



**code of business conduct**

**THIS CODE OF BUSINESS CONDUCT IS NOT A  
CONTRACT OF EMPLOYMENT AND DOES NOT CREATE  
ANY CONTRACTUAL RIGHTS OF ANY KIND BETWEEN  
CARMAX, ITS ASSOCIATES, OR THIRD PARTIES,  
INCLUDING ANY EXPRESS OR IMPLIED CONTRACT  
OF EMPLOYMENT. CARMAX DOES NOT CREATE ANY  
RIGHTS OR ASSUME ANY DUTIES, CONTRACTUAL OR  
OTHERWISE, BY ISSUING THIS CODE.**



## a word from TOM FOLLIARD



Dear Associates:

Standing in front of our first store over 21 years ago, it was hard to imagine what our Company would become. What we knew was that we were going to do things differently: by being honest and transparent in our business practices we would change the way used cars are sold. This is what we mean when we say that CarMax was founded on the fundamental principle of integrity, reflected in the way we serve our customers, treat each other, and deliver our products.

Now, we are the largest retailer of used cars in the United States, and the high standard of integrity we set for ourselves remains. Our Code of Business Conduct is an embodiment of these values. As a CarMax Associate there will be times when you may confront difficult ethical situations and have a choice to make. Our Code provides tools and resources to help guide you and to ensure that we continue to conduct our business with integrity. It is our collective responsibility to understand and apply our Code every day, including speaking up when we see someone who is not living up to these standards. Remember, our Code applies to everyone – Associates, managers, executives, and our Board members.

No Code can cover every possible situation. If you have a question or concern, you can always speak with your manager. If you don't feel comfortable speaking with your manager, contact Human Resources or Loss Prevention. You can also contact the Associate Help Line where you can make your report anonymously if you so choose. Remember, CarMax has a zero-tolerance policy regarding retaliation.

Thank you for your continued commitment to our Company and for conducting our business with integrity.

Sincerely,

A handwritten signature of Tom Folliard, consisting of a stylized 'T' and 'F' followed by a long horizontal line.

Tom Folliard  
President and CEO



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## introduction



CarMax is committed to  
competitive excellence through  
lawful and ethical conduct.



**This Code of Business Conduct applies to all CarMax Associates, the members of the CarMax Board of Directors, and consultants or agents doing business for CarMax. Unless the context requires otherwise, the term “Associate” also refers to Board Members, consultants, and agents doing business for CarMax. The Code does not cover all relevant laws or CarMax policies. Refer to the appropriate CarMax resources, including the CarMax Way, to review our policies and procedures in full.**

We expect all Associates to comply with all applicable laws, rules, and regulations; to act in accordance with the highest standards of personal and professional integrity at all times; and to share CarMax’s commitment to honesty and integrity. The purpose of this Code is to help you make sound and ethical business decisions. We encourage you to ask questions if ever in doubt.

As a CarMax Associate, you are expected to:

- Learn the details of the specific requirements in this Code;
- Ask for help when you have questions about applying or interpreting any of these requirements;
- Understand your options for raising concerns you or others may have about possible Code violations;
- Promptly raise any concerns; and
- Cooperate in any investigation by CarMax or the Board relating to any violation.

Board Members and Associates with management responsibilities are also obligated to:

- Build and maintain a culture of compliance by leading by example and encouraging others to raise concerns regarding ethical issues;
- Prevent and detect compliance problems; and
- Respond to compliance problems by taking prompt corrective or disciplinary action for any violations.



### ► Applying the Code

As Associates, we are all responsible for compliance with and enforcement of this Code. You must certify compliance with the Code as a condition of employment (Associates) and as a matter of policy (Board Members).

### ► Our Duty to Report Misconduct

One of our most important responsibilities as CarMax Associates is the obligation to raise a concern about a possible violation of this Code or the law. Sometimes this may seem difficult, and you may even feel it goes against your personal ethical standards to do so. However, we must remember the significant harm that may result if we don't raise concerns, including:

- Serious damage to the health, safety, and well-being of you, your colleagues, CarMax, our customers, and the communities where we live and work;
- Loss of confidence in CarMax by Associates, customers, shareholders, neighbors, and governmental authorities; and
- Fines, damage awards, and other financial penalties against CarMax, and fines and prison sentences for individuals.

By reporting concerns, we are doing our part to support our culture of integrity.

### ► Getting Answers to Questions and Reporting Concerns

There are several ways to get answers to your questions about this Code or to report concerns. First, we encourage you to discuss questions or concerns with your immediate manager. Second, you may discuss them with your next-level manager or your Human Resources or Loss Prevention representative. **If you feel uncomfortable reporting directly or wish to remain anonymous, you can always report issues directly to the Associate Help Line at 1-866-KMX-TIPS (569-8477) or the Help Line Reporting Website at [www.kmxtips.com](http://www.kmxtips.com).** Our Associate Help Line / Help Line Reporting Website are maintained by a third party so you can share anonymously and openly. In addition, if you wish to report a concern by mail, please send your letter to CarMax Home Office, 12800 Tuckahoe Creek Parkway, Richmond, Virginia 23238, Attn: Associate Help Line. Associates who report suspected violations may be eligible for alert awards up to a maximum of \$5,000. Additional information regarding the alert award program is available on the CarMax Way.

Associate Help Line  
**866-KMX-TIPS**  
(866-569-8477)  
**[www.kmxtips.com](http://www.kmxtips.com)**





Associates reporting questionable accounting or auditing matters should contact the Associate Help Line / Help Line Reporting Website to preserve the confidentiality and anonymity of such submissions. All of these reports will be directed to the Audit Committee and may also be routed to an appropriate manager or officer. This procedure may also be used if an Associate wishes to report any suspected violation of the Code by a senior CarMax officer or Board Member.

Board Members should contact the Chairman of the Board for all questions regarding Code interpretation, scope, and application, and to report any suspected Code violations if a Board Member or CarMax officer is involved. Board Members should report any other suspected violations to the Associate Help Line / Help Line Reporting Website.

Retaliation for reports made in good faith will not be tolerated. See "Our Zero-Tolerance Policy on Retaliation" that follows.

### ► Important Help Line Reporting and Policy Information

#### THE ASSOCIATE HELP LINE:

■ **1-866-KMX-TIPS** (1-866-569-8477)

#### The Help Line Reporting Website:

■ **[www.kmxtips.com](http://www.kmxtips.com)**

In addition, all policies and procedures are available on the CarMax Way.



### ► Enforcement of the Code and Penalties for Violation

If you fail to comply with the requirements set forth in this Code, you are subject to immediate disciplinary action, up to and including termination of employment. Code violations may also result in legal proceedings (civil, criminal, and / or arbitration) against you.

Here are examples of conduct that may result in discipline:

- Actions that violate the requirements set forth in this Code;
- Failure to promptly raise a known or suspected violation of the Code or a policy or procedure;
- Failure to cooperate in an investigation relating to such violations;
- Retaliation against another Associate for reporting a violation or ethical concern; and
- Failure to demonstrate the leadership and diligence necessary to ensure compliance with this Code and applicable law.



### ► **Approval of the Code and Amendments to the Code**

This Code has been approved by the CarMax Board. Provision waivers are not permitted without the express approval of the Board's Audit Committee, and only the Board may amend this Code.


### ► **Our Zero-Tolerance Policy on Retaliation**

CarMax will not tolerate retaliation in response to any Associate's use of the various systems and procedures implemented to foster communications or efforts to comply with this Code or CarMax policies, including the obligation to report misconduct. Any retaliation involving a Board Member must be reported to the Chairman of the Board; any retaliation by an Associate must be reported into the Associate Help Line / Help Line Reporting Website. Anyone who takes action against a person for making a report or participating in an investigation will be subject to disciplinary action, up to and including termination.

Attempts to limit an Associate's access to higher level management or, where accounting matters are involved, the Audit Committee of the Board, will not be tolerated.



## **conflicts of interest**



CarMax recognizes and respects  
that you may take part in legitimate  
financial, business, and other activities  
outside of your position with CarMax.



### **However, those activities must be lawful and not conflict with your responsibilities to CarMax.**

Avoid situations which cause your personal interests, outside activities, or relationships to conflict or interfere (or appear to conflict or interfere) with CarMax interests. A conflict may arise if your actions or interests make it difficult to perform your responsibilities for CarMax objectively and effectively. Conflicts of interest may also arise if you (or your family members) receive improper personal benefits as a result of your position at CarMax. Before taking any action or making any decision that might create the appearance of a conflict of interest, partner with a manager to determine whether the action or decision is appropriate.

Our policies concerning conflicts of interest are as follows:

#### ► **Associate Investments and Outside Directorships**

You should not have any material financial interest in a competitor, supplier, or any other business that could cause (or appear to cause) divided loyalty, or that would cause you to make, or be tempted to make, decisions that are not in CarMax's best interest. If your professional or managerial responsibility includes working directly with information about a competitor, supplier, or other organization, you must not have any material financial interest in that organization.

If, as a Board Member, you have financial interests or hold other employment or directorships that present potential conflicts of interest, you are expected to disclose that information to the Board and to recuse yourself from any related decision making.

If, as an Associate, you serve as a member of any other company's or organization's board of directors or have a financial interest in any other company or organization, you must be aware of the potential consequences of such an interest. If you know or suspect a conflict of interest exists between that directorship or financial interest and CarMax, you should not enter into the relationship. If you have any questions regarding a directorship or investment,

follow the procedures outlined on page 7 under "Getting Answers to Questions and Reporting Concerns" for clarification.

#### ► **Outside Employment**

As an Associate, you may not engage in outside employment or otherwise solicit or perform work if it would:

- Compete with CarMax's business;
- Provide goods, services, or assistance to CarMax or a competitor; or
- Interfere with your assigned CarMax duties.

**Q:** John is a CarMax Production Technician and has a part-time job as a technician to supplement his income. He works a few days a week at a local automotive retail service center that services vehicles. He makes sure his two jobs do not interfere with each other. Is this okay?

**A:** No. Outside employment should not compete with CarMax's business. Even though John does not perform retail service at CarMax, his part-time job creates a conflict of interest because the service center is a CarMax competitor. This could negatively impact our business.

### ► **Employment of Relatives and Close Personal Relationships**

Except as noted below, we permit the employment of qualified relatives and friends as long as such employment does not, in CarMax's opinion, create actual or perceived conflicts of interest. Associates may not supervise (directly or indirectly) or work within the same scope of influence as relatives or others with whom they have a close personal relationship where actual or perceived favoritism threatens or causes disruption in the work place. Because of their scope of influence, employment of a relative or close personal friend is prohibited for the following individuals: Board Members, the Head of Human Resources, the Head of Loss Prevention, the Head of Internal Audit, Senior and Executive Vice Presidents, and the CEO.



### ► **Relations with Vendors and Customers**

Do not enter into relationships, agreements, or transactions with any individual or business that create or even suggest an unethical business practice or a conflict of interest. The payment or acceptance of bribes and kickbacks is strictly prohibited. Avoid both the reality and the appearance of improper relations with vendors, potential vendors, competitors, or customers. Improper relations may occur in areas such as the acceptance of gifts and entertainment and the selection of consultants or vendors. It is important to exercise sound business judgment in applying these standards to specific situations. Do not give or receive monetary gifts, including gift cards, to or from vendors, potential vendors, customers, or anyone else who has a business relationship with CarMax. Unsolicited non-monetary business gifts no more than \$50.00 in value may be accepted if returning the gift would offend the giver or under other unusual circumstances, but in all cases must be approved by a manager. Associates may only accept unsolicited entertainment (tickets, golf, dinner, etc.) if it arises out of the ordinary course of business and is approved by a Regional Vice President or by an officer at the level of Vice President or above. For more specific information on relationships with vendors and customers, please see the Vendor and Customer Gifts, Tips and Gratuities Policy.

**Q:** Mary has regular contact with outside paint vendors as part of her job at CarMax. A paint vendor offers to paint her vehicle at no charge as the vendor's way of saying thank you for Mary's continued patronage. What should Mary do?

**A:** Mary should not accept free services from any vendor due to its relationship with CarMax. This creates a conflict of interest, violates CarMax policy, and could negatively impact CarMax's business. Mary should immediately inform her manager or Loss Prevention.




**CarMax**  
service center

The way car service **should be.**<sup>SM</sup>

EXIT

**corporate opportunities**



You, either individually or with or through a family member or relative, are prohibited from taking advantage of a business opportunity related to CarMax's business you learned about as a result of your employment with CarMax or your service as a Board Member.



**You owe a duty to CarMax to advance its legitimate interests when the opportunity to do so arises.**

You are prohibited from:

- Taking personal opportunities discovered through the use of CarMax property, information, or position;
- Using corporate property, information, or position for personal gain;
- Competing with CarMax; or
- Dealing in products sold or services performed by CarMax.





## **confidentiality and privacy**



## Confidential Information

Protect all confidential information related to CarMax and its Associates, vendors, suppliers, and customers.

### ► Confidential information

**Confidential information is any information not generally known to the public about CarMax's business. We are committed to protecting this information, whether in paper, electronic, or any other format. Confidential information related to CarMax and its Associates, vendors, suppliers, and customers is to be used solely for internal purposes and remains confidential even after termination of employment with CarMax.**

Do not transmit any confidential information to any other person, internal or external, except when legally required, authorized by CarMax, or required for the proper conduct of business. If you have a question or if potential confidential information will be exchanged with vendors or suppliers, ask the Legal Department if a confidentiality agreement is needed before beginning discussions.



### ► Privacy Policy

**CarMax is committed to protecting personal information it collects from or maintains about its Associates and customers. Individual consumer, medical, financial, and other sensitive personal information must be protected from inappropriate use or unauthorized disclosure.**

CarMax is committed to the protection of our customers' nonpublic personal information, including social security numbers, driver's license numbers, and birth dates. Only disclose such information when authorized by the customer, when legally permitted, or in response to a legal process. You may not access or use customer information unless you need it to perform your job. For specific information on how to best protect customer information, please see the Customer Information Safeguarding Policy.

CarMax is committed to respecting your privacy and dignity. Access to Associate personal information, including benefits information, compensation information, and medical records, is restricted to authorized individuals who need this access to perform their jobs; for example, Payroll and Benefits Associates. These Associates may only use Associate personal information to the extent necessary to do their job.

**Q:** A customer calls the e-Office to inquire about vehicle financing. Jean writes down the customer's personal information on a piece of paper and enters it into the Order Entry credit application. Jean tosses the paper with the customer's personal information into the trash. Is this the right thing to do?

**A:** No. Personal customer information should never be thrown in the trash. It should be stored in a secured area until it can be shredded to prevent unauthorized access.



### ► Media Requests

Establishing and maintaining a positive working relationship with media outlets is important to CarMax. To ensure the timely dissemination of professional, consistent, and accurate information to the media, CarMax has designated certain spokespersons to handle communications with news media on behalf of the Company. No other individuals are authorized to make information disclosures to the news media on behalf of CarMax. Refer all media inquiries promptly to the Public Affairs Department and remember to follow our Contacts with the News Media and One Voice Policies if you are approached by the news media.

### ► Gathering Competitive Information

CarMax needs to know what our competitors are doing in order to effectively compete. Gathering information about our competitors to evaluate their products, services, and marketing methods is proper and necessary. You may gather publicly available information about our competitors by using any channels by which this information is available to the public, such as media accounts, public filings, and industry surveys.

However, you may not gather confidential nonpublic information from or about competitors (such as pricing, customer lists, or strategic plans) using illegal means, nor should you bring confidential or proprietary information in any form about prior employers into your new position at CarMax.

**Q:** Dale has just been hired from a CarMax competitor. He has some documents from his former employer regarding monthly budgets, vehicle pricing components, and sales strategies specific to that company. He believes the information would be helpful to his new CarMax sales team. Should Dale share this information with the team?

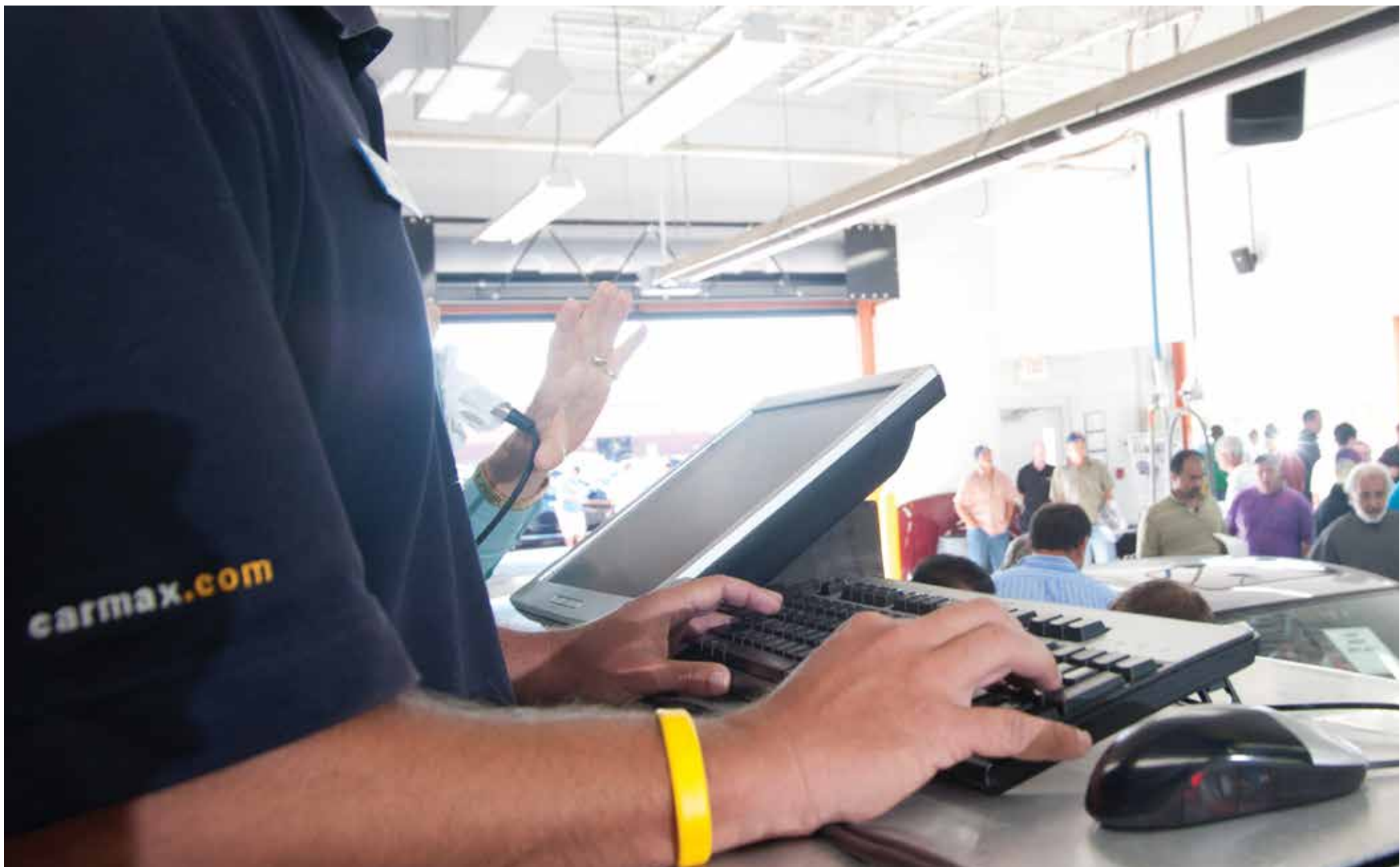
**A:** No, you should not bring materials to CarMax that may contain confidential information from a competitor. Similarly, you may not take CarMax confidential information to another company.

### ► Document and Records Management

Retain all Company records according to applicable law and consistent with CarMax policies and records retention requirements. Do not destroy, alter, or conceal any record you have been instructed to retain (for example, as part of a Legal Hold Order).

Dispose of information and documents not subject to retention, or for which the retention period has expired. Remember that any records containing confidential information must be disposed of in accordance with our Document Disposal Policy.





**fair dealing**



Deal fairly with CarMax's customers,  
suppliers, competitors, and other Associates.




**Do not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing or practice. Learn more about fair dealing expectations in the "Consumer Protection" section on page 31.**







**protection and proper use of carmax assets**



You are responsible for protecting  
CarMax assets and maintaining the  
confidentiality and integrity of information  
used to access computer networks.

### **Your work product is not created for personal use and is considered a CarMax asset.**

#### **► Protection of CarMax Assets**

You are responsible for protecting CarMax assets, including cash, CarMax property, products, inventory, supplies, intellectual property, information technology, customer information, and proprietary information in any form.

If you are a supervisor or manager, you are specifically responsible for complying with and maintaining appropriate internal controls to safeguard our assets against loss from unauthorized use or disposition, ensuring reports and financial statements are prepared from reliable information, and providing a means for accounting for Company assets and liabilities. All Associates are responsible for abiding by internal controls established by management.

You must not commit or contribute to dishonest acts against CarMax, such as fraud, theft, embezzlement, or misappropriation of corporate assets. In addition to appropriate disciplinary action, a criminal complaint may be filed against you.

#### **► Maintaining Computer and Network Security**

Computers and their associated software, data, and operations are the backbone of CarMax's network and operations infrastructure. Therefore, we must protect and maintain the confidentiality and integrity of information used to access computer networks, including identification numbers, passwords, hand-held authentication devices, pass codes, Department of Public Safety licenses, and building access key cards.

**Q:** Michael is out of the office for a few days and wants to view his paycheck through iPay. He tries to log in to mykmxhr.com but can't remember his password. He calls a co-worker and asks him to read the password that's written on the sticky note under his computer keyboard. Is this okay?

**A:** No. It is against CarMax policy to write down your password or share your password with others. You should keep your password secure and never share access information with anyone. These system controls are in place to protect our customers, Associates, and CarMax.

#### **► Associate Work Product**

As an Associate, your work product is not created for personal use and is considered a CarMax asset. All inventions you design or create are CarMax property. In addition, all results and proceeds of your employment, including any material suggested, composed, written, performed, recorded, or fixed in any media (the "Works") are considered works-for-hire specially ordered or commissioned by CarMax, with CarMax the exclusive owner of all rights therein.

All patents granted for any invention (including divisions, reissues, continuations, and extensions) in the United States or any foreign country shall belong to and be issued in CarMax's name. All copyrights for any Works will also belong to and be registered in CarMax's name.

The Associate inventor or author will execute assignments and any other formal confirmations of CarMax's rights in this regard as may be legally necessary to confirm CarMax's ownership of its assets.

### ► Social Media

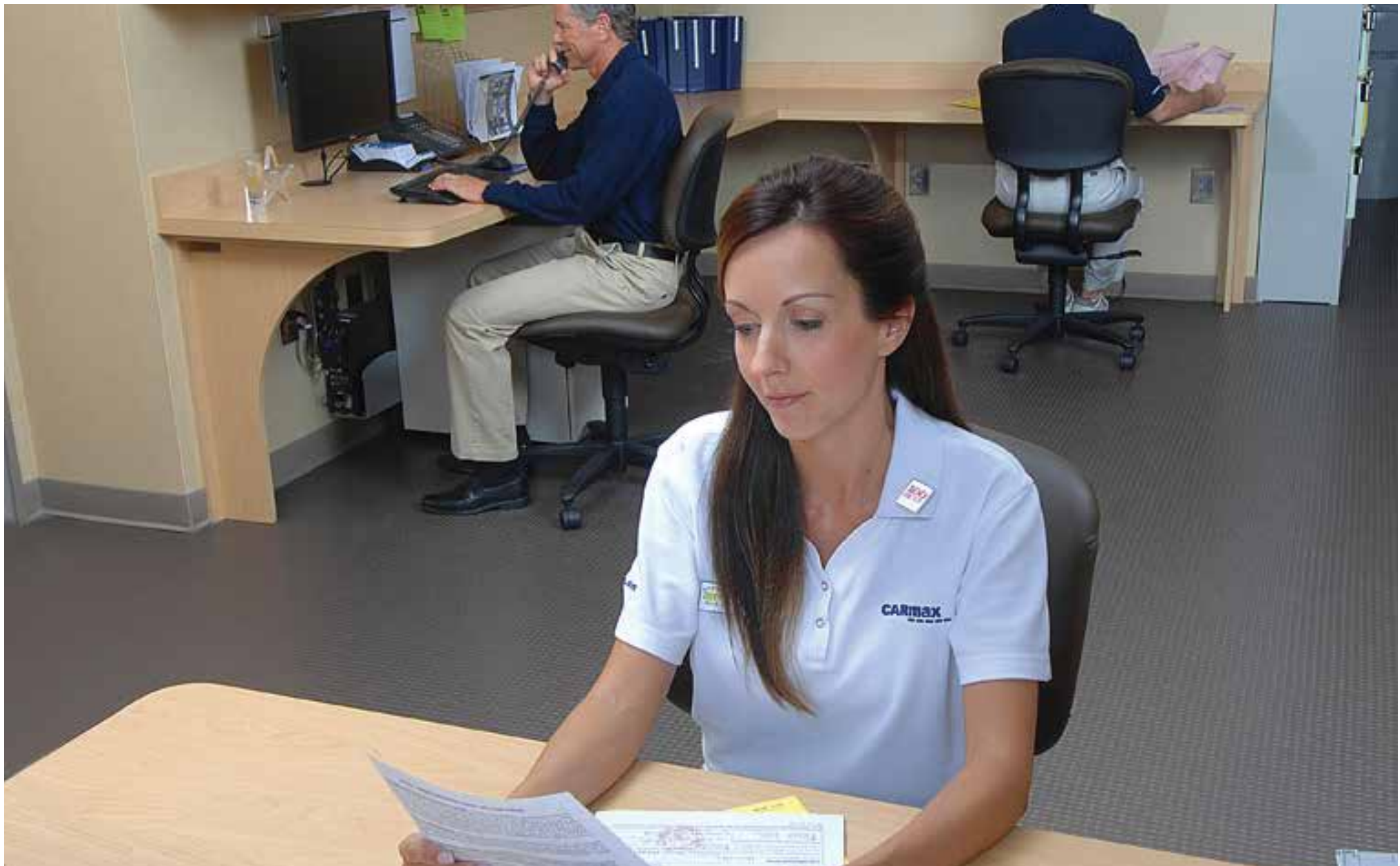
CarMax respects your right to use social media outlets, including blogs, personal websites, Facebook, and Twitter, during non-working hours as a medium of self-expression. Information you post on the Internet is a personal expression, not a CarMax communication. You are personally responsible for your posts.

Please remember that even though social media outlets generally are viewed as a medium of personal expression, the posting of certain comments and information may have a harmful effect on CarMax, its reputation, its Associates, and its customers. Always respect confidential and proprietary information – do not disclose sensitive, proprietary, or confidential information about CarMax, its customers, Associates, vendors, or affiliates. Confidential information includes earnings, store or market sales numbers, number of cars sold or appraised, future store locations, and the like. CarMax reserves the right to monitor websites, including all information posted on the Internet, in accordance with the law.


When using social media, we must abide by the terms of this Code and all CarMax policies, including the Social Media, One Voice, Treating Associates with Respect, and Acceptable Use Policies.







**compliance with laws**



CarMax must comply with all laws –  
federal, state, and local – applicable  
to its business and can be held  
accountable for your actions.

**Therefore, we expect you to comply with all applicable laws. Although you are not expected to know all aspects of these laws, you are expected to exercise good judgment and, most importantly, to ask questions when in doubt.**

The following are important areas of law that apply to CarMax. The areas identified are not all-inclusive but are significant examples of legal requirements with which CarMax must comply. CarMax is committed to full compliance with all applicable laws. Violation of the law could seriously compromise the reputation and integrity of CarMax and its Associates and result in severe civil and criminal penalties against CarMax and individual Associates.

### ► Accounting Procedures

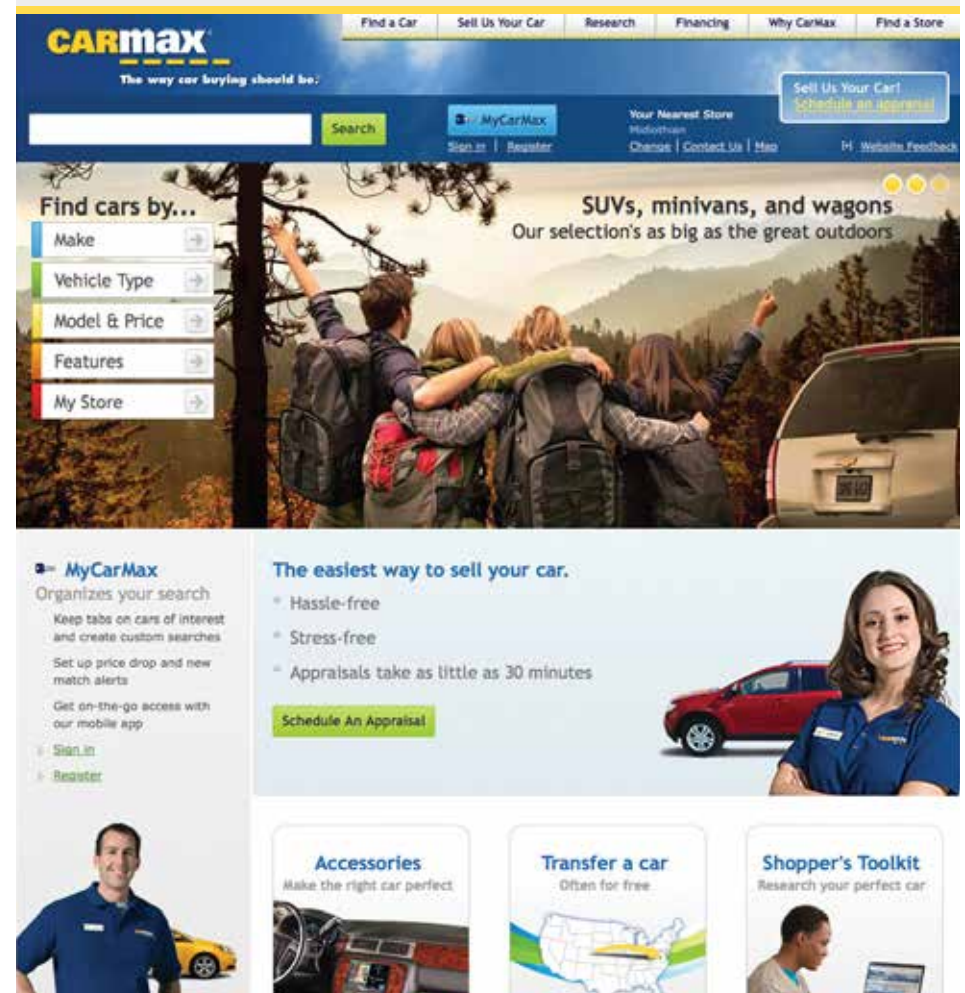
CarMax is required by law to maintain books, records, and accounts that accurately and fairly reflect our transactions and financial position. It is critical that you ensure business records and accounts under your control are accurate and supported by appropriate documents in a form suitable for an audit. CarMax expects your cooperation in fulfilling this obligation.

You must report complaints or concerns regarding accounting, internal accounting controls, or auditing, and may do so on a confidential and anonymous basis by calling the Associate Help Line at 1-866-KMX-TIPS (1-866-569-8477) or by using the Help Line Reporting Website at [www.kmxtips.com](http://www.kmxtips.com). All of these reported complaints or concerns will be directed to the Audit Committee.

CarMax has a zero-tolerance policy with respect to retaliation and will not tolerate retaliation in response to any Associate's use of the various systems and procedures to report concerns.

### ► Advertising

CarMax must comply with a variety of federal, state, and local laws and regulations concerning advertising. These include laws related to truth in lending, warranties and guarantees, comparative advertising, sales, use of the word "free", and bait and switch advertising and practices. We must provide customers with clear and accurate information to make buying decisions – it is the foundation of our advertising practices and distinguishes us from other retailers.



### ► **Antitrust**

Antitrust laws prohibit monopolies, restraints of trade, and unfair trade practices, including price fixing, group boycotting, and disparaging a product or service, manufacturer, or vendor. We expect all Associates to comply with antitrust laws. Associates are prohibited from serving as directors or officers of other companies that engage in substantial competition with CarMax. Direct any questions about business decisions involving risks of antitrust exposure to the Legal Department.

### ► **Commercial Bribery, Gratuities, Kickbacks**

You must not directly or indirectly give, solicit, receive, or accept any gratuity, bribe, kickback, or other improper payment, including gift cards, to or from any employee or agent of any vendor, landlord, lessee, competitor, or other entity dealing with CarMax.

**Q:** Thomas is approached by a dealer who regularly attends CarMax auctions. The dealer asks Thomas to make a price adjustment on the car that the dealer just purchased through the auction lane. The dealer offers Thomas cash to lower the price. What should Thomas do?

**A:** Thomas should refuse to make any adjustments and immediately report the situation to his manager and Loss Prevention. It is a violation of CarMax policy for an Associate to accept anything of value in exchange for any business decision.

### ► **Consumer Protection**

Numerous federal and state consumer protection laws affect how CarMax must conduct business. You are expected to exercise prudent business judgment and the highest degree of care and fairness when dealing with the public on CarMax's behalf.

To ensure fair dealings with internal and external customers, we must follow CarMax's rules and regulations. Do not violate any federal, state, or local law governing unfair or deceptive trade practices.

### ► **Copyrights and Trademarks**

The unauthorized duplication or use of copyrighted materials, including copyrighted computer software, registered trademarks, and patented inventions, is a violation of federal law and is prohibited. Written materials do not need to have the © symbol displayed to be protected under copyright laws, and a right to duplicate the work should not be inferred if the © symbol is not present. Certain instances of use without permission (known as "fair use") exist for both copyrights and trademarks. Direct your questions regarding "fair use" and these laws to the Legal Department.

### ► **Disclosure Obligations Under Securities Laws**

CarMax is subject to various disclosure obligations under federal and state securities laws. In order to comply with these obligations, there should be full, fair, accurate, timely, and understandable disclosure of material information in reports and documents that CarMax files with, or submits to, the Securities and Exchange Commission, and in other public communications CarMax makes.





### ► Environmental, Health and Safety Laws

CarMax is committed to your health and safety, as well as to a safe environment. We will fully comply with all applicable environmental, health and safety laws and regulations. All waste products and hazardous materials must be stored, handled, and disposed of in full compliance with all laws, regulations, and CarMax practices. Promptly report to your immediate supervisor unsafe storage or release of a potentially toxic or hazardous material into the environment.



### ► Insider Trading

Many Associates have access to a special category of proprietary information that is investment-related. This information includes any nonpublic information that could influence an investor's decision to buy or sell or otherwise trade in CarMax securities or those of any other company with which CarMax may have dealings. To maintain the integrity of business dealings, do not disclose any nonpublic information to people outside CarMax or to co-workers, unless they have a legitimate business-related need to know.

Federal law and Securities and Exchange Commission regulations make it illegal for you to buy or sell securities on the basis of nonpublic information, or to pass this information along to others who may buy or sell securities. Trading in CarMax securities based on nonpublic information may violate the securities laws and may subject CarMax and you to civil and criminal penalties.

Board Members and senior CarMax officers are also obligated to report their CarMax stock transactions to the Securities and Exchange Commission. Procedures for these transactions, and those of other Associates who frequently receive nonpublic information, are detailed in CarMax's Policy Against Insider Trading.

**Q:** Fred knows his brother wants to buy CarMax stock. Fred also knows CarMax is going to issue a press release next week announcing the roll-out of a major new technology initiative in all of its stores. Fred wants to share this information with his brother so his brother can buy CarMax stock before this news is announced. Is this okay?

**A:** No. Purchasing or selling CarMax stock on the basis of material, nonpublic information is against CarMax policy and illegal. Sharing such information with others who may trade on the basis of that information is also against CarMax policy. In addition, Fred could face civil penalties and criminal enforcement if he shares this information.

### ► Responding to Government Inquiries and Investigations

CarMax cooperates with lawful government inquiries and investigations. Requests from government agencies, including court orders, subpoenas, and other forms of legal process, must be forwarded to the Legal Department to protect the Company's property and legal rights. All documents or other information provided in response to a government inquiry or investigation must be complete, fair, accurate, and timely. Any Company documents provided to the government must be reviewed in advance by the Legal Department. Store Associates responding to Environmental, Health and Safety ("EH&S") inspections should follow the Government Agency EH&S Inspection Procedures.

**Q:** Mary is a Business Office Associate. In today's mail, Mary receives a Request for Information from the State Finance Commission. The Request for Information references an investigation and lists several questions regarding a CarMax business partner. Mary believes she could easily answer these questions. Should Mary answer these questions herself?

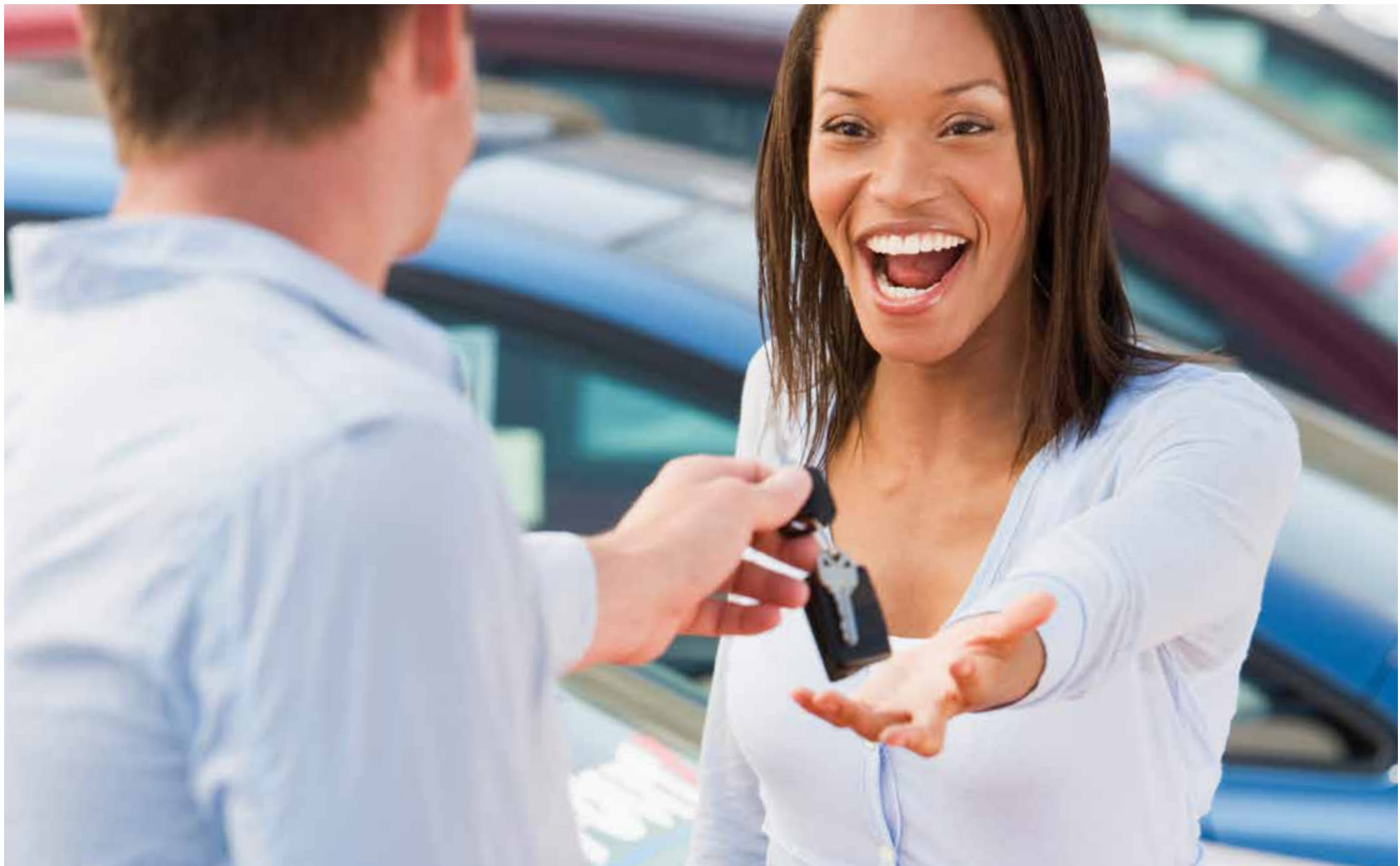
**A:** No. In addition to providing timely, accurate answers to all government inquiries, CarMax must work to protect its legal rights. Mary should partner with a member of the Legal Department to ensure that CarMax's legal interests are protected.

### ► Relationships with Government Officials


In supporting good citizenship, CarMax recognizes that you may choose to participate in the political process, including voluntary contributions to candidates or parties of your choice. When representing CarMax, conduct all relations with government officials in a manner that will not adversely affect CarMax or the government official. You are required to abide by all federal, state, and local laws and regulations applicable to contacts with government officials. Direct your questions regarding these laws to the government relations representative in the Legal Department.







**policy against discrimination and harassment**



CarMax is committed to providing Associates and customers with a work environment free from all forms of discrimination and disrespect, including sexual harassment. We comply with all laws prohibiting discrimination and other unfair employment practices.



**CarMax does not tolerate discrimination or harassment on the basis of race, color, religion, gender, age, national origin, citizenship, gender identity, sexual orientation, disability, military / veteran status, genetic information, or any other characteristic protected by applicable law. Our Treating Associates with Respect Policy sets forth CarMax's commitment to maintain a work environment free from discrimination and harassment, including sexual harassment. All Associates are required to abide by the Treating Associates with Respect Policy and must report violations of this policy, including instances of discrimination and harassment known by the Associate. CarMax has a zero-tolerance policy with respect to retaliation and anyone who takes action against a person for making a report or participating in an investigation will be subject to disciplinary action, up to and including termination.**


**Q.** Melissa's co-worker, James, is constantly commenting on her appearance. She feels harassed by James and now feels uncomfortable in her working environment. What should she do?

**A.** Melissa should promptly report the situation to her manager, Human Resources, or Loss Prevention. She can always report it to the Associate Help Line / Help Line Reporting Website. CarMax does not tolerate harassment.





**diversity and equal opportunity**



CarMax is committed to providing equal employment opportunity for all persons regardless of race, color, religion, gender, age, national origin, citizenship, gender identity, sexual orientation, disability, military / veteran status, genetic information, or any other characteristic protected by applicable law.

**At CarMax, diversity is the celebration of all people and their individual talents; it is embracing new ideas and new ways of thinking to maximize the Company's overall potential. Our policies, practices, and culture support these goals. As set forth in our Treating Associates with Respect Policy, Equal Employment Opportunity Policy, and CarMax diversity statement, we are committed to respecting the unique attributes of Associates, applicants, vendors, and customers, and providing them with equal opportunities.**





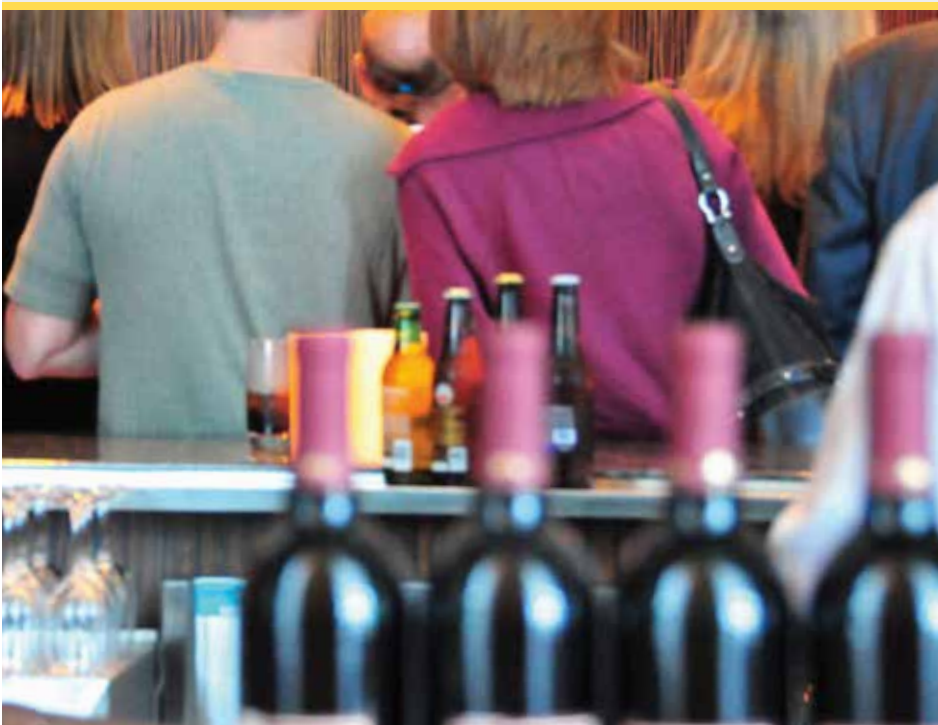


## **drug and alcohol policy**



CarMax is committed to maintaining  
a drug-free workplace.

**CarMax expects all Associates to be law-abiding citizens who support our goal of maintaining a safe, drug-free environment. The use, possession, or distribution of illegal drugs by CarMax Associates under any circumstances is strictly prohibited, as is consumption of alcohol either on the job or in such a way that adversely affects job performance or fitness for duty. These activities subject all Associates and customers to unacceptable safety risks, undermine our ability to operate effectively, and erode Company morale. Alcohol consumption at certain functions may be permitted if approved by a CarMax officer.**








**board member and associate conduct and business practices**





You must maintain the highest level of personal integrity in performing your duties and in working with other Board Members or Associates, customers, vendors, and competitors.

**Obviously, a policy statement cannot cover all situations. Good judgment coupled with a high sense of personal integrity is the best policy. When situations arise that fall within a gray area, you must follow the steps described under "Getting Answers to Questions and Reporting Concerns" on page 7.**



## conclusion



**This Code provides a broad range of information about the standards of integrity and business conduct we are expected to understand and follow. It does not address every situation or set forth every rule or policy, nor is it a substitute for personal responsibility and accountability to exercise good judgment and obtain guidance when required or necessary. If you have a question or concern, you can always speak with your manager. If you don't feel comfortable speaking with your manager, contact Human Resources or Loss Prevention. You can also contact the Associate Help Line / Help Line Reporting Website on an anonymous basis. Remember, CarMax has a zero-tolerance policy regarding retaliation.**

*Approved by the Board of Directors on October 20, 2014*