



**CARS.COM INC.  
AUDIT COMMITTEE CHARTER**

The Board of Directors (the “Board”) of Cars.com Inc. (the “CARS”), has established the Audit Committee (the “Committee”) as a committee of the Board with the authority, responsibilities and specific duties described in this Committee Charter (the “Charter”).

**Purpose**

The Committee shall assist the Board in overseeing and monitoring the following:

- (1) the accounting and financial reporting processes of the Company;
- (2) the integrity of the financial statements of the Company;
- (3) the independent auditor’s qualifications, performance, compensation and independence;
- (4) the design, implementation and performance of the Company’s internal audit function;
- (5) the compliance by the Company with legal and regulatory requirements; and
- (6) Company policies with respect to risk assessment and risk management, including financial, data privacy and security (including cybersecurity), business continuity, and operational risks.

**Membership**

The members of the Committee shall be appointed by the Board after receiving the recommendation of the Environmental, Social and Governance Committee. The Committee shall be led by a Chair, who shall be elected by the full Board or, in the absence of full Board action, the Committee itself may designate a Chair by majority vote of the full Committee. Committee members may be replaced by the Board, with or without cause, at any time.

The Committee shall consist of no fewer than three members, as determined by the Board. The members of the Committee shall meet the independence and experience requirements of the New York Stock Exchange (the “NYSE”), Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the rules and regulations of the Commission. Each member of the Committee will be financially literate, as such qualification is interpreted by the Board in its business judgment. At least one member of the Committee shall be an “Committee financial

expert” (as defined by the Commission). Committee members shall not simultaneously serve on the Committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to serve effectively on the Committee.

The Committee may form and delegate authority and duties to subcommittees consisting of one or more members, when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services. Decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

## **Meetings**

The Committee shall meet as often as it determines necessary, but not less frequently than quarterly. The Committee shall meet periodically in separate executive sessions with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditor and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

## **Responsibilities**

1. **Audit Engagement and Scope.** The Committee shall have the sole authority to appoint or replace the independent auditor (subject, if applicable, to shareholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.
2. **Pre-Approval of Services.** The Committee shall pre-approve all auditing services, internal control-related services and permitted non-audit services (including the range of fees and terms thereof) to be performed for the Company by the independent auditor, subject to the *de minimis* exception for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit. The Committee shall review and discuss with the independent auditor any documentation supplied by the independent auditor as to the nature and scope of any tax services to be approved, as well as the potential effects of the provision of such services on the auditor’s independence.
3. **Consultants and Advisors.** The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company and to any advisors employed by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out

its duties.

4. **Reporting to Shareholders.** The Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.
5. **Committee Evaluation.** The Committee shall conduct its own annual performance review and evaluation of the Committee.
6. **Reporting to the Board.** The Committee shall maintain minutes or other records of meetings and activities of the Committee and make regular reports to the Board.
7. **Charter Review.** The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Committee, to the extent it deems necessary or appropriate, shall:

#### **Financial Statement and Disclosure Matters**

1. **Review of Annual Reports.** Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management’s discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company’s Form 10-K.
2. **Review of Quarterly Reports.** Review and discuss with management and the independent auditor the Company’s quarterly financial statements prior to the filing of its Form 10-Q, including disclosures made in management’s discussion and analysis and the results of the independent auditor’s review of the quarterly financial statements.
3. **General Oversight.** Discuss with management and the independent auditor significant financial reporting and critical accounting matters and judgments made in connection with the preparation of the Company’s financial statements, including any significant changes in the Company’s selection or application of accounting principles.
4. **Internal Controls.** Review and discuss with management and the independent auditor any major issues as to the adequacy of the Company’s internal controls, any special steps adopted in light of significant deficiencies or material weaknesses and the adequacy of disclosures about changes in internal control over financial reporting. Review and discuss with management (including the senior internal audit executive) and the independent auditor the Company’s internal controls report and the independent auditor’s attestation report prior to the filing of the Company’s Form 10-K.
5. **Review and discuss quarterly reports from the independent auditors on:**
  - (a) all critical accounting policies and practices to be used;
  - (b) all material alternative treatments of financial information within U.S. generally accepted accounting principles (GAAP) that have been discussed with management, ramifications of the use of such alternative disclosures

and treatments, and the treatment preferred by the independent auditor; and

- (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
6. **Review of Earnings Release and Other Information.** Discuss with management the Company's earnings press releases, including the use of "*pro forma*" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be general (consisting of discussing the types of information to be disclosed and the types of presentations to be made), and each earnings release or each instance in which the Company provides earnings guidance need not be discussed in advance.
  7. **Regulatory Changes and Off-Balance Sheet Items.** Discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance-sheet arrangements on the Company's financial statements.
  8. **Risk Assessment.** Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
  9. **Derivative Transactions.** Review and approve the Company's decision to enter into swaps and other derivatives transactions that are exempt from exchange-execution and clearing under "end-user exception" regulations established by the Commodity Futures Trading Commission; and review and approve the Company's policies governing the Company's use of swaps and other derivatives transactions subject to the end user exception.
  10. **Audit Process.** Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 114 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work; any restrictions on the scope of activities or access to requested information; and any significant disagreements with management.
  11. **Certifications.** Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

### **Oversight of the Company's Relationship with the Independent Auditor**

12. **Audit Engagement and Scope.** Before the engagement of an independent auditor and at least annually thereafter, review and discuss with the independent auditor the independent auditor's written communications to the Committee regarding the relationships between the auditor and the Company that, in the auditor's professional judgment, may reasonably be thought to bear on its independence and affirm in writing to the Committee that the auditor is independent.

13. **Audit Team.** Review and evaluate the lead partner of the independent auditor team. Ensure the rotation of the audit partners as required by law. Consider whether, in order to ensure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.
14. **Independent Auditor's Quality Control.** Obtain and review a report from the independent auditor at least annually regarding: (a) the independent auditor's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditor; (c) any steps taken to deal with any such issues; and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the independent auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independent opinions of management and internal auditors. The Committee shall present its conclusions with respect to the independent auditor to the Board.
15. **Employment Policies.** Set policies for the Company's hiring of employees or former employees of the independent auditor.
16. **Material Matters.** Discuss with the independent auditor material matters on which the national office of the independent auditor was consulted by the Company's audit team.
17. **Audit Planning.** Meet with the independent auditor prior to the audit to discuss the planning, budget and staffing of the audit.

#### **Oversight of the Company's Internal Audit Function**

18. Review the appointment and replacement of the senior internal auditing executive or third-party service provider.
19. Review the significant reports to management prepared by the internal auditing department and management's responses.
20. Discuss with the independent auditor and management the internal audit department's responsibilities, budget and staffing, and any recommended changes in the planned scope of the internal audit.

#### **Compliance Oversight Responsibilities**

21. Obtain from the independent auditor assurance that Section 10b of the Exchange Act has not been implicated.
22. Obtain reports from management, the Company's senior internal auditing executive and the independent auditor that the Company and its subsidiaries and foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Review reports and disclosures of insider and affiliated party transactions. Advise the Board with respect to the Company's policies and

procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.

23. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
24. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
25. Discuss with the Company's Chief Legal Officer legal matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.
26. Review and approve or ratify all related-party transactions in accordance with the Company's Policies and Procedures with respect to Related Person Transactions (as such term is defined in Item 404(a) of Regulation S-K promulgated by the SEC).

#### **Limitation of Committee's Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP, applicable rules and regulations. These are the responsibilities of Company management and the independent auditor.

Last Updated: December 8, 2022