

# CARGURUS, INC.

## CODE OF BUSINESS CONDUCT AND ETHICS

### I. INTRODUCTION

CarGurus, Inc. (the “Company”) expects its employees, officers, and directors, and those of its subsidiaries and affiliates, to conduct themselves according to high ethical and professional standards of conduct. All decisions and actions taken on the Company’s behalf must be in strict compliance with all applicable laws and regulations and adhere to the highest standards of integrity. The Company’s reputation for integrity is one of its most important assets. Accordingly, all employees, officers, and directors are required to follow the policies and standards contained in this Code of Business Conduct and Ethics (this “Code”), guided by fundamental principles of trust, honesty, objectivity, fairness, and respect for oneself and others.

This Code and the Company’s Insider Trading Policy, Procedures for Handling Accounting and Auditing Complaints and Concerns, Related Person Transaction Policy and other internal policies (see Section II.E. below) outline certain key legal requirements of which employees, officers and directors should be generally aware and serve as guides for employees, officers, and directors when faced with legal or ethical questions; however, they are not all-inclusive. Accordingly, the Company expects its employees, officers, and directors to use their own good judgment at all times to follow the high ethical standards to which the Company is committed. If a person other than a director or executive officer has any questions or concerns regarding ethical responsibilities, he or she should contact the Company’s General Counsel. Employees also may contact their supervisors or managers with questions about their ethical responsibilities. If a director or executive officer has any questions or concerns regarding ethical responsibilities, he or she should contact the Company’s Audit Committee.

This Code is designed to deter wrongdoing and promote the following:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, objective, complete, relevant and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the “SEC”) and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting to an appropriate person of violations of this Code; and
- strict accountability for adherence to this Code.

Violations of certain of the policies contained in this Code may subject the Company or the violating employee, officer, or director to civil liability and damages, regulatory sanctions, criminal prosecution and disciplinary action, including suspension or dismissal, by the Company. If an employee (including an officer) believes that another person is violating this Code, or any law, rule, regulation, or internal policy, the employee should immediately report the suspected violation to his or her supervisor or manager or the Company’s General Counsel. If any director believes that another person is violating this Code, or any law, rule, regulation, or internal corporate policy, the director should immediately report the suspected violation to the Audit Committee.

## **II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Directors, officers, and employees are expected to comply with all applicable laws, rules, and regulations governing the Company's business around the world. No individual is expected to know the details of all applicable laws, rules, and regulations, but individuals should be knowledgeable about specific laws, rules, and regulations that apply to their areas of responsibility. Everyone who is subject to this policy is expected to use good judgment and common sense in seeking to comply with all applicable laws, rules, and regulations and to ask the Company's General Counsel promptly for advice when uncertain or concerned about them. Furthermore, employees, officers and directors who have any information about a suspected or actual violation of any applicable law, rule, or regulation should report them immediately to the Company's General Counsel. Certain laws with broad applicability are summarized below:

### **A. Insider Trading**

Employees, officers, and directors who have material non-public information about the Company or other companies, including the Company's suppliers and partners, as a result of their relationship with the Company are prohibited by law and Company policy from trading in the securities of the Company or such other companies (known as "insider trading") and from communicating that information to others (known as "tipping"). To help ensure that employees, officer and directors do not engage in insider trading or tipping, the Company has adopted an Insider Trading Policy, which is available on the Company's intranet and by request of the Company's Legal Department.

Any director, officer, or employee who violates Company policy with respect to insider trading may be subject to disciplinary action, including suspension or dismissal. Additionally, insider trading may result in severe civil and criminal penalties and irreparably harm the Company's and the violator's reputation and financial position.

### **B. Accounting and Auditing Matters**

Employees whose responsibilities include accounting, internal accounting controls, and auditing matters should be familiar with the laws, regulations, ethical standards, and internal procedures applicable to the Company's accounting and auditing process. These employees must fulfill their accounting and auditing responsibilities in conformance with such laws, regulations, standards, and procedures.

No employee, officer, or director shall, directly or indirectly, make or cause to be made a materially false or misleading statement to an accountant in connection with (or omit to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with) any audit, review, or examination of the Company's financial statements or preparation or filing of any document or report with the SEC. No employee, officer, or director shall, directly or indirectly, take any action to coerce, manipulate, mislead, or fraudulently influence any independent public accountant engaged in the performance of an audit or review of the Company's financial statements.

Additional information about complaints and the treatment of reports regarding accounting or auditing matters is available in the Company's Procedures for Handling Accounting and Auditing Complaints and Concerns, which is available on the Company's intranet and by request of the Company's Legal Department.

### C. Accuracy of Books and Records and Public Disclosure and Reporting

Every employee is responsible for the accuracy and completeness of the Company's business records, books, and data. All financial books, records, and accounts must accurately reflect the true nature of the Company's transactions and events, and employees must record all of the Company's activities in compliance with applicable laws and accounting standards and the Company's own accounting policies, as applicable. The making of false or misleading entries, records, and documentation is strictly prohibited. No secret or unrecorded funds may be established or maintained, and no false entries may be made on the books or records of the Company.

Each director, officer and employee who contributes in any way to the preparation or verification of the Company's financial statements and other financial information must ensure that the Company's books, records and accounts are accurately maintained. Each employee, officer and director must cooperate fully with the Company's accounting and internal audit departments, as well as the Company's independent public accountants and counsel. Employees involved in the preparation and review of materials that are disseminated or otherwise available to the public must ensure that the information in the materials is true and accurate in all material respects. No employee may knowingly misrepresent, or cause others to knowingly misrepresent, information about the Company in communications with the public. The Chief Executive Officer, Chief Financial Officer, General Counsel, and Controller must be familiar with the disclosure and reporting rules and regulations promulgated by the SEC and mandated by applicable law. Reports and documents that the Company submits to the SEC, including all financial statements and other financial information, and the Company's other public communications, should contain full, fair, accurate, timely, and understandable disclosure and must comply with applicable federal securities laws and SEC rules.

### D. Anticorruption

The Company is subject to various laws that prohibit bribery in connection with its business. Employees, officers and directors are strictly prohibited from engaging in corrupt activity or activity that gives rise to the appearance of corruption and are required to comply with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act of 2010 (the "Bribery Act"). Employees, officers and directors may not directly or indirectly offer, promise to pay, authorize the payment of, or pay anything of value to any government official or to any person or entity, knowing or suspecting that all or some portion of the thing of value would be offered, given, or promised for the purpose of inducing any person to use his or her position to secure an improper advantage or obtain, retain, or direct business for the Company's benefit.

The FCPA has two parts: (1) the anti-bribery provisions and (2) the accounting provisions. The FCPA's anti-bribery provisions prohibit payments and promises or offers to pay money or anything of value to influence officials of governments outside the United States ("government officials") for the purpose of obtaining, retaining, or directing business or to secure an improper advantage. The FCPA's accounting provisions require that certain companies maintain accurate books and records and systems of internal controls designed to prevent and detect corrupt activity. The Company requires employees, officers and directors to fully and accurately record all business transactions. The FCPA applies to the Company and all employees, officers and directors and the Company may be held liable for the corrupt activity of its employees, officers and directors.

Although the FCPA relates only to payments to government officials, other U.S. and international anti-corruption laws criminalize bribery among private parties. The Bribery Act prohibits bribery of government officials as well as bribery in commercial transactions. It also prohibits the solicitation and acceptance of such payments.

The Company strictly prohibits bribery of all kinds, whether governmental or commercial, public or private and anywhere in the world. Improper payments are not limited to those involving cash. Improper payments may include the provision of meals, gifts, entertainment, travel and employment.

Particular scrutiny should be applied to situations that may involve government officials. For purposes of these anti-corruption laws, a government official includes any employee or representative of any government agency or office or partially owned government company. The term “governmental officials” includes a broad range of persons who may not ordinarily be thought of as “government officials,” covering not only personnel of any national, state or local governmental body, department or agency, but also:

- persons acting on behalf of such entities;
- officials of political parties and candidates for political office;
- employees of public international organizations, such as (but not limited to) the United Nations and the World Bank; and
- employees of any entity owned or controlled by any national, state or local government, including entities engaged in ordinary commercial activity.

Particular caution is required where the Company or any party acting on the Company’s behalf is operating in a foreign country where improper payments may be a common practice. To the extent “business custom” in a jurisdiction is inconsistent with the FCPA, the Bribery Act or this Code, or would otherwise provide an appearance of impropriety, it is the Company’s policy to strictly follow the requirements of these applicable laws and this Code rather than follow the “business custom.”

#### E. Compliance with the Code and Other Company Policies

Every employee, officer, and director is expected to be aware of, familiar with and in compliance with this Code and all other Company policies and rules as in effect from time to time.

### III. CONFLICTS OF INTEREST

Directors, officers, and employees are responsible for avoiding any conflict of interest, or any appearance of a conflict of interest, between their personal interests and activities and the interests and activities of the Company. It is not appropriate for a director, officer, or employee to gain personally, directly or indirectly, in ways that conflict with the Company’s interests. A conflict of interest may arise when someone takes actions or has interests that may make it difficult to perform his or her duties objectively and effectively or when that person, or a family member, receives improper personal benefits as a result of his or her position at the Company.

Whether or not a conflict of interest exists or will exist can be unclear. Conflicts of interest should be avoided unless specifically authorized as described herein. If a person other than an executive officer or director of the Company believes that he or she or his or her family may have a potential conflict of interest, or becomes aware of a potential conflict of interest he or she should promptly contact, discuss the matter with, and seek a determination and prior authorization or approval from the General Counsel. Directors and executive officers must seek determinations of prior authorizations or approvals of potential conflicts of interest exclusively from the Audit Committee. Although this Code does not list every potential conflict of interest, the following are some common conflicts of interest that should be avoided.

#### A. Gifts and Entertainment

The use of Company funds or assets for gifts, entertainment, or other favors to any partner, customer, supplier, or other person seeking to do business with the Company is prohibited, except to the

extent such gifts, entertainment, or favors are in compliance with the policies of both the Company and the recipient and are in compliance with applicable law.

Directors, officers, and employees may not accept inappropriate gifts, favors, entertainment, special accommodations, or other items of material value that could influence their decision making; make them feel beholden to a partner, supplier, customer, person, or firm, or give the appearance of doing so. Any gift that is not of insignificant value should not be accepted or should be returned immediately. If return is impracticable, the gift should be given to the Company for charitable disposition or such other disposition as the Company believes appropriate under the circumstances.

Common sense and moderation should prevail in giving or receiving gifts and in any business entertainment engaged in on behalf of the Company. When giving gifts, or sponsoring or otherwise providing entertainment opportunities, it is important to avoid the appearance of attempting to influence business decisions by persons in positions of trust and influence, particularly governmental officials (and their appointees). Directors, officers, and employees may not make a gift of any value or political contribution to a person who is a public official (including a designee or appointee of a public official) who is able to influence or who is seeking the ability to influence (either solely or as a member of a committee) business matters relating to the Company. As provided above under Section II.D., giving or receiving any payment in the nature of a bribe or kickback is strictly prohibited.

The Company cannot identify all circumstances that may arise that would raise questions of propriety or possible reputational damage; therefore, it is the responsibility of each employee, officer, and director to remain sensitive to appearances of impropriety, on both the giving and receiving ends of gifts and entertainment and to exercise careful judgment before they occur. Employees, officers, and directors should direct questions regarding the propriety of accepting or receiving a gift, favor, entertainment, special accommodation, or other item of material value to the General Counsel. An employee also may direct questions regarding the propriety of accepting or receiving a gift, favor, entertainment, special accommodation, or other item of material value to the employee's supervisor or manager.

#### B. Outside Activities and Corporate Opportunities

No director, officer, or employee may provide any services as an employee, officer, director, consultant, or advisor or in any other capacity for a direct competitor of the Company, other than services performed at the request of the Company, as confirmed by the General Counsel. Furthermore, an employee's or officer's service on the board of directors of an outside company, as well as other outside activities generally, could lead to the potential for a conflict of interest or insider trading concerns and may otherwise interfere with the employee's or officer's duties to the Company. Any employee, officer, or director involved in outside activities may be required to resign from such activities at any time if the Company determines that the individual's continued engagement in such activities may no longer be in the best interests of the Company.

Employees and officers may not take personal advantage of business opportunities that could be made available to the Company, unless the General Counsel confirms in writing that the Company has considered and declined the opportunities. A director may not take personal advantage of a business opportunity that could be made available to the Company unless at least a majority of the disinterested members of the Company's Board of Directors determine that the Company will not pursue the opportunity. No director, officer, or employee may not use corporate property, assets, information, or position for personal gain or compete with the Company in any manner that would breach the director's, officer's, or employee's fiduciary obligations to the Company.

### C. Use of Company Assets and Business Arrangements with the Company

The Company's resources, including computer hardware and software, electronic mail, Internet access, phones, and other communications equipment, facilities, materials, and assets are intended for business use. Although the Company permits occasional personal use of some Company resources, personal use should be kept to a minimum and should not interfere with or detract from an employee's job performance or the business of the Company. Theft, carelessness, and waste have a direct impact on the Company's performance and are prohibited. Accordingly, use of Company information or resources in a manner contrary to the Company's interests, whether or not the Company suffers any direct loss, is not permitted. Company assets and resources should be used effectively and efficiently and should be protected against theft, loss or misuse. Business partner property in the possession of employees must also be protected and maintained with the same degree of skill and care as is used to safeguard Company property. The obligation to protect Company assets includes the Company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business and marketing plans, engineering and manufacturing ideas, designs, databases, records and any non-public financial data or reports. Unauthorized use or distribution of this information is prohibited and could also be illegal and result in civil or criminal penalties.

Loans by the Company to employees who are not directors or executive officers of the Company or guaranties by the Company of the obligations of such employees that are incurred for personal reasons may present conflicts of interest if made outside of the ordinary course of business or for improper purposes. Loans to directors and officers are not permitted unless such loans are in compliance with applicable law, including the Sarbanes-Oxley Act of 2002.

### D. Antitrust Laws

Antitrust laws, which are also known as competition laws outside of the U.S., are designed to ensure a fair and competitive free market system where no single company has a monopoly on providing a service or a product. While the Company competes vigorously in the marketplace, it complies with the applicable antitrust and competition laws wherever it does business. This means that the Company competes on the merits of its services, prices and customer loyalty. Some of the most serious antitrust offenses occur between competitors, such as agreements to fix prices or to divide customers, territories or markets. It is therefore very important for employees, officers and directors to avoid discussions with competitors regarding customers, pricing policies, bids, discounts, promotions, terms and conditions of sale and any other proprietary or confidential information. Remember that unlawful agreements need not be written or even consist of express commitments. Agreements can be inferred based on "loose talk," informal discussions, or the mere exchange of certain information. If a conversation with a competitor enters an inappropriate area, the employee, officer or director should end the conversation at once and report the matter immediately to the General Counsel. Antitrust laws may also apply in other circumstances, like benchmarking efforts, trade association meetings or strategic alliances involving competitors.

### E. Work Environment

The Company strives to provide each employee with a safe and healthful work environment. Each employee, officer and directors is responsible for maintaining a safe and healthy workplace for all of his or her colleagues by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. The Company does not tolerate violence or threatening behavior in the workplace. Employee are required to report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The Company does not tolerate the use or presence of illegal drugs in the workplace or on any Company property.

#### **IV. EQUAL EMPLOYMENT OPPORTUNITY AND POLICY AGAINST HARASSMENT**

The Company is committed to providing equal opportunity in employment on the basis of individual merit and personal qualifications to employees and applicants for employment. Equal employment opportunity is provided to all employees and applicants for employment without regard to race, religion, color, sex, pregnancy, national origin, age, physical or mental disability, military or covered-veteran status, marital status, sexual orientation, or any classification protected by applicable federal, national, state, or local law.

The Company is deeply committed to maintaining a work environment in which all individuals are treated with respect and dignity. Every individual has the right to work in a professional atmosphere that promotes equal employment opportunities and where discriminatory practices, including harassment, are prohibited. The Company requires each employee to treat all colleagues in a respectful manner and to forge working relationships that are uniformly free of bias, prejudice, and harassment. The Company prohibits discrimination against or harassment of any employee on the basis of race, religion, color, sex, pregnancy, national origin, age, physical or mental disability, military or covered-veteran status, marital status, sexual orientation, or any classification protected by applicable federal, state, or local law.

#### **V. FAIR DEALING**

The Company's continued success depends on its ability to maintain its reputation for ethics and integrity. Employees, officers, and directors must deal fairly and honestly with others, including business partners, suppliers, competitors, and other employees of the Company, and must not take unfair advantage of anyone through manipulation, concealment, improper use of privileged information, misrepresentation of material facts, or any other unfair dealing.

#### **VI. CONFIDENTIAL INFORMATION**

Directors, officers, and employees are expected and required to protect the confidentiality of information that comes to them, from whatever source, in the course of performing their responsibilities for the Company, except where disclosure is specifically authorized or legally mandated.

Confidential information includes the Company's proprietary information, trade secrets, and other confidential information, as well as proprietary information, trade secrets, and other confidential information received from or relating to third parties, such as clients or companies with which the Company has contemplated or is contemplating a relationship. Examples of confidential information relating to the Company include nonpublic data, proprietary information, strategic plans, financing techniques, and achievement of milestones. Other examples of trade secrets and other confidential information include account balances, financial information obtained from an actual or potential business partner, and anticipated changes in the management or financial condition of the Company outside the normal and necessary course of the Company's business.

Proprietary information, trade secrets, and other confidential information may not be shared unless there is a valid business reason for doing so, and may not be transmitted or communicated to outside individuals or companies not authorized to receive the information and if authorized, subject to appropriate safeguards and non-disclosure obligations. For example, directors, officers, and employees should not discuss confidential information with family members or business or social acquaintances or with one another in places where the information may be overheard, such as taxis, public transportation, elevators, or restaurants.

Notwithstanding any other provision of this Code, (a) an employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding; (b) if an employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the employee may disclose the Company's trade secrets to the employee's attorney and use the trade secret information in the court proceeding if the employee (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

The obligations of confidentiality outlined in this Code are in addition to any obligations arising under written agreement and continue following termination of employment or Board membership with the Company. Employees, officers, and directors must return all materials belonging to the Company, including all documents containing the Company's confidential information, upon termination of employment and may not disclose the Company's confidential information to a new employer.

## **VII. POLITICAL CONTRIBUTIONS AND ACTIVITIES**

Certain laws limit the use of Company funds, assets, services, or facilities on behalf of a political party or candidate. Payments of Company funds to a political party, candidate or campaign may be made only if permitted by applicable law and approved in writing in advance by the General Counsel. Employee time may be considered the equivalent of a contribution by the Company; therefore, employees will not be paid by the Company for any time spent running for public office, serving as an elected official or campaigning for a political candidate. The Company will not reimburse or otherwise compensate employees for political contributions.

## **VIII. COMPLIANCE PROCEDURES AND WAIVERS**

### **A. Reporting Obligations**

Any suspected violation of this Code or of any law, rule, regulation, internal corporate policy, or any unethical behavior involving anyone other than a director or executive officer must be reported to a manager, a supervisor, or the General Counsel. Any suspected violation of this Code or of any law, rule, or regulation or any unethical behavior involving directors or executive officers must be reported to the Audit Committee. All reports will be treated confidentially and investigated promptly and appropriately to the extent practical. Directors, officers, and employees should not undertake to investigate any suspected violations themselves. All directors, officers and employees are expected to cooperate in any internal investigation of misconduct. The Company will not retaliate against a director, officer, or employee who reports a violation in good faith, and any retaliation by another employee shall constitute a further violation of this Code. The Legal Department will keep records of any violation of this Code and any other reports of suspected violations of any law, rule, or regulation and of any actions taken as a result of such violations. If an employee has any questions or concerns regarding ethical responsibilities, the employee can discuss them with a supervisor or manager, or a member of the Legal Department.

### **B. Consequences of Violations**

If, after investigating a report of an alleged prohibited action by any person other than a director or executive officer, a supervisor determines that a violation of this Code has occurred, the supervisor will report such determination to the General Counsel. If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of this Code has occurred, the Audit Committee will report such determination to the Board of Directors. Upon receipt of a



determination that there has been a violation of this Code, the Board of Directors or the General Counsel will take such preventative or disciplinary action as it deems appropriate.

Violations of this Code and the other policies and procedures of the Company may result in disciplinary action, including a letter of reprimand, disgorgement, suspension, demotion, or termination of employment. In addition, violations of the law may result in fines, penalties, or other legal action, including imprisonment. The Company may use every reasonable effort to prevent the occurrence of such violations and to stop any such conduct as soon as reasonably possible after discovery.

#### C. Waivers of this Code

Waivers of this Code for any director, officer, or employee will be granted only under extraordinary circumstances. A request for a waiver of any provision of this Code by an employee will be granted only by the General Counsel. A waiver involving a director or officer of the Company may be granted only by the Board (or a designated committee of the Board) and must be disclosed in accordance with applicable laws, rules, and regulations.

#### D. Public Availability of Code

This Code shall be made available to the public by posting on the Company's website at [www.cargurus.com](http://www.cargurus.com). Printed copies shall also be made available to the Company's stockholders upon written request. Each annual report filed with the SEC on Form 10-K shall state that this Code is available through these media. A copy of the Code will be made available to each new director or employee on commencement of his or her employment or directorship and made available to all existing directors, officers and employees.

#### E. Periodic Review of this Code and Amendments

The Audit Committee periodically reviews this Code. This Code may be amended by the Audit Committee or the Board in whole or in part at any time and from time to time. The Company must report promptly any amendments pertaining to executive officers or senior financial officers as required by applicable laws, rules or regulations. Following any material revisions or updates, an updated version of this Code will be distributed as required, and will supersede the prior version of this Code effective upon distribution. The Company may ask employees, officers or directors to formally acknowledge that they have read and understood the revised version of the Code, and that they agree to comply with its provisions. Amendments to the Code will also be posted on the Company's website at [www.cargurus.com](http://www.cargurus.com) or on a Current Report on Form 8-K in compliance with applicable rules and regulations of NASDAQ and the SEC as required.

#### F. Important Disclaimers

This Code reflects general principles to guide employees, officers and directors in making ethical decisions and cannot, and is not intended to, address every specific situation in which the Company may find it appropriate to take disciplinary action. This Code is not intended to create any contract (express or implied) with any employee, officer or director, including without limitation any employment contract, or to constitute any promise that such employee's, officer's or director's employment or service will be not terminated except for cause.

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*Date Adopted: October 11, 2017*