

# CARS.COM INC. CLAWBACK POLICY

## **Introduction**

The Compensation Committee (the “Committee”) of Board of Directors (the “Board”) of Cars.com Inc. (the “Company”) believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Committee has therefore adopted this policy which provides for the recoupment of certain compensation from current and former senior officers of the Company in the event of (i) any accounting restatement due to material noncompliance with financial reporting requirements under any applicable securities laws, or (ii) any material violation of laws, regulations or employment policies that led to significant harm to the Company (reputational, financial, competitive or otherwise) (the “Policy”).

## **Administration and Interpretation**

This Policy shall be administered by the Committee . The Committee may amend or terminate this Policy from time to time in its discretion. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. Any determination of the Committee shall be conclusive and binding on the Company and the applicable Covered Executives (defined below). The determination of the Committee need not be uniform with respect to one or more Covered Executives.

## **Covered Executives**

This Policy applies to the Company’s current and former senior officers, as determined by the Committee in accordance with applicable laws and the listing standards of the national securities exchange on which the Company’s securities are listed, including the CEO and the CEO’s direct reports and such other senior officers who are designated as “officers” under Section 16 of the Securities Exchange Act of 1934 (“Covered Executives”).

## **Events and Recoupment Rights**

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws due to fraud, intentional misconduct or negligence of any Covered Executive, the Committee, after it has considered the costs and benefits of doing so, may require reimbursement or forfeiture of any Excess Incentive Compensation (defined below), in an amount determined by the Committee in its sole discretion, received by any Covered Executive absent the restatement.

In the event the Company suffers significant harm (reputational, financial competitive or otherwise) due to any material violation of laws, regulations or employment polices by a Covered Executive, the Committee, after it has considered the costs and benefits of doing so,

may require reimbursement or forfeiture of any Incentive Compensation, in an amount determined by the Committee in its sole discretion, received by any Covered Executive during the completed fiscal year immediately preceding the date on which the violation occurs.

For purposes of this Policy, “Incentive Compensation” means the grant, vesting or payment of any bonus, incentive compensation, or equity-based compensation, for example, annual bonuses and other short- and long-term cash incentives; restricted stock or stock units; or performance stock or stock units.

Excess Incentive Compensation means Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Committee. If the Committee cannot determine the amount of Excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

In determining whether to require reimbursement or forfeiture and, if so, the amount of such reimbursement or forfeiture, the Committee shall take into account such factors as it deems appropriate, including (i) whether any bonus, incentive or equity compensation earned with respect to the period covered by the restatement was based on the achievement of specified performance targets and, if so, whether any such compensation would have been reduced had the financial results been properly reported at the time such compensation was determined, (ii) the extent and nature of the Covered Executive’s involvement in and accountability for the fraud, intentional misconduct or negligence that directly or indirectly resulted in the need to prepare the restatement or that caused significant harm to the Company (iii) the likelihood of success in seeking reimbursement or forfeiture under governing law relative to the effort involved, (iv) whether the assertion of a reimbursement or forfeiture claim may prejudice the interests of the Company in any related proceeding or investigation, or otherwise, (v) whether the expense of seeking reimbursement or forfeiture is likely to exceed the amount sought or likely to be recovered, (vi) the passage of time since the occurrence of the act in respect of the applicable conduct that triggers this Policy, (vii) any pending or threatened legal proceeding relating to the applicable conduct that triggers this Policy, and any actual or anticipated resolution (including any settlement) relating thereto, (viii) the tax consequences to the affected Covered Executive and (ix) such other factors as it may deem appropriate under the circumstances.

Before the Committee determines to seek recovery pursuant to this Policy, it shall provide to the applicable Covered Executive written notice and the opportunity to be heard, at a meeting of the Committee, which may be in-person or telephonic, as determined by the Committee.

### **No Indemnification**

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

### **Effective Date**

This Policy shall be effective as of the date it is adopted by the Committee and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after that date. For the avoidance of doubt, this Policy shall apply to short-term incentive payments for performance in years 2019 and later, and long-term incentive equity grants made in 2020 or later.

The Committee may require that any employment agreement, equity award agreement, or similar agreement shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy.

### **Other Recoupment Rights**

To the extent permitted by applicable law, this Policy applies to all Incentive Compensation arrangements, plans and agreements, even if not specifically referenced in such plan or agreement and the Company may enforce the recoupment of any or all amounts determined to be recoverable under this Policy by withholding future payment of incentive compensation or salary, canceling outstanding stock-based awards (whether or not then vested) or the scheduled grant of future stock-based awards, seeking reimbursement of previously paid incentive compensation, demanding direct cash payment, reducing compensation owed by the Company to the Covered Executive, and/or such other means determined by the Committee). The Company's right of recoupment under this Policy is in addition to, and not in lieu of, any remedy available to the Company with respect to any Executive, including, but not limited to, rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement, disciplinary action up to and including termination of employment, the initiation of civil or criminal proceedings, and any right to repayment under applicable law.

### **Successors**

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.