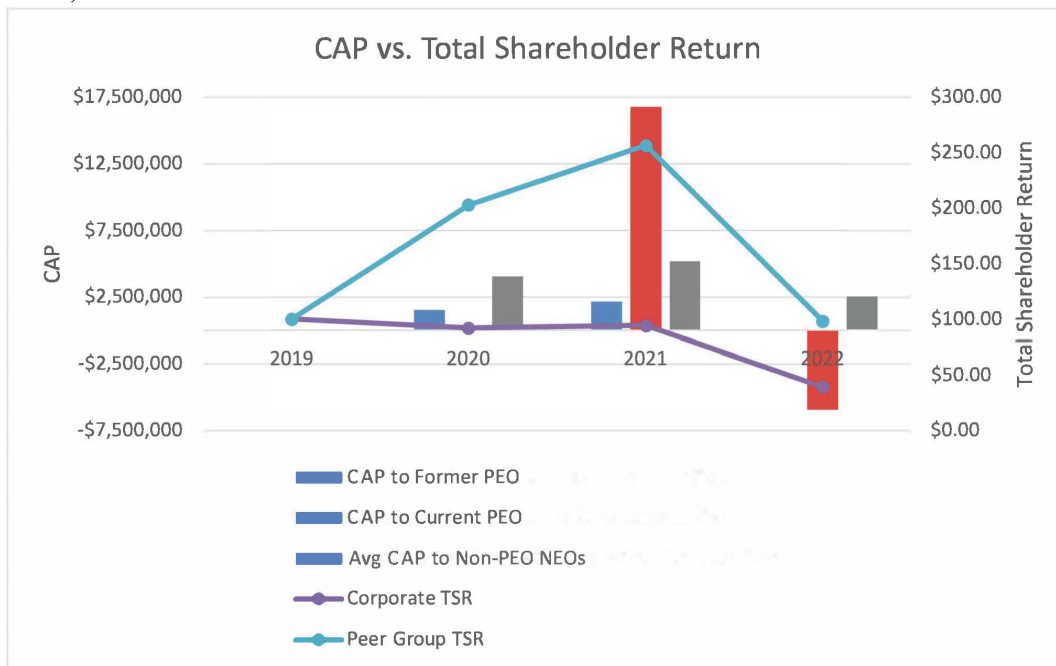
**Analysis of the Information Presented in the Pay Versus Performance Table**

The charts below show the relationship between the CAP to our Current PEO and Former PEO and Average CAP to our Non-PEO NEOs in fiscal 2020, 2021, and 2022 to each of (1) Total Shareholder Return, (2) Net Income, (3) Gross Profit.

As described in greater detail in "Executive and Director Compensation and Related Matters - Compensation Discussion and Analysis," the Compensation Committee's philosophy is to provide a competitive total compensation package to our executive officers, including our Named Executive Officers, through a combination of annual base salary, annual cash incentive award opportunities, equity awards and broad-based health and welfare benefit plans. The objectives of our philosophy are to attract, motivate and retain executive officers of outstanding ability and potential, reward the achievement of key performance measures, and ensure that executive compensation is meaningfully related to the creation of stockholder value. While the Compensation Committee utilizes several performance measures to align executive compensation with Company performance, all of those measures are not presented in the Pay Versus Performance table.

Moreover, the Compensation Committee generally seeks to incentivize long-term performance, and therefore does not specifically align the Company's performance measures with CAP for a particular year.

In accordance with Item 402(v) of Regulation S-K, we are providing the following charts displaying the relationships between information presented in the Pay Versus Performance table. As shown in the charts below, Named Executive Officer CAP is generally aligned with year-over-year trends in Total Shareholder Return, Net Income, and Gross Profit.



<sup>1</sup>Represents values based on an initial fixed \$100 investment made on December 31, 2019.

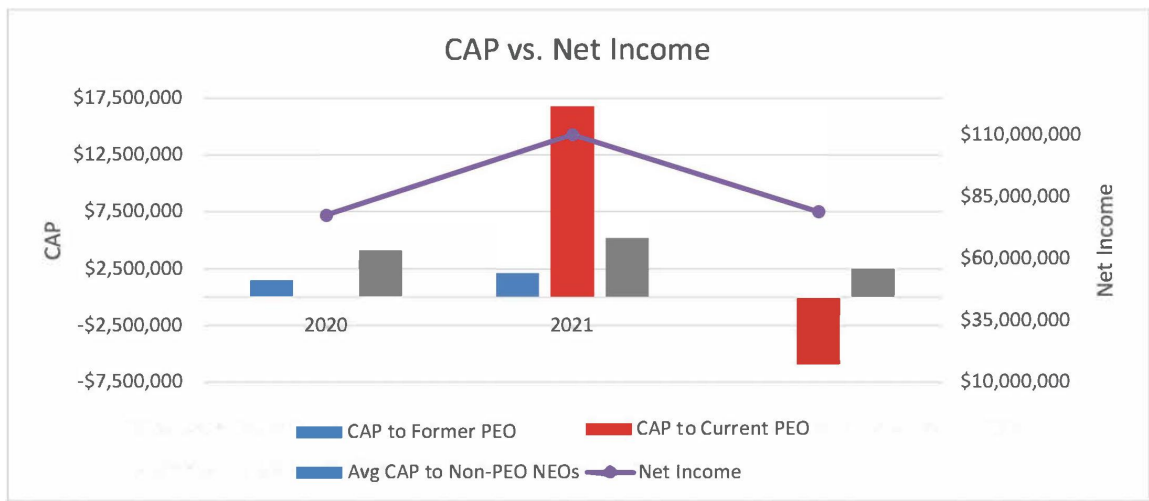
For the three-year period ended December 31, 2022, based on a fixed \$100 investment made on December 31, 2019, the Total Shareholder Return for the Company's peer group disclosed in the chart above decreased by 1.7%, compared to the Company's Total Shareholder Return, which decreased by 60% over the same period.

For the two-year period ended December 31, 2021, the CAP to the Former PEO increased by 43%.

For the two-year period ended December 31, 2022, the CAP to the Current PEO decreased by 135%.

For the three-year period ended December 31, 2022, the average CAP to the Non-PEO NEOs decreased by 37%.



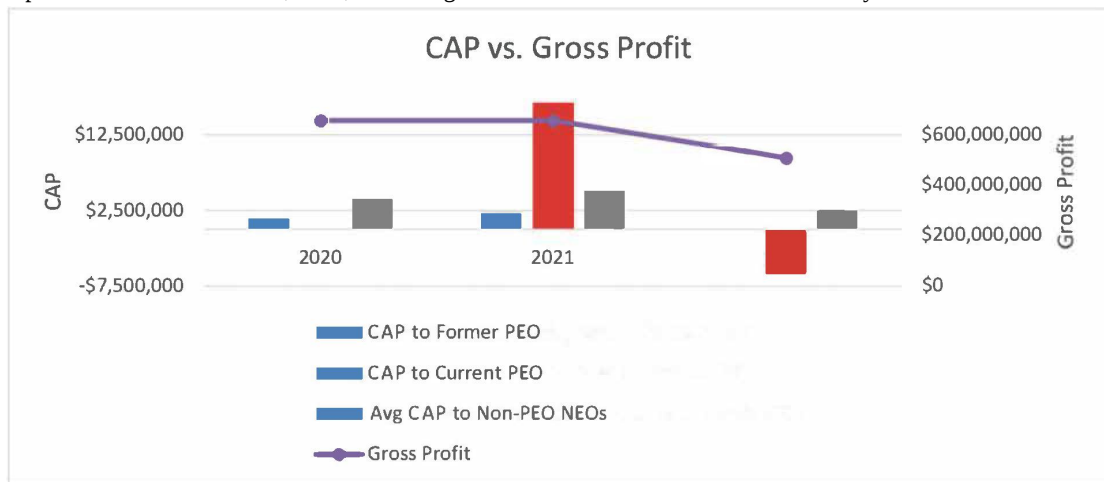


For the three-year period ended December 31, 2022, the Company's Net Income increased by 2%.

For the two-year period ended December 31, 2021, the CAP to the Former PEO increased by 43%.

For the two-year period ended December 31, 2022, the CAP to the Current PEO decreased by 135%.

For the three-year period ended December 31, 2022, the average CAP to the Non-PEO NEOs decreased by 37%.

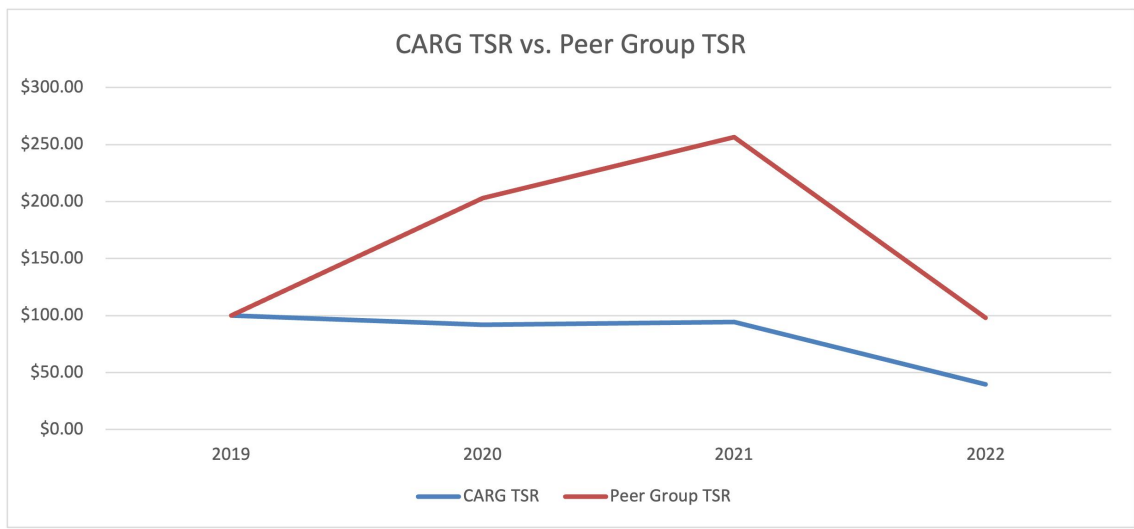


For the three-year period ended December 31, 2022, the Company's Gross Profit decreased by 23%.

For the two-year period ended December 31, 2021, the CAP to the Former PEO increased by 43%.

For the two-year period ended December 31, 2022, the CAP to the Current PEO decreased by 135%.

For the three-year period ended December 31, 2022, the average CAP to the Non-PEO NEOs decreased by 37%.



<sup>1</sup>Represents values based on an initial fixed \$100 investment made on December 31, 2019.

For the three-year period ended December 31, 2022, based on a fixed \$100 investment made on December 31, 2019, the Total Shareholder Return for the Company's peer group disclosed in the chart above decreased by 1.7%, compared to the Company's Total Shareholder Return, which decreased by 60% over the same period.

### Tabular List

The following table presents an unranked list of the financial and non-financial performance measures, including the Company-Selected Measure, that in the Company's assessment represent the most important performance measures used by the Company to link CAP to the Company's Named Executive Officers to the Company's performance for 2022. The role of each of these performance measures on our Named Executive Officers' compensation is discussed in the "Compensation Discussion and Analysis" section of this Proxy Statement.

Tabular List
Gross Profit
Adjusted EBIT*
Strategic Initiatives
Individual Performance Goals

\*Adjusted EBIT is a non-GAAP financial measure. See "Compensation Discussion and Analysis – Cash Incentive Awards – Corporate Financial Performance Goals" above for information as to how adjusted EBIT is calculated.

### Director Compensation

During 2022, we compensated our non-employee directors for their service as directors. Accordingly, neither Mr. Steinert, our Executive Chairman and Chairman of our Board of Directors, nor Mr. Trevisan, our Chief Executive Officer, received any additional compensation for their service as directors.

The Compensation Committee periodically reviews the compensation of our non-employee directors and, as applicable, makes recommendations to our Board of Directors for its consideration of changes to our non-employee director compensation program. The Compensation Committee compares the compensation of our Board of Directors to compensation paid to the non-employee directors of the companies in our compensation peer group. The Compensation Committee also considers the responsibilities we ask from the members of our Board of Directors along with the amount of time required to perform those responsibilities. In 2022, the Compensation Committee recommended and the Board of Directors approved a modification to our non-employee director compensation program to increase compensation for all non-employee directors as well as the Compensation Committee Chair. These changes were made based on an analysis completed by Compensia of our non-employee director compensation program as compared to our peers and were made to ensure our program remained aligned with the market.

### Cash Compensation

We have established a cash and equity compensation program for our non-employee directors in consideration of their service on our Board of Directors and committees of our Board of Directors.

The cash compensation approved by our Board of Directors for 2022 is as follows:

Annual Base Compensation for Non-Employee Directors <sup>(1)</sup>	\$ 35,000
Additional Compensation for Audit Committee Chair	\$ 20,000
Additional Compensation for Compensation Committee Chair <sup>(2)</sup>	\$ 12,000
Additional Compensation for Audit Committee Member (not Chair)	\$ 10,000
Additional Compensation for Compensation Committee Member (not Chair)	\$ 5,000

- (1) Upon the recommendation of the Compensation Committee, our Board of Directors approved an increase to the annual cash fees payable to Non-Employee Directors by \$5,000, effective as of January 1, 2023.
- (2) Upon the recommendation of the Compensation Committee, our Board of Directors approved an increase to the annual cash fees payable to the Compensation Committee Chair by \$3,000, effective as of January 1, 2023.

The payments described above are payable in full on or promptly after the date of the annual meeting of stockholders for service during the fiscal year. When a non-employee director joins our Board of Directors or a committee of our Board of Directors or accepts another position on our Board of Directors, such director will receive prorated cash compensation based on the director's expected service during the fiscal year.

Each member of our Board of Directors is also entitled to reimbursement for reasonable travel and other expenses incurred in connection with attending board meetings and meetings for any committee on which the member serves and for reasonable costs and expenses incurred in attending director education programs.

### Equity Compensation

Pursuant to our non-employee director compensation program, for service during the fiscal year each non-employee director is eligible to receive an annual grant of an RSU award on our standard form of RSU award agreement for non-employee directors, pursuant to the 2017 Plan and subject to Board of Directors approval (the "Annual Director Grant"). Each Annual Director Grant is granted on or promptly after the date of our annual meeting of stockholders; provided that if a new non-employee director joins our Board of Directors on a date other than the date of such annual meeting, the Annual Director Grant is granted on or promptly after the director's commencement of service. The number of RSUs subject to the Annual Director Grant is determined based on dividing \$175,000 by the closing market price of our Class A common stock on Nasdaq on the grant date; provided that if a new non-employee director joins our Board of Directors on a date other than the annual meeting date, the value of RSUs is prorated for the director's expected service for the remainder of the fiscal year. The RSU awards under the Annual Director Grant are subject to a service-based vesting requirement, vesting in full on the first anniversary of such grant. Accordingly, for 2022, on June 7, 2022, our Board of Directors granted to each of our non-employee directors serving at such time a RSU award that may be settled for 6,804 shares of our Class A common stock.

The following table sets forth information regarding the compensation of non-employee directors who served on our Board of Directors in 2022:

**Director Compensation Table**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) <sup>(2)(3)</sup>	Total (\$)
Steven Conine	40,000	174,999	214,999
Yvonne Hao <sup>(1)</sup>	45,000	174,999	214,999
Lori Hickok	55,000	174,999	214,999
Stephen Kaufer	40,000	174,999	214,999
Greg Schwartz	45,000	174,999	214,999
Ian Smith	47,000	174,999	214,999

- (1) Ms. Hao resigned from the Board of Directors effective January 11, 2023.
- (2) The amount reported in this column represents the aggregate grant date fair value of the RSU award based on the closing market price of our Class A common stock on the date of grant computed in accordance with FASB ASC Topic 718. See Notes 2 and 10 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 1, 2023 for the assumptions regarding the valuation of these equity awards.
- (3) As of December 31, 2022, our non-employee directors held the following aggregate number of shares of our Class A common stock under unvested RSU awards:

Name	Aggregate Number of Shares Underlying 2022 Stock Awards
Steven Conine	6,804
Yvonne Hao <sup>(1)</sup>	6,804
Lori Hickok	6,804
Stephen Kaufer	6,804
Greg Schwartz	6,804
Ian Smith	6,804

- (1) Ms. Hao resigned from the Board of Directors effective January 11, 2023. As a result of her resignation, the Stock Awards granted to Ms. Hao did not vest.

## COMPENSATION COMMITTEE REPORT

*The report of the Compensation Committee is not considered to be "soliciting material," is not deemed "filed" with the SEC, and is not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act.*

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

By the Compensation Committee of the Board of Directors of CarGurus, Inc.

Ian Smith (Chair)  
Steven Conine  
Stephen Kaufer

**Policies and Procedures for Related Person Transactions**

Our Board of Directors has adopted a written policy for the review of any transaction, arrangement or relationship in which we are a participant, the amount involved exceeds \$120,000, and one of our executive officers, directors, director nominees or 5% stockholders (or their immediate family members), each of whom we refer to as a "related person," has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a "related person transaction," the related person must report the proposed related person transaction to our Secretary. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by the Audit Committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction.

If advance review and approval by the Audit Committee is not practicable, the Chair of the Audit Committee will review and, if deemed appropriate, approve proposed related person transactions that arise between committee meetings, notifying the Audit Committee at its next meeting of such related person transactions. If we become aware that a related person transaction has not been approved under the policy, the Audit Committee will review, and, in its discretion, may ratify the related person transaction. The Audit Committee may approve or ratify the transaction if it determines that, under all of the circumstances, the transaction is in, or is not inconsistent with our best interests. The Audit Committee may impose any conditions on the related person transaction that it deems appropriate. The policy also provides that any related person transactions that are ongoing in nature will be reviewed annually.

A related person transaction reviewed under the policy will be considered approved or ratified if it is authorized by the Audit Committee after full disclosure of the related person's interest in the transaction. As appropriate for the circumstances, the Audit Committee will review and consider:

- the related person's interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- whether the transaction would impair the independence of an otherwise independent director or nominee for director;
- whether the transaction is undertaken in the ordinary course of our business;
- whether the terms of the transaction are no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose, timing, and the potential benefits to us, of the transaction; and
- any other information regarding the related person transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

In addition to the transactions that are excluded by the instructions to the SEC's related person transaction disclosure rule, our Board of Directors has determined that the following transaction, among others, does not create a material direct or indirect interest on behalf of related persons and, therefore, is not a related person transaction for purposes of our policy: interests arising solely from the related person's position as an employee (other than an executive officer) or director of another entity that is a participant in the transaction, when (a) the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity and (b) the amount involved in the transaction equals less than the greater of \$1.0 million or 2% of the annual total annual revenue of the other entity that is a party to the transaction.

**Related Person Transactions**

We had no related person transactions in 2022, and no related person transactions are currently proposed.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of April 12, 2023, with respect to the beneficial ownership of our common stock by:

- each of our Named Executive Officers;
- each of our directors and director nominees;
- all of our directors, director nominees and executive officers as a group; and
- each person or group of affiliated persons we believe to beneficially own 5% or more of the outstanding shares of our common stock.

We have determined beneficial ownership in accordance with the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially own, subject to community property laws where applicable. In computing the number of shares of our Class A common stock and Class B common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of our Class A common stock and Class B common stock subject to options or RSUs held by that person that are currently exercisable, exercisable within 60 days after April 12, 2023 or vested and will settle within 60 days after April 12, 2023. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

We have based our calculation of the percentage ownership of our Class A common stock and Class B common stock on 98,181,957 shares of our Class A common stock outstanding and 15,999,173 shares of our Class B common stock outstanding, in each case, as of April 12, 2023.

This table is based upon information supplied by officers, directors and stockholders we believe to be beneficial owners of more than 5% of our common stock as well as Schedules 13G or 13D and amendments thereto filed by or on behalf of such stockholder with the SEC.

Unless otherwise indicated, the address of each beneficial owner listed on the table below is c/o CarGurus, Inc., 2 Canal Park, Cambridge, Massachusetts 02141.

Name	Class A Common Stock		Class B Common Stock		Voting % <sup>(1)</sup>
	Shares	%	Shares	%	
<b>Named Executive Officers and Directors:</b>					
Jason Trevisan <sup>(2)</sup>	568,737	*	—	—	*
Scot Fredo <sup>(3)</sup>	—	—	—	—	—
Langley Steinert <sup>(4)</sup>	176,399	*	15,998,005	100%	62%
Matthew Quinn <sup>(5)</sup>	24,421	*	—	—	*
Andrea Eldridge <sup>(6)</sup>	45,925	*	—	—	*
Steven Conine <sup>(7)</sup>	31,019	*	—	—	*
Lori Hickok <sup>(8)</sup>	24,884	*	—	—	*
Stephen Kaufer <sup>(9)</sup>	271,142	*	—	—	*
Greg Schwartz <sup>(10)</sup>	17,846	*	—	—	*
Ian Smith <sup>(11)</sup>	141,397	*	—	—	*
All current executive officers and directors as a group (13 persons)	1,800,657	2%	16,129,569	100%	63%
<b>5% Stockholders:</b>					
Wellington Management Group LLP, and its affiliated funds <sup>(13)</sup>	14,072,052	14.3%	—	—	5.5%
The Vanguard Group <sup>(14)</sup>	9,370,975	9.5%	—	—	2.7%
PAR Investment Partners, L.P. and its general partners <sup>(15)</sup>	6,744,650	6.9%	—	—	3.6%
BlackRock, Inc. <sup>(16)</sup>	6,978,815	7.1%	—	—	2.6%
Manulife Financial Corporation, and its affiliated funds <sup>(17)</sup>	6,595,515	6.7%	—	—	2.6%
ArrowMark Colorado Holdings, LLC <sup>(19)</sup>	6,276,807	6.4%	—	—	2.4%

\* Less than 1%.

- (1) Percentage of total voting power represents voting power with respect to all shares of our Class A and Class B common stock, as a single class. The holders of our Class B common stock are entitled to ten votes per share and holders of our Class A common stock are entitled to one vote per share.
- (2) Consists of (i) 340,884 shares of Class A common stock held of record by Mr. Trevisan, (ii) 147,853 shares of Class A common stock underlying options that were vested and exercisable as of April 12, 2023, (iii) 29,260 shares of Class A

common stock held of record by the Jason Trevisan 2019 Family Trust, and (iv) 50,740 shares of Class A common stock held of record by the Trevisan 2021 Grantor Retained Annuity Trust dated March 12, 2021, of which Mr. Trevisan is the trustee.

- (3) Mr. Fredo's employment with the Company terminated effective as of October 3, 2022.
- (4) Consists of (i) 155,862 shares of Class A common stock and 14,150,887 shares of Class B common stock held of record by Mr. Steinert, (ii) 20,535 shares of Class A common stock underlying options that were vested and exercisable as of April 12, 2023, and (iii) 2 shares of Class A common stock and 1,847,118 shares of Class B common stock held of record by The Langley Steinert Irrevocable Family Trust dated June 21, 2004, of which Mr. Steinert's children are the beneficiaries. Mr. Steinert is neither trustee for nor beneficiary of such trust; however, Mr. Steinert may be deemed to be the beneficial owner of the shares held of record thereby. Mr. Steinert expressly disclaims beneficial ownership of the shares held by such trust.
- (5) Consists of (i) 14,964 shares of Class A common stock held of record by Mr. Quinn and (ii) 9,457 shares of Class A common stock underlying options that were vested and exercisable as of April 12, 2023.
- (6) Consists of (i) 26,675 shares of Class A common stock held of record by Ms. Eldridge, (ii) 18,481 shares of Class A common stock underlying options that were vested and exercisable as of April 12, 2023, and (iii) 769 shares of Class A common stock underlying RSUs that will vest within 60 days after April 12, 2023.
- (7) Consists of (i) 24,215 shares of Class A common stock held of record by Mr. Conine and (ii) 6,804 shares of Class A common stock underlying RSUs that will vest within 60 days after April 12, 2023.
- (8) Consists of (i) 18,080 shares of Class A common stock held of record by Ms. Hickok and (ii) 6,804 shares of Class A common stock underlying RSUs that will vest within 60 days after April 12, 2023.
- (9) Consists of (i) 264,338 shares of Class A common stock held of record by Mr. Kaufer and (ii) 6,804 shares of Class A common stock underlying RSUs that will vest within 60 days after April 12, 2022.
- (10) Consists of (i) 11,042 shares of Class A common stock held of record by Mr. Schwartz and (ii) 6,804 shares of Class A common stock underlying RSUs that will vest within 60 days after April 12, 2023.
- (11) Consists of (i) 134,593 shares of Class A common stock held of record by Mr. Smith and (ii) 6,804 shares of Class A common stock underlying RSUs that will vest within 60 days after April 12, 2023.
- (12) Consists of (i) 1,406,584 shares of Class A common stock and 15,998,005 shares of Class B common stock, (ii) 356,531 shares of Class A common stock and 131,564 shares of Class B common stock underlying options that were vested and exercisable as of April 12, 2023, and (iii) 37,542 shares of Class A common stock underlying RSUs that will vest within 60 days after April 12, 2023.
- (13) According to a Schedule 13G/A filed with the SEC on February 6, 2023, reporting the beneficial ownership of 14,072,052 shares of our Class A common stock, (i) each of Wellington Management Group LLP, Wellington Group Holdings LLP and Wellington Investment Advisors Holdings LLP reported having shared voting power over 12,016,429 shares of Class A common stock, shared dispositive power over 14,072,052 shares of Class A common stock, and sole voting and dispositive powers over none of the shares, and (ii) Wellington Management Company LLP reported having shared voting power over 11,563,037 shares of Class A common stock, shared dispositive power over 13,089,644 shares of Class A common stock, and sole voting and dispositive powers over none of the shares. The shares of Class A common stock beneficially owned by Wellington Management Group LLP, as parent holding company of certain holding companies and investment advisors (the "Wellington Investment Advisers"), are owned of record by clients of such Wellington Investment Advisers. Wellington Investment Advisors Holdings LLP controls directly, or indirectly through Wellington Management Global Holdings, Ltd., the Wellington Investment Advisers. Wellington Investment Advisors Holdings LLP is owned by Wellington Group Holdings LLP. Wellington Group Holdings LLP is owned by Wellington Management Group LLP. The principal business office of Wellington Management Group LLP and each of the affiliated funds listed above is c/o Wellington Management Company LLP, 280 Congress Street, Boston, Massachusetts 02210.
- (14) According to Schedule 13G/A filed with the SEC on February 9, 2023, reporting the beneficial ownership of 9,370,975 shares of our Class A common stock, The Vanguard Group reported that it had sole dispositive power over 9,112,460 shares of Class A common stock, shared dispositive power over 258,515 shares of Class A common stock, shared voting power over 169,987 shares of Class A common stock and sole voting power over none of the shares. The principal business office of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.
- (15) According to a Schedule 13G/A filed with the SEC on February 14, 2023, reporting the beneficial ownership of 6,744,650 shares of our Class A common stock, PAR Investment Partners, L.P., PAR Group II, L.P. and PAR Capital Management, Inc. each reported having sole voting and dispositive powers over 6,744,650 shares of Class A common stock and shared voting and dispositive powers over none of the shares. The sole general partner of PAR Investment Partners, L.P. is PAR Group II, L.P. The sole general partner of PAR Group II, L.P., is PAR Capital Management, Inc. Each of PAR Group II,



L.P. and PAR Capital Management, Inc. may be deemed to be the beneficial owner of all shares held directly by PAR Investment Partners, L.P. The principal business office of PAR Investment Partners, L.P., PAR Group II, L.P. and PAR Capital Management, Inc. is 200 Clarendon Street, Floor 48, Boston, MA 02116.

- (16) According to a Schedule 13G/A filed with the SEC on February 1, 2023, reporting the beneficial ownership of 6,978,815 shares of our Class A common stock, BlackRock, Inc. reported that it had sole voting power over 6,845,137 shares of Class A common stock, sole dispositive power over all 6,978,815 shares of Class A common stock, and shared voting and dispositive powers over none of the shares. The principal business office of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.
- (17) According to a Schedule 13G/A filed with the SEC on February 14, 2023, reporting the beneficial ownership of 6,595,515 shares of our Class A common stock, (i) Manulife Investment Management (US) LLC ("MIM (US)") reported that it had sole voting and dispositive powers over 6,554,725 shares of Class A common stock, and shared voting and dispositive powers over none of the shares, and (ii) Manulife Investment Management Limited ("MIML") reported that it had sole voting and dispositive powers over 40,790 shares of Class A common stock, and shared voting and dispositive powers over none of the shares. Manulife Financial Corporation ("MFC") reported that it did not beneficially own any shares of Class A common stock, except through its indirect, wholly-owned subsidiaries, MIM (US) and MIML. The principal business office of each of MFC and MIML is 200 Bloor Street East, Toronto, Ontario, Canada, M4W 1E5. The principal business office of MIM (US) is 197 Clarendon Street, Boston, Massachusetts 02116.
- (18) According to a Schedule 13G filed with the SEC on February 14, 2023, reporting the beneficial ownership of 6,276,807 shares of our Class A common stock, ArrowMark Colorado Holdings, LLC reported that it had sole voting and dispositive power over all 6,276,807 shares of Class A common stock and shared voting and dispositive powers over none of the shares. The principal business office of ArrowMark Colorado Holdings, LLC is 100 Fillmore Street, Suite 325, Denver, Colorado 80206.

#### **SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors, executive officers and beneficial owners of more than 10% of our common stock to file reports of ownership and changes of ownership with the SEC on Forms 3, 4 and 5. Based solely on our review of reports that reporting persons have filed with the SEC and furnished to us and written representations that no other reports were required, we believe that during 2022, our directors, executive officers and beneficial owners of more than 10% of our common stock timely complied with all applicable filing requirements, with the exception of one Form 4 for Samuel Zales that was filed late due to administrative error.

## EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2022 with respect to the shares of our Class A common stock that may be issued under our existing equity compensation plans:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Plan Category	(a)	(b) <sup>(1)</sup>	(c)
Equity compensation plans approved by stockholders	5,310,000 <sup>(2)</sup>	\$25.22	4,939,416 <sup>(3)</sup>
Equity compensation plans not approved by stockholders	—	—	—
<b>Total</b>	<b>5,310,900</b>	<b>\$25.22</b>	<b>4,939,416</b>

- (1) The weighted average exercise price excludes RSU awards, which have no exercise price.
- (2) Consists of options to purchase a total of 826,609 shares of our common stock and 4,484,291 shares of our common stock subject to RSU awards granted under our 2017 Plan, 2015 Plan or 2006 Plan.
- (3) Unless determined otherwise by the Compensation Committee, the number of shares of our Class A common stock reserved for issuance under our 2017 Plan will automatically increase on the first trading day in January of each year by the lesser of (i) 6 million shares or (ii) 4.0% of the total number of shares of our Class A common stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our Board of Directors (the "Evergreen Increase"). The Compensation Committee determined to not effectuate the Evergreen Increase that was otherwise scheduled to have occurred on each of January 2, 2019, January 2, 2020 and January 4, 2021. On January 3, 2022, an additional 4,070,921 shares of the Company's Class A Common Stock was authorized to be issued or transferred under the 2017 Plan pursuant to the Evergreen Increase. On January 3, 2023, an additional 4,065,466 shares of the Company's Class A Common Stock was authorized to be issued or transferred under the 2017 Plan pursuant to the Evergreen Increase.

**ELECTION OF DIRECTORS**

Our Board of Directors may establish the authorized number of directors from time to time by resolution. Our amended and restated certificate of incorporation provides for a classified Board of Directors. This means our Board of Directors is divided into three classes, with the term of service of each class of directors staggered so that the term of one class expires at each annual meeting of the stockholders.

Our Board of Directors currently consists of seven members, divided into three classes as follows:

- Class I is currently comprised of Lori Hickok, Greg Schwartz and Jason Trevisan, each with a term ending at the 2024 annual meeting of stockholders;
- Class II is currently comprised of Steven Conine and Stephen Kaufer, each with a term ending at the 2025 annual meeting; and
- Class III is currently comprised of Ian Smith and Langley Steinert, each with a term ending at the Annual Meeting.

At each annual meeting of stockholders, director nominees are elected for a full term of three years to succeed those directors whose terms are expiring. Messrs. Smith and Steinert are current directors whose terms expire at the Annual Meeting. Our Board of Directors has nominated Mr. Steinert for election as the Class III director with a term ending in 2026.

A plurality of the combined voting power of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote is required to vote Mr. Steinert as a director.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE CLASS III  
NOMINEE NAMED ABOVE.**

**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed the firm of Ernst & Young, an independent registered public accounting firm, to perform the audit of our consolidated financial statements for the year ending December 31, 2023 and to perform an audit of the effectiveness of our internal control over financial reporting as of December 31, 2023. This appointment is being presented to the stockholders for ratification at the Annual Meeting.

Ernst & Young has audited our financial statements since the fiscal year ended December 31, 2015. Ernst & Young has no direct or indirect material financial interest in our company or our subsidiaries. Representatives of Ernst & Young are expected to be present at the Annual Meeting and will be given the opportunity to make a statement on the firm’s behalf if they so desire. The representatives also will be available to respond to appropriate questions.

Proxies solicited by management will be voted for ratification unless stockholders specify otherwise. Ratification by the stockholders is not required. Although we are not required to submit the appointment of Ernst & Young to a vote of the stockholders, our Board of Directors believes it is good corporate governance practice to request that the stockholders ratify the appointment of Ernst & Young as our independent registered public accounting firm. As an advisory vote, this proposal is not binding. The outcome of this advisory vote will not overrule any decision by us or our Board of Directors (or any committee thereof). However, if the stockholders do not ratify the appointment, the Audit Committee will consider whether to retain Ernst & Young or appoint another independent registered public accounting firm. Even if the appointment is ratified, our Board of Directors and the Audit Committee in their discretion may direct the appointment of a different independent registered public accounting firm at any time if they determine that such a change would be in the best interests of our company and our stockholders.

**Principal Accountant Fees and Services**

The following table sets forth all fees paid or accrued by us for professional audit services and other services rendered by Ernst & Young during the years ended December 31, 2022 and 2021:

Nature of Service	2022 Fees	2021 Fees
Audit Fees <sup>(1)</sup>	\$2,416,000	\$ 1,902,023
Audit-Related Fees	—	—
Tax Fees <sup>(2)</sup>	\$322,026	239,718
All Other Fees	—	—
<b>Total:</b>	<b>\$2,738,026</b>	<b>\$ 2,141,741</b>

- (1) Audit Fees consist of fees for professional services provided in connection with: the annual audit of our consolidated financial statements and internal control over financial reporting; the review of our quarterly financial statements; consultations on accounting matters directly related to the audit, our acquisitions and the adoption of new accounting standards affecting future audit periods; and consents and assistance with and review of documents filed with the SEC, including services that are normally provided in connection with registration statements.
- (2) Tax Fees consist of fees for professional services in connection with tax compliance, tax planning, and tax advice, including foreign tax return preparation and requests for rulings or technical advice from tax authorities.

**Pre-Approval of Audit and Non-Audit Services**

Consistent with requirements of the SEC and the PCAOB regarding auditor independence, the Audit Committee is responsible for the appointment, compensation and oversight of the work of our independent registered public accounting firm. In recognition of this responsibility, the Audit Committee as a whole, or through its Chair, pre-approves all audit and permissible non-audit services to be provided by our independent registered public accounting firm. The Audit Committee may delegate to one or more members of the Audit Committee the authority to pre-approve any such services, provided such pre-approval is reported to the Audit Committee at a subsequent meeting. The Audit Committee has delegated to the Chair of the Audit Committee the authority to pre-approve audit services (other than the annual audit engagement), audit-related services, tax services and other permissible non-audit services, provided that the Chair reports any pre-approval decisions to the Audit Committee at its next scheduled meeting. For fiscal year 2022, 100% of all fees were approved by the Audit Committee.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2023.**

## PROPOSAL 3

### NON-BINDING ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS FOR 2022

As required pursuant to Section 14A of the Exchange Act, our Board of Directors is asking that stockholders cast a non-binding, advisory vote FOR the following resolution at the Annual Meeting:

**RESOLVED**, that the compensation of the Company's named executive officers for 2022 as disclosed in the *Compensation Discussion and Analysis* section, the accompanying compensation tables, and the related narrative disclosure in this Proxy Statement, is hereby approved.

This proposal, commonly known as a "say-on-pay" proposal, gives stockholders the opportunity to express their views on our Named Executive Officers' compensation. This vote is not intended to advise on any specific element of our compensation program, but rather on the overall compensation of our Named Executive Officers and the philosophy, policies and practices described in this Proxy Statement. Stockholders are urged to read the "*Compensation Discussion and Analysis*" section of this Proxy Statement, which describes in detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the "*Summary Compensation Table*" and related compensation tables and narrative in this Proxy Statement, which provide detailed information on the compensation of our Named Executive Officers.

At our 2019 Annual Meeting of Stockholders, our stockholders approved, on an advisory basis, a frequency of every year for casting advisory votes regarding our named executive officer compensation. After considering the vote of stockholders on the matter, as well as our general compensation philosophy, we adopted an annual frequency for seeking advisory votes on named executive officer compensation. As a result, we held an advisory vote on named executive officer compensation at each of our 2020, 2021 and 2022 Annual Meetings of Stockholders, which received the approval of 97% of the votes cast for the proposal in 2020 and 2021 and 80% of the votes cast for such proposal in 2022. Although these results were advisory and not binding on the Company, our Board of Directors or the Compensation Committee, we value the opinions of our stockholders and have and commit to continue to take the results of such vote into account when making subsequent decisions regarding the compensation of our Named Executive Officers.

While the vote on Proposal 3 at the Annual Meeting is non-binding and advisory, our Board of Directors and Compensation Committee value the opinions that stockholders express in their votes and will review the voting results and take them into consideration when making future compensation decisions for our Named Executive Officers.

The advisory vote on executive compensation will occur every year at least until the next vote on the frequency of stockholder votes on executive compensation, which will occur at the Company's 2025 annual meeting of stockholders.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS FOR 2022.**

**Stockholder Proposals for 2024 Annual Meeting**

*Requirements for stockholder proposals to be considered for inclusion in our proxy materials* – Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at our next annual meeting of stockholders by submitting their proposals in writing to our Secretary in a timely manner. In order to be included in the proxy statement for the 2024 annual meeting of stockholders, stockholder proposals must be submitted in writing and received by our Secretary no later than December 28, 2023 and must otherwise comply with the requirements of Rule 14a-8 of the Exchange Act.

*Requirements for stockholder proposals and nominations to be brought before an annual meeting* – In addition, our Amended and Restated By-laws (the "By-laws") establish an advance notice procedure for stockholders who wish to present certain matters before an annual meeting of stockholders or nominate any person or persons for election to our Board of Directors. In general, to be properly brought before an annual meeting, nominations for the election of directors or other such business must be: (1) specified in the notice of meeting (or any supplement thereto) given by or at the direction of our Board of Directors (or any committee thereof), (2) otherwise properly brought before the meeting by or at the direction of our Board of Directors (or any committee thereof) or (3) otherwise properly brought before the meeting by a stockholder who is a stockholder of record or beneficial owner of shares of our capital stock at the time such notice of meeting is delivered, who is entitled to vote at the meeting and who complies with the other notice procedures set forth in our By-laws. Written notice must be delivered to our Secretary no later than the deadlines for notice discussed below and must contain specified information concerning the nominees and the stockholder proposing such nominations and specified information regarding any other proposals as set forth in Section 2.12 of our By-laws. A copy of the full text of the provisions of our By-laws discussed above may be obtained free of charge by requesting it in writing from our Secretary.

To be timely, notice must be delivered to or mailed and received at our principal executive offices: (x) not later than the close of business on the ninetieth (90th) calendar day, nor earlier than the close of business on the one hundred twentieth (120th) calendar day, in advance of the anniversary of the previous year's annual meeting if such meeting is to be held on a day which is not more than thirty (30) calendar days in advance of the anniversary of the previous year's annual meeting or not later than sixty (60) calendar days after the anniversary of the previous year's annual meeting; and (y) with respect to any other annual meeting of stockholders, the close of business on the tenth (10th) calendar day following the date of public disclosure of the date of such meeting. As a result, the period for submitting proposals or nominations for the 2024 annual meeting of stockholders is between February 8, 2024 and March 9, 2024.

If a stockholder who has notified us of an intention to present a proposal at an annual meeting does not attend the meeting to present the proposal at such meeting, we need not present the proposal for vote at such meeting.

In addition to satisfying the foregoing requirements under our By-laws, to comply with the SEC's universal proxy rules, stockholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the additional information required by Rule 14a-19 under the Exchange Act no earlier than February 8, 2024 and no later than March 9, 2024. Stockholders are required to comply with any other applicable requirements of the Exchange Act and the rules and regulations thereunder.

**Householding of Proxy Materials**

The SEC has adopted rules that permit companies and intermediaries, such as brokers or other nominees, to satisfy delivery requirements for annual reports and proxy statements with respect to two or more stockholders sharing the same address by delivering a single annual report and/or proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for stockholders and cost savings for companies. We and some brokers or other nominees' household annual reports and proxy materials, delivering a single annual report and/or proxy statement to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders.

Once you have received notice from your broker, other nominee or us that they or we will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. You may request to receive at any time, and we will then promptly deliver, a copy of our annual report or proxy statement, by sending a written request to us at: CarGurus, Inc., Attn: Investor Relations, 2 Canal Park, 4th Floor, Cambridge, Massachusetts 02141 USA or calling us at: +1 (617) 354-0068.

If, at any time, (1) you no longer wish to participate in householding and would prefer to receive a separate annual report and/or proxy statement in the future or (2) you and another stockholder sharing the same address wish to participate in householding and prefer to receive a single copy of our annual report and/or proxy statement, please notify your broker or other nominee if your shares are held in a brokerage account or us if you hold registered shares. You can notify us by sending a written request to us at: CarGurus, Inc., Attn: Investor Relations, 2 Canal Park, 4th Floor, Cambridge, Massachusetts 02141 USA, or calling us at: +1 (617) 354-0068.

## Miscellaneous

Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope you will vote in advance so that your vote will be counted if you later decide not to attend the Annual Meeting.

**You may obtain a copy of our Annual Report on Form 10-K (without exhibits) filed with the Securities and Exchange Commission for the year ended December 31, 2022 without charge upon written request to: CarGurus, Inc., Attn: Investor Relations, 2 Canal Park, 4th Floor, Cambridge, Massachusetts 02141 USA.**

As of the date of this Proxy Statement, we know of no matter not specifically referred to above as to which any action is expected to be taken at the Annual Meeting. The persons named as proxies will vote the proxies, insofar as they are not otherwise instructed, regarding such other matters and the transaction of such other business as may be properly brought before the Annual Meeting, as they determine to be in the best interest of our company and our stockholders.

THE BOARD OF DIRECTORS

Cambridge, Massachusetts

April 26, 2023

# Your **Vote** Counts!

**CARGURUS, INC.**

2023 Annual Meeting

Vote by June 05, 2023

11:59 PM ET

CARGURUS, INC.  
C/O BROADBRIDGE  
P.O. BOX 1342  
BRENTWOOD, NY 11717



## You invested in CARGURUS, INC. and it's time to vote!

You have the right to vote on proposals being presented at the Annual Meeting. **This is an important notice regarding the availability of proxy material for the stockholder meeting to be held on June 06, 2023.**

### Get informed before you vote

View the Annual Report, Notice & Proxy Statement online OR you can receive a free paper or email copy of the material(s) by requesting prior to May 23, 2023. If you would like to request a copy of the material(s) for this and/or future stockholder meetings, you may (1) visit [www.ProxyVote.com](http://www.ProxyVote.com), (2) call 1-800-579-1639 or (3) send an email to [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com). If sending an email, please include your control number (indicated below) in the subject line. Unless requested, you will not otherwise receive a paper or email copy.



For complete information and to vote, visit [www.ProxyVote.com](http://www.ProxyVote.com)

Control #

#### Smartphone users

Point your camera here and vote without entering a control number



#### Vote Virtually at the Meeting\*

June 06, 2023  
2:00 PM EDT

Virtually at:  
[www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023)

\*Please check the meeting materials for any special requirements for meeting attendance.



## THIS IS NOT A VOTABLE BALLOT

This is an overview of the proposals being presented at the upcoming stockholder meeting. Please follow the instructions on the reverse side to vote these important matters.

Voting Items	Board Recommends
1. To elect one Class III director to hold office until the 2026 Annual Meeting of Stockholders. <b>Nominees:</b> 01) Langley Steinert	✔ For
2. To ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2023.	✔ For
3. To approve, on a non-binding advisory basis, the compensation of the Company's named executive officers.	✔ For
<b>NOTE:</b> To conduct any other business properly brought before the Annual Meeting.	

Prefer to receive an email instead? While voting on [www.ProxyVote.com](http://www.ProxyVote.com), be sure to click "Sign up for E-delivery".

CARGURUS, INC.  
 C/O BROADRIDGE  
 P.O. BOX 1342  
 BRENTWOOD, NY 11717



**SCAN TO**  
 VIEW MATERIALS & VOTE

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com) or scan the QR Barcode above**  
 Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 P.M. ET on June 5, 2023. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**During The Meeting - Go to [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023)**  
 You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

**VOTE BY PHONE - 1-800-690-6903**  
 Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 P.M. ET on June 5, 2023. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**  
 Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS  
 DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

<p>The Board of Directors recommends you vote FOR the following director nominee:</p> <p>1. To elect one Class III director to hold office until the 2026 Annual Meeting of Stockholders.</p> <p style="margin-left: 20px;"><b>Nominees</b></p> <p>01) Langley Steinert</p> <p>The Board of Directors recommends you vote FOR proposals 2 and 3:</p> <p>2. To ratify the selection of Ernst &amp; Young LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2023.</p> <p>3. To approve, on a non-binding advisory basis, the compensation of the Company's named executive officers.</p> <p><b>NOTE:</b> To conduct any other business properly brought before the Annual Meeting.</p> <p style="font-size: small; margin-top: 20px;">Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"><b>For All</b></td> <td style="width: 33%;"><b>Withhold All</b></td> <td style="width: 33%;"><b>For All Except</b></td> <td style="width: 33%;"><b>To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.</b></td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;">_____</td> </tr> </table> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%;"><b>For</b></td> <td style="width: 33%;"><b>Against</b></td> <td style="width: 33%;"><b>Abstain</b></td> </tr> <tr> <td style="text-align: center;">2.</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">3.</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	<b>For All</b>	<b>Withhold All</b>	<b>For All Except</b>	<b>To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____		<b>For</b>	<b>Against</b>	<b>Abstain</b>	2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**  
The Annual Report and Notice and Proxy Statement are available at [www.proxyvote.com](http://www.proxyvote.com)

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**CARGURUS, INC.**  
**Annual Meeting of Stockholders**  
**June 6, 2023 2:00 P.M. ET**  
**This proxy is solicited by the Board of Directors**

The undersigned hereby appoints Jason Trevisan and Javier Zamora, and each or either of them, as the true and lawful attorneys of the undersigned, with full power of substitution and revocation, and authorizes them, and each of them, to vote all the shares of common stock of CarGurus, Inc. which the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held virtually at 2:00 P.M. ET on Tuesday, June 6, 2023, conducted via live audio webcast at [www.virtualshareholdermeeting.com/CARG2023](http://www.virtualshareholdermeeting.com/CARG2023), and any adjournment thereof upon the matters specified and upon such other matters as may be properly brought before the meeting or any adjournment thereof, conferring authority upon such true and lawful attorneys to vote in their discretion on such other matters as may properly come before the meeting and revoking any proxy heretofore given.

**THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, SHARES WILL BE VOTED FOR THE ELECTION OF THE DIRECTOR IN ITEM 1, FOR THE PROPOSAL IN ITEM 2 AND FOR THE PROPOSAL IN ITEM 3. THE PROXIES WILL VOTE IN THEIR DISCRETION ON ANY OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING AND ANY ADJOURNMENT THEREOF.**

**Continued and to be signed on reverse side**

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