

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 13, 2020

CarGurus, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38233

(Commission File Number)

04-3843478
(IRS Employer
Identification No.)

2 Canal Park, 4th Floor
Cambridge, Massachusetts 02141
(Address of Principal Executive Offices)
(Zip Code)

Registrant's Telephone Number, Including Area Code: (617) 354-0068

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.001 per share	CARG	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02**Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On November 13, 2020, CarGurus, Inc. (the "Company") entered into a separation agreement (the "Separation Agreement") with Kyle Lomeli, the Company's Chief Technology Officer. By mutual agreement, Mr. Lomeli's employment with the Company will continue through May 14, 2021 (the "Separation Date"), during which he will continue to receive his current base salary and benefits. Pursuant to the Separation Agreement, in exchange for granting and not revoking a customary release after the Separation Date, Mr. Lomeli will be entitled to (i) receive a cash severance payment equal to nine months of his current base salary, payable either in a lump sum or in accordance with the Company's normal payroll practices as determined by the Company, and (ii) continued participation in the Company's medical and dental insurance plans at the Company's expense during the nine-month period following the Separation Date.

On November 13, 2020, the Company and Mr. Lomeli also entered into a consulting agreement (the "Consulting Agreement"), pursuant to which Mr. Lomeli will provide consulting services to the Company for a nine-month period following the Separation Date to assist with the transition of his duties. In connection with entering into the Consulting Agreement, the Company granted Mr. Lomeli 45,411 restricted stock units pursuant to a restricted stock unit agreement under the Company's Omnibus Incentive Compensation Plan that will vest in equal installments on each of August 14, 2021, November 14, 2021 and February 14, 2022, subject to Mr. Lomeli's employment or provision of consulting services to the Company on the applicable vesting date. The Consulting Agreement contains customary covenants, including a non-competition agreement.

The foregoing summary is qualified in its entirety by reference to the Separation Agreement and the Consulting Agreement, copies of which are filed herewith as Exhibits 10.1 and 10.2, respectively, and incorporated herein by reference.

Item 9.01**Financial Statements and Exhibits.****(d) Exhibits.**

<i>Exhibit No.</i>	<i>Description</i>
10.1#	Separation Agreement, dated November 13, 2020, by and between CarGurus, Inc. and Kyle Lomeli.
10.2#	Consulting Agreement, dated November 13, 2020, by and between CarGurus, Inc. and Kyle Lomeli.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).
#	Indicates a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CARGURUS, INC.

Date: November 17, 2020

By: /s/ Kathleen B. Patton
Name: Kathleen B. Patton
Title: General Counsel and Secretary

SEPARATION AGREEMENT

November 13, 2020 (the "Agreement Date")

Kyle Lomeli
[ADDRESS]

Dear Kyle:

The purpose of this Separation Agreement (the "Agreement") is to set forth the terms of your separation of employment from CarGurus, Inc. ("CarGurus" or the "Company"), including the following defined terms:

- Separation Date: May 14, 2021
- Transitional Employment Period: the period commencing on the Agreement Date and ending on the Separation Date
- Severance Period: the nine (9) month period following the Separation Date
- Severance Pay: \$262,500 an amount equal to your current base salary for the duration of the Severance Period

1. Effect of Agreement. The date that you sign and return to the Company (a) the Agreement, (b) the Consulting Agreement and Restricted Stock Unit Agreement provided to you (collectively the "Consulting Agreement") and (c) the Affirmation attached as Exhibit A (the "Affirmation") is referred to as the "Acceptance Date". This Agreement shall be effective and binding on the parties on and after the date that is eight business (8) days after the Acceptance Date if you have not revoked this Agreement in accordance with its terms during the preceding seven business (7) day period.

2. Termination of Employment. Your employment with the Company will terminate on the Separation Date. After the Separation Date, you shall have no authority to represent yourself as an employee or agent of the Company. On the Separation Date, the Company shall pay your accrued but unpaid base salary and any accrued but unused vacation through the Separation Date. During the Transitional Employment Period, you shall perform assigned tasks, complete ongoing projects, and otherwise assist the Company in the transition of work in connection with any duties you have performed at the Company as may be requested by the Company. Your employment status during the Transitional Employment Period will continue to be at will. During the Transitional Employment Period, you shall continue: (i) to receive your base salary, subject to all ordinary payroll taxes and withholdings, in accordance with the Company's payroll policies and procedures; and (ii) to participate in the Company's employee benefits programs and employee insurance benefits programs, but only to the extent that you currently participate in such programs and remain eligible under any applicable plan document(s), except that you shall not be eligible to participate in any bonus or commission program during the Transitional Employment Period unless otherwise approved by the Compensation Committee of the Company. You acknowledge and agree that the offer of continuation of your employment during the Transitional Employment Period is provided in further consideration of your covenants and obligations set forth in this Agreement and the Affirmation.

3. Severance Pay. Provided that you have accepted this Agreement and complied with its terms and conditions and you have not revoked this Agreement or the Affirmation, the Company agrees to pay you the Severance Pay. Payment of the Severance Pay will commence after the later of the Separation Date or the date on which you no longer have any ability to revoke this Agreement or the Affirmation in accordance with their terms and will be paid either in a lump sum or in accordance with

the Company's normal payroll practices as determined by the Company. The Severance Pay is subject to tax withholdings and any other authorized deductions.

You acknowledge and agree that the Severance Pay is not otherwise due or owing to you under any other agreement, obligation or any Company policy or practice. The Severance Pay is not intended to be, and shall not be construed to constitute, a severance plan, and shall confer no benefit on anyone other than you. You further acknowledge that except for (i) the specific financial consideration set forth in this Agreement, (ii) any unpaid regular wages earned through the Separation Date, (iii) any accrued but unused vacation earned through the Separation Date, (iv) any business expenses incurred by you on behalf of the Company for which you submit a timely reimbursement claim in accordance with Company policy on or prior to the Separation Date, and (v) any vested amount owing to you pursuant to any 401(k) savings plan of the Company, you are not and shall not in the future be entitled to any other compensation, benefit or reimbursement including, without limitation, other wages, commissions, bonuses, incentives, vacation pay, holiday pay, overtime pay, sabbatical pay, any form of equity, any equity vesting or acceleration, or any other form of compensation or benefit.

Subject to your completion of the appropriate forms, and subject to all the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), you will be entitled to continue your participation, if any, in the Company's medical and dental insurance plans, to the same extent that such insurance is provided to persons then employed by the Company and made available to you prior to the date hereof, in accordance with applicable law. Such participation in the Company's medical and dental insurance plans will be at the Company's expense through the conclusion of the Severance Period (the "Continuation Period"). If you obtain employment that provides medical and dental insurance during the Continuation Period, you shall notify the Company promptly, and the Company will no longer be obligated to provide payment for your medical and dental benefit continuation. You also have the right to continue your medical and dental insurance coverage after the Continuation Period, subject to the requirements of COBRA, at your own cost. The "qualifying event" under COBRA shall be deemed to have occurred on the Separation Date.

4. Equity Grants. If you have received a grant of equity from the Company, you acknowledge and agree that from and after the Separation Date, all vesting of any equity grant under any equity plan (of whatever name or kind, including, without limitation, any stock option plan or plan relating to restricted stock units) that you participated in or were eligible to participate in during your employment with the Company will terminate, except for the grant of equity issued under the Restricted Stock Unit Agreement between the Company and you dated as of the date of this Agreement, which equity grant will vest as specified in such agreement. If you have received a grant of stock options from the Company, you further acknowledge and agree that you are entitled to exercise only those stock options that have vested as of the Separation Date, and only in accordance with the terms and conditions of the applicable Company plan, including those provisions regarding the time in which you must exercise vested options.

5. Confidentiality, Acknowledgements and Other Obligations. You expressly acknowledge and agree to the following:

(i) You will keep all confidential information and trade secrets of the Company confidential, and not use or disclose any of the same, and you will abide by any and all common law and statutory obligations relating to protection and non-disclosure of the Company's trade secrets and confidential or proprietary documents and information. In addition, you acknowledge that the Company is providing you with notice of immunity under the Defend Trade Secrets Act of 2016, attached as Exhibit B.

(ii) Except as may be set forth in this Agreement, you acknowledge that you remain obligated under, and agree that you will comply with, the provisions of any agreement between

you and the Company that protects the confidentiality of the Company's information and imposes certain restrictions and obligations on you after your employment, including on your ability to use or share confidential information, to solicit employees or customers of the Company or to compete with the Company (each such agreement, collectively, the "NDA"), each of which is incorporated herein by reference. You specifically acknowledge and agree that you have received and are now receiving consideration for any restrictive covenants included in the NDA, and you expressly reaffirm these restrictive covenants.

(iii) You shall keep confidential all information relating in any way to this Agreement, including the terms and amount of financial consideration provided for in this Agreement and the negotiations associated with this Agreement, and shall not disclose such information to any person or entity (other than an immediate family member, legal counsel or financial advisor, provided that you instruct any such individual to whom disclosure is made about these obligations and such individual agrees to be bound by these confidentiality obligations), except as required by law.

(iv) From and after the date hereof unless specifically requested by the Company in writing, you will cease using any Company property (including computer equipment) and Company information. Within five (5) business days after request by the Company, you will return to the Company in the manner specified by the Company all Company property and equipment and all Company documents, code, information and data in any form (including financial plans, management reports, customer lists, and other documents and information), in each case without deleting or otherwise damaging or altering the same and without retaining any copies. On or prior to the Separation Date, you will provide the Company with all information necessary to log in to, assume control of, and access any database, system, account or application over which you had control or to which you had access during your employment (including username, password, PIN information and any other access credentials for any devices or accounts). From and after the date hereof unless specifically requested by the Company in writing, you will no longer access any such database, system, account or application. The Company intends to return to you your personal items located at any of the Company's offices after the reopening of the respective Company offices.

(v) You will not make any statements that are professionally or personally disparaging about, or adverse to, the interests of the Company (including its officers, directors, and employees) including, but not limited to, any statements that disparage any person, product, service, financial condition, capability or any other aspect of the business of the Company, and you will not engage in any conduct that could reasonably be expected to harm professionally or personally the reputation of the Company (including its officers, directors, and employees).

(vi) You represent to the Company that you have not engaged in any fraudulent or unlawful conduct relating to the Company or your employment, that you have complied with all contractual obligations with the Company, that you have complied with Company policies and procedures, and that you have fully disclosed to the Company all material information relating to the performance of your employment.

6. Cooperation. During the Severance Period and thereafter, you will make yourself available to the Company, upon reasonable notice, to assist in any matter relating to the services performed by you during your employment with the Company including, but not limited to, transitioning your duties to others at the Company and providing assistance in any legal or regulatory investigation, matter or Claim (as defined below).

7. Release of Claims. You hereby acknowledge and agree that by signing this Agreement and the Affirmation, you (on behalf of yourself and your representatives, agents, estate, heirs, attorneys,

insurers, spouse, executors, administrators, successors and assigns) are waiving your right to assert any Claim, and you hereby release the Company from any Claim, arising from acts, omissions, facts, or circumstances that occurred on or before the Acceptance Date, and if you do not revoke the Affirmation prior to the Separation Date, arising from acts, omissions, facts, or circumstances that occurred on or before the Separation Date to the maximum extent permitted by law. You may revoke the Affirmation on or prior to the Separation Date by sending an email to the Company's Chief People Officer at aeldridge@cargurus.com with a copy to the Company's Legal Department at legal@cargurus.com that specifically notifies the Company of your revocation of the Affirmation under this Section.

You agree that your waiver and release bars any form of legal claim, lawsuit, charge, complaint or any other form of action against the Company (each, a "Claim") seeking money or any other form of relief, including equitable relief (whether declaratory, injunctive or otherwise), damages or any other form of monetary recovery (including back pay, front pay, compensatory damages, overtime pay, emotional distress, punitive damages, attorneys' fees and any other costs or expenses). You understand that there could be unknown or unanticipated Claims resulting from your employment with the Company and the termination of your employment, and you agree that such Claims are included in this waiver and release. You specifically waive and release the Company from any Claims arising from or related to your employment relationship with the Company or the termination of your employment, including without limitation Claims under any statute, ordinance, regulation, executive order, common law, constitution and any other source of law of any state, country and/or locality, including but not limited to the United States, the Commonwealth of Massachusetts, the State of California, the State of Michigan, the state in which you reside, and/or any other state or locality where you worked for the Company (collectively "Laws").

Without limiting the foregoing waiver and release, except for Claims resulting from the failure of the Company to perform its obligations under this Agreement, you specifically waive and release the Company from:

(i) Claims under any Law concerning equal pay, civil rights, discrimination, harassment, retaliation and fair employment practices, including the California Fair Employment and Housing Act (Cal. Gov. Code, Title 2, Division 3, Part 2.8), the California Constitution, the Massachusetts Fair Employment Practices Act (M.G.L. c. 151B), the Massachusetts Sexual Harassment Law (M.G.L. c. 214, § 1C), the Massachusetts Equal Pay Act (M.G.L. c. 149, § 105A), the Massachusetts Equal Rights Act (M.G.L. c. 93, §§ 102, 103), the Elliott-Larsen Civil Rights Act (Mich. Comp. Laws § 37.2101 et seq.), the Persons with Disabilities Civil Rights Act (Mich. Comp. Laws § 37.1101 et seq.), the Michigan compensation discrimination law (Mich. Comp. Laws § 408.423), Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e et seq.), 42 U.S.C. § 1981, the Age Discrimination in Employment Act (29 U.S.C. § 621 et seq.) and the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.), each as they may have been amended through the Separation Date.

(ii) Claims under any Law relating to wages, hours, overtime, whistleblowing, leaves of absences or any other terms and conditions of employment, including but not limited to the California Labor Code (including all laws and regulations relating to payment of wages, overtime or any other compensation or benefit), the California Family Rights Act (Cal. Gov. Code §§ 12945.2 and 19702.3), the Family and Medical Leave Act of 1993 (29 U.S.C. § 2601 et seq.), the Massachusetts Payment of Wages Law (Massachusetts General Laws Chapter 149, §§ 148, 150), Massachusetts General Laws Chapter 149 in its entirety, Massachusetts General Laws Chapter 151 in its entirety (including but not limited to the minimum wage and overtime provisions), the Michigan Workforce Opportunity Wage Act (Mich. Comp. Laws § 408.411 et seq.), the Michigan Payment of Wages and Fringe Benefits Act (Mich. Comp. Laws § 408.471 et seq.), the Michigan Whistleblowers' Protection Act (Mich. Comp. Laws § 15.361

et seq.), each as they may have been amended through the Separation Date. You specifically acknowledge that you are waiving any Claims for unpaid wages under these and other Laws.

- (iii) Claims under any local, state or federal common law theory including, without limitation, any Claim for breach of contract, implied contract, promissory estoppel, quantum meruit, or any Claim sounding in tort.
- (iv) Claims arising under the Company's policies, equity plans, and benefit plans.
- (v) Claims arising under any other Law or constitution.

You acknowledge and agree that your receipt of the Severance Pay is contingent upon your providing the waivers and releases in this Agreement, not revoking this Agreement and not revoking the Affirmation.

Consistent with the provisions of Laws regarding discrimination (the "Discrimination Laws"), nothing in your waiver and release shall prohibit you from challenging the validity of the release under the Discrimination Laws or from filing a charge or complaint of age or other employment related discrimination with the Equal Employment Opportunity Commission ("EEOC") or similar state agency, or from participating in any investigation or proceeding conducted by the EEOC or such state agency. However, your release and waiver does prohibit you from seeking or receiving monetary damages or other individual-specific relief in connection with any such charge or complaint of age or other work-related discrimination. Further, nothing in this Agreement shall limit the Company's right to seek immediate dismissal of such charge or complaint on the basis that your signing of this Agreement constitutes a full release of any individual rights under the Discrimination Laws, or the Company's right to seek restitution or other legal remedies of the economic benefits provided to you under this Agreement in the event that you successfully challenge the validity of this release and prevail in any claim under the Discrimination Laws.

8. OWBPA. You have specific rights under the federal Age Discrimination in Employment Act ("ADEA") and Older Workers Benefits Protection Act ("OWBPA"), which prohibit discrimination on the basis of age. The release in Section is intended to release any Claim you may have against the Company alleging discrimination on the basis of age under the ADEA, OWBPA and other laws. Notwithstanding anything to the contrary in this Agreement, the release in Section 7 does not cover rights or Claims under the ADEA that arise after the Acceptance Date.

The Company desires that you fully understand the provisions and effects of this Agreement. Consistent with the provisions of the OWBPA, you have a period of twenty-one (21) days from the date of delivery of this Agreement to you to consider and accept the provisions of this Agreement. You acknowledge and agree that any changes to this Agreement, whether material or immaterial, do not extend this period. You may revoke this Agreement within seven (7) business days after the Acceptance Date by sending an email to the Company's Chief People Officer at aeldridge@cargurus.com with a copy to the Company's Legal Department at legal@cargurus.com that specifically notifies the Company of your revocation of this Agreement under this Section.

9. Consequences of Breach or Revocation. In addition to any other remedies set forth in this Agreement or otherwise available to the Company in law or equity, a breach by you of any of your obligations set forth in this Agreement, your failure to execute the Affirmation or your revocation of the Affirmation prior to the Separation Date shall entitle the Company to cease providing any Severance Pay and to recover any Severance Pay already provided to you. Notwithstanding any such breach or failure, your release and waiver set forth in this Agreement will remain in full force and effect to the maximum extent permitted by law.

10. Unemployment Benefits. You may seek unemployment benefits as a result of the termination of your employment from the Company. Decisions regarding unemployment eligibility, including whether the Severance Pay affects the amount of eligibility, if any, are made by the applicable unemployment agency, not by the Company. The Company agrees to provide any necessary documents to enable you to seek such unemployment benefits promptly after a request in writing by an applicable state unemployment agency. Nothing in this Section shall be construed to require the Company to make, and the Company will not make, untruthful statements to an agency in connection with any claim for unemployment benefits.

11. Governing Provisions.

(i) Except as otherwise expressly provided in this Agreement and your continuing obligations under the NDA, this Agreement, together with the Exhibits and the Affirmation, which both constitute a part of this Agreement, supersedes any prior oral or written agreement and sets forth the entire agreement between you and the Company. No variations or modifications to this Agreement shall be valid unless reduced to writing and signed by the parties to this Agreement.

(ii) The validity, interpretation and performance of this Agreement shall be governed by, and construed in accordance with, the internal laws of the Commonwealth of Massachusetts, without giving effect to conflict of law principles. Any action, demand, claim or counterclaim relating to the terms and provisions of this Agreement or to its breach, shall be commenced in Massachusetts in a court of competent jurisdiction, and venue for such actions shall lie exclusively in Massachusetts. To the fullest extent permitted by law, any action, demand, claim or counterclaim relating to this Agreement shall be resolved by a judge alone, and both parties hereby waive the right to a trial before a civil jury.

(iii) The terms of this Agreement are severable, and if for any reason any part hereof shall be found to be unenforceable, the remaining terms and conditions shall be enforced in full.

(iv) This Agreement shall inure to the benefit of the Company and its successors and assigns and shall be enforceable against your heirs, executors and assigns.

(v) Except for the Company's obligations set forth in Section 3 of this Agreement, which shall be the obligations solely of CarGurus, Inc., wherever the term the Company is used in this Agreement, it shall include CarGurus, Inc. and any and all entities corporately related to CarGurus, Inc. (including but not limited to any parents, divisions, affiliates and subsidiaries), and its and their respective partners, officers, directors, employees, agents, representatives, successors, predecessors, and assigns. The parties agree that all of such foregoing entities and persons are intended third party beneficiaries of this Agreement.

The Company advises you to consult with legal counsel for the purpose of reviewing the terms of this Agreement. By executing this Agreement and the Affirmation, you are acknowledging that you have been afforded sufficient time to understand the terms and effects of this Agreement and to consult with legal counsel, that your agreements and obligations hereunder are made voluntarily, knowingly and without duress, and that neither the Company nor any of its employees, agents or representatives has made any representations inconsistent with the provisions of this Agreement.

To accept the terms of this Agreement, you must sign and return this Agreement and the Affirmation to the Company's Chief People Officer at aeldridge@cargurus.com or by electronic signature and transmission within the applicable period specified in Section 8.

Very truly yours,

CARGURUS, INC.

By: /s/ Andrea Eldridge
Name: Andrea Eldridge
Title: Chief People Officer

ACCEPTED AND AGREED:

/s/ Kyle Lomeli
Kyle Lomeli

Acceptance Date: 11/13/2020

Exhibit A

Affirmation

Unless I revoke this Affirmation in accordance with the terms and conditions of the Separation Agreement between the Company and me on or prior to the Separation Date, I hereby affirm through and as of the Separation Date the provisions of the Separation Agreement in their entirety including, without limitation, the release of all Claims against the Company as of and through the Separation Date (other than Claims under the ADEA that arise after the Acceptance Date) to the maximum extent permitted by law. This Affirmation constitutes a part of the Separation Agreement effective as of the Acceptance Date. Capitalized terms shall have the meanings ascribed to them in the Separation Agreement.

ACCEPTED AND AGREED:

/s/ Kyle Lomeli
Kyle Lomeli

Acceptance Date: 11/13/2020

Exhibit B

Notice of Immunity.

Consistent with federal law, the Company hereby notifies you of the following provisions of the Defend Trade Secrets Act of 2016.

IMMUNITY FROM LIABILITY FOR CONFIDENTIAL DISCLOSURE OF A TRADE SECRET TO THE GOVERNMENT OR IN A COURT FILING—

- (1) IMMUNITY.—An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—
 - (A) is made —
 - (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and
 - (ii) solely for the purpose of reporting or investigating a suspected violation of law; or
 - (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

- (2) USE OF TRADE SECRET INFORMATION IN ANTI-RETALIATION LAWSUIT.—An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—
 - (A) files any document containing the trade secret under seal; and
 - (B) does not disclose the trade secret, except pursuant to court order.

CONSULTING AGREEMENT

This Consulting Agreement (this "Agreement") is entered into as of November 13, 2020 (the "Effective Date") by and between Kyle Lomeli ("you") and CarGurus, Inc. ("CarGurus" or the "Company").

1. **Services.** During the Consulting Period (as defined below), you will be available on an as-needed basis to respond to emails and phone calls from, and engage in discussions with, CarGurus employees relating to the services that you provided to CarGurus during your employment at CarGurus (the "Services") in a manner consistent with the standards you maintained when employed by CarGurus. Your point of contact for the Services is Sam Zales.
 2. **Term.** The period during which you shall provide Services to CarGurus hereunder shall commence on the date that your employment with the Company terminates and shall continue in effect through February 14, 2022 (the "Consulting Period"). Upon termination of this Agreement, CarGurus shall have no further obligations to you under this Agreement or otherwise.
 3. **Fees.** As full and complete consideration for your provision of the Services, the Company will enter into a Restricted Stock Unit Agreement in the form attached hereto that contemplates the grant of 45,411 restricted stock units during the Consulting Period in accordance with the terms specified therein. You shall be responsible for any expenses that you may incur in connection with the Services during the Consulting Period.
 4. **Non-Competition Agreement.**
 - a. In view of the unique nature of the business of the Company and the need of the Company to maintain its competitive advantage, and in order to protect the Company's confidential and/or proprietary information, trade secrets, goodwill, and other legitimate business interests, you hereby agree as part of the Agreement that, during the Consulting Period, you shall not, directly or indirectly, within the United States of America or within any other country in the world, engage in, own an interest in (except as a holder of no more than five percent (5%) of the shares of any publicly traded corporation), be employed by, consult for, act as an advisor to, or otherwise in any way participate in or become associated with, any Competitive Business (as defined below) or any corporation, partnership, limited liability company, business, enterprise, venture or other person or entity that is engaged or participates in any Competitive Business (each, a "Competitive Business Entity").
 - b. "**Competitive Business**" shall mean any business that offers a website that allows visitors to do any of the following: (1) research automobiles or automotive products or services, (2) obtain or provide reviews of automobiles, automobile dealers or automotive products or services, or (3) search for or purchase automobiles or automotive products or services.
 - c. The restricted time periods provided for in this Section of this Agreement shall be extended for a period of time equal to any period of time in which you are in violation of any provision of this Agreement and any period of time required for litigation to enforce the provisions of this Agreement. If at any time the provisions of this Agreement shall be determined to be invalid or unenforceable, by reason of being vague or unreasonable as to area, duration or scope of activity, this Agreement shall be considered divisible and shall become and be automatically amended to apply only to such area, duration and scope of activity as shall be determined to be reasonable by the court or other body having jurisdiction over the matter, and you agree that this
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Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provision had not been included herein.

- d. You agree and acknowledge that the rights and obligations set forth in this Agreement are of a unique and special nature and that the Company is, therefore, without an adequate legal remedy in the event of your violation of any of the covenants set forth in this Agreement. You agree, therefore, that, in addition to all other rights and remedies, at law or in equity or otherwise, that may be available to the Company, each of the covenants made by you under this Agreement shall be enforceable by injunction, specific performance or other equitable relief, without any requirement that the Company post a bond or that the Company prove any damages. You hereby agree, in connection with any action or proceeding to enforce any provisions of this Agreement, to waive any claim or defense that the Company has an adequate remedy at law.
 5. **Cooperation.** You further agree that during the Consulting Period and thereafter, you will cooperate fully with the Company in the defense or prosecution of any government investigations and any government or third-party claims or actions now in existence or which may be brought or threatened in the future against or on behalf of the Company, including any claim or action against its directors, officers and employees. Your cooperation in connection with such claims or actions shall include your being available, within reason given the constraints of personal commitments, future employment or job search activities, to meet with the Company to prepare for any proceeding, to provide truthful affidavits, to assist with any audit, inspection, proceeding or other inquiry, and to act as a witness in connection with any litigation or other legal proceeding affecting the Company. You further agree that should an individual representing a party adverse to the business interests of the Company (including, without limitation, anyone threatening any form of legal action against the Company) contact you (directly or indirectly), you will promptly (within 48 business hours) inform the General Counsel in writing of that fact, unless prohibited from doing so under court order.
 6. **Independent Contractor Status.** You agree that it is your responsibility to pay all related and applicable federal and state income tax withholding, social security taxes, and unemployment or disability insurance. You acknowledge that you are an independent contractor and nothing in this Agreement shall be construed as a contract of employment between you and CarGurus. You shall control the manner, means and methods by which you conduct your activities under this Agreement, as long as you fulfill your obligations under this Agreement. You shall defend, indemnify and hold harmless CarGurus and its directors, officers, employees and agents from and against all allegations, claims, actions, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation attorneys' fees and costs) that arise out of, relate to, or result from, any act or omission of gross negligence or willful misconduct of yours under this Agreement.
 7. **General.** If any court of competent jurisdiction declares or determines any provision of this Agreement to be illegal or invalid, then the validity of the remaining parts, terms or provisions will not be affected. This Agreement constitutes the entire understanding between you and CarGurus with respect to its subject matter. This Agreement may be amended, modified or waived only in writing signed by both you and CarGurus. This Agreement, the Services and all rights hereunder are unique and personal to you and may not be transferred or assigned by you at any time. This Agreement shall be governed and interpreted in accordance with, and the rights of the parties shall be determined by, the laws of the Commonwealth of Massachusetts, without application of conflict of law principles. The state or federal courts located within the Commonwealth of Massachusetts shall have exclusive jurisdiction over any dispute arising out of this Agreement.
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By: /s/ Andrea Eldridge
Name: Andrea Eldridge
Title: Chief People Officer

By: /s/ Kyle Lomeli
Kyle Lomeli

**OMNIBUS INCENTIVE COMPENSATION PLAN
RESTRICTED STOCK UNIT AGREEMENT**

This RESTRICTED STOCK UNIT AGREEMENT (the "Agreement"), dated as of November 13, 2020 (the "Date of Grant"), is delivered by CarGurus, Inc. (the "Company") to Kyle Lomeli (the "Participant").

RECITALS

The CarGurus, Inc. Omnibus Incentive Compensation Plan (the "Plan") provides for the grant of restricted stock units. The Committee has decided to make this grant of restricted stock units as an inducement for the Participant to promote the best interests of the Company and its stockholders. The Participant hereby acknowledges the receipt of a copy of the official prospectus for the Plan, which is available by accessing the Company's intranet at <https://cargurus.atlassian.net/wiki/spaces/HR/overview>. Paper copies of the Plan and the official Plan prospectus are available by contacting the Senior Vice President, General Counsel of the Company at 617.315.4900 or legal@cargurus.com. This Agreement is made pursuant to the Plan and is subject in its entirety to all applicable provisions of the Plan. Capitalized terms used herein and not otherwise defined will have the meanings set forth in the Plan.

1. Grant of Stock Units. Subject to the terms and conditions set forth in this Agreement and in the Plan, the Company hereby grants the Participant 45,411 restricted stock units, subject to the restrictions set forth below and in the Plan (the "Stock Units"). Each Stock Unit represents the right of the Participant to receive a share of Class A common stock of the Company ("Company Stock") on the applicable payment date set forth in Section 5 below.

2. Stock Unit Account. Stock Units represent hypothetical shares of Company Stock, and not actual shares of stock. The Company shall establish and maintain a Stock Unit account, as a bookkeeping account on its records, for the Participant and shall record in such account the number of Stock Units granted to the Participant. No shares of Company Stock shall be issued to the Participant at the time the grant is made, and the Participant shall not be, and shall not have any of the rights or privileges of, a stockholder of the Company with respect to any Stock Units recorded in the Stock Unit account. The Participant shall not have any interest in any fund or specific assets of the Company by reason of this award or the Stock Unit account established for the Participant.

3. Vesting.

(a) The Stock Units shall become vested according to the following schedule or on the next business day if such date is not a business day (each, a "Vesting Date"), provided that the Participant continues to be employed by, or provide service to, the Employer from the Date of Grant until the applicable Vesting Date listed below:

<u>Vesting Date</u>	<u>Vested Stock Units</u>
August 14, 2021	15,137
November 14, 2021	15,137
February 14, 2022	15,137

(b) The vesting of the Stock Units shall be cumulative, but shall not exceed 100% of the Stock Units. If the foregoing schedule would produce fractional Stock Units, the number of Stock Units that vest shall be rounded down to the nearest whole Stock Unit and the fractional Stock Units will be

accumulated so that the resulting whole Stock Units will be included in the number of Stock Units that become vested on the last Vesting Date.

(c) Except as otherwise provided in a written employment agreement or severance agreement entered into by and between the Participant and the Employer, in the event of a Change of Control before all of the Stock Units vest in accordance with Section 3(a) above, the provisions of the Plan applicable to a Change of Control shall apply to the Stock Units. In the event of a Change of Control, whether or not the Company is the surviving corporation or survives only as a subsidiary of another corporation, the Committee may take such actions with respect to the vesting of the Stock Units as it deems appropriate pursuant to Section 13 of the Plan, including (i) requiring that the Stock Units be assumed by, or replaced with an award that has comparable terms by, the surviving corporation (or a parent or subsidiary of the surviving corporation), (ii) if the Stock Units are assumed by, or replaced with an award that has comparable terms by, the surviving corporation (or a parent or subsidiary of the surviving corporation), providing for accelerated vesting in connection with the Participant's termination of employment upon or following the Change of Control, (iii) providing for full vesting acceleration in connection with the Change of Control or (iv) providing for payment in settlement of the outstanding Stock Units, in such amount and form as may be determined by the Committee.

4. Termination of Stock Units. If the Participant ceases to be employed by, or provide service to, the Employer for any reason before all of the Stock Units vest, any unvested Stock Units shall automatically terminate and shall be forfeited as of the date of the Participant's termination of employment or service. No payment shall be made with respect to any unvested Stock Units that terminate as described in this Section 4.

5. Payment of Stock Units.

(a) If and when the Stock Units vest, the Company shall issue to the Participant one share of Company Stock for each vested Stock Unit, subject to applicable Withholding Taxes (as defined below). Payment shall be made within 30 days after the applicable Vesting Date.

(b) All obligations of the Company under this Agreement shall be subject to the rights of the Employer as set forth in the Plan to withhold amounts required by law to be withheld for any federal (including FICA), state, local and other taxes, with respect to the payment of the Stock Units ("Withholding Taxes"). The Participant: (i) has elected to sell shares of Company Stock in an amount having an aggregate Fair Market Value equal to the Withholding Taxes, and to allow the Company's designated broker (the "Broker") to remit the cash proceeds of such sale to the Employer (a "Sell to Cover") and (ii) directs the Employer to make a cash payment to satisfy the Withholding Taxes from the cash proceeds of such sale directly to the appropriate taxing authorities. Notwithstanding the foregoing in this Section 5(b) and subject to the requirements of applicable law, to the extent permitted by the Committee or its designee, in its sole discretion, the Employer may collect the applicable Withholding Taxes pursuant to net share settlement by providing that at the time of payment in accordance with Section 5(a) above, the number of shares issued to the Participant shall be reduced by a number of shares of Company Stock with a Fair Market Value (measured as of the Vesting Date) equal to an amount of the Withholding Taxes with respect to the payment of the Stock Units, unless the Participant provides a payment to the Employer to cover such Withholding Taxes, in accordance with procedures established by the Employer. To the extent the Sell to Cover or net share settlement, if applicable, does not cover all Withholding Taxes due, the Participant shall be required to pay to the Employer, or make other arrangements satisfactory to the Employer to provide for the payment of, any Withholding Taxes that the Employer is required to withhold with respect to the Stock Units. Unless the Committee determines otherwise, share withholding for taxes shall not exceed the Participant's minimum applicable withholding amount for Withholding Taxes.

(c) The obligation of the Company to deliver Company Stock shall also be subject to the condition that if at any time the Board shall determine in its discretion that the listing, registration or qualification of the shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issuance of shares, the shares may not be issued in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board. The issuance of shares to the Participant pursuant to this Agreement is subject to any applicable Withholding Taxes and other laws or regulations of the United States or of any state having jurisdiction thereof.

6. No Stockholder Rights; Dividend Equivalents. Neither the Participant, nor any person entitled to receive payment in the event of the Participant's death, shall have any of the rights and privileges of a stockholder with respect to shares of Company Stock, including voting or dividend rights, until certificates for shares have been issued upon payment of Stock Units. The Participant acknowledges that no election under Section 83(b) of the Code is available with respect to Stock Units. Notwithstanding the foregoing, the Participant shall be entitled to accrue Dividend Equivalents on the shares underlying the Stock Units prior to the Vesting Date, which shall be credited to the Stock Unit account for the Participant and will be paid or distributed in the form of shares Company Stock when the shares underlying the Stock Units vest and are issued in accordance with this Agreement.

7. Grant Subject to Plan Provisions. This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of the Stock Units are subject to the provisions of the Plan and to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to Withholding Taxes, (b) the registration, qualification or listing of the shares of Company Stock, (c) changes in capitalization of the Company and (d) other requirements of applicable law. The Committee shall have the authority to interpret and construe the Stock Units pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

8. No Employment or Other Rights. The grant of the Stock Units shall not confer upon the Participant any right to be retained by or in the employ or service of any Employer and shall not interfere in any way with the right of any Employer to terminate the Participant's employment or service at any time. The right of any Employer to terminate at will the Participant's employment or service at any time for any reason is specifically reserved.

9. Assignment and Transfers. Except as the Committee may otherwise permit pursuant to the Plan, the rights and interests of the Participant under this Agreement may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. In the event of any attempt by the Participant to alienate, assign, pledge, hypothecate, or otherwise dispose of the Stock Units or any right hereunder, except as provided for in this Agreement, or in the event of the levy or any attachment, execution or similar process upon the rights or interests hereby conferred, the Company may terminate the Stock Units by notice to the Participant, and the Stock Units and all rights hereunder shall thereupon become null and void. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Agreement may be assigned by the Company without the Participant's consent.

10. Applicable Law; Jurisdiction. The validity, construction, interpretation and effect of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflicts of laws provisions thereof. Any action arising out of, or relating to, any of the provisions of this Agreement shall be brought only in the United States District Court for the

District of Massachusetts, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Boston, Massachusetts, and the jurisdiction of such court in any such proceeding shall be exclusive. Notwithstanding the foregoing sentence, on and after the date a Participant receives shares of Company Stock hereunder, the Participant will be subject to the jurisdiction provision set forth in the Company's bylaws.

11. Notice. Any notice to the Company provided for in this instrument shall be addressed to the Company in care of the Senior Vice President, General Counsel, with copy to the Chief Financial Officer, at the corporate headquarters of the Company, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Employer, or to such other address as the Participant may designate to the Employer in writing. Any notice shall be delivered by hand, or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service or by the postal authority of the country in which the Participant resides or to an internationally recognized expedited mail courier.

12. Recoupment Policy. The Participant agrees that, subject to the requirements of applicable law, if the Participant breaches any restrictive covenant agreement between the Participant and the Employer or otherwise engages in activities that constitute Cause either while employed by, or providing service to, the Employer or within 12 months thereafter, the Stock Units shall terminate, and the Company may rescind delivery of shares upon payment of the Stock Units, as applicable on such terms as the Committee shall determine, including the right to require that in the event of any such rescission, (a) the Participant shall return to the Company the shares received upon payment of the Stock Units or, (b) if the Participant no longer owns the shares, the Participant shall pay to the Company the amount of any gain realized or payment received as a result of any sale or other disposition of the shares (or, in the event the Participant transfers the shares by gift or otherwise without consideration, the Fair Market Value of the shares on the date of the breach of any restrictive covenant agreement or activity constituting Cause), net of the price originally paid by the Participant for the shares, if applicable. The Participant agrees that payment by the Participant shall be made in such manner and on such terms and conditions as may be required by the Committee and the Employer shall be entitled to set off against the amount of any such payment any amounts otherwise owed to the Participant by the Employer. In addition, the Participant agrees that the Stock Units shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board or imposed under applicable rule or regulation from time to time.

13. Application of Section 409A of the Code. This Agreement is intended to be exempt from section 409A of the Code under the "short-term deferral" exception and to the extent this Agreement is subject to section 409A of the Code, it will in all respects be administered in accordance with section 409A of the Code.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused an officer to execute this Agreement, and the Participant has executed this Agreement, effective as of the Date of Grant.

CARGURUS, INC.

/s/ Andrea Eldridge
Name: Andrea Eldridge
Title: Chief People Officer

I hereby accept the award of Stock Units described in this Agreement, and I agree to be bound by the terms of the Plan and this Agreement. I hereby agree that all decisions and determinations of the Committee with respect to the Stock Units shall be final and binding.

11/13/2020 /s/ Kyle Lomeli
Date: Kyle Lomeli