

Retiree Discount Policy

PURPOSE / SCOPE

This policy describes how an Eligible Purchaser or Eligible Family Member may purchase a used or wholesale vehicle from CarMax’s inventory and receive discounts on eligible accessories and vehicle.

DEFINITIONS

“Eligible Purchaser”	Full-Time and Part-Time Associates who voluntarily terminate or retire from active employment with CarMax, and who meet the following age and service requirements, are considered an “Eligible Purchaser” for the Retiree Discount under the Retiree Discount Policy (Policy), as described below.		
	Years of Service**	Age at Termination of Employment	When Retiree Discount begins
	5	65	Upon termination
	7	62	Upon termination
	10	55	Upon termination
One Year of Service is defined as a Calendar Year in which Associates are credited with 1,000 Hours of Service (Full-Time), or 870 Hours of Service (Part-Time).			
“Eligible Family Members” (who live in the Retiree’s household)	<p>Eligible Family Members for the Retiree Discount must have the same mailing address as the Retiree. (Note: this is different than the Associate Discount Policy, where family members do not have to be living in the Associate’s household for eligibility).</p> <ul style="list-style-type: none"> • Spouse, Domestic Partner • Children (to be eligible, a child must be your, your Spouse’s, or your Domestic Partner’s): biological child, adopted child, stepchild, foster child, a child for whom you have legal guardianship • Parents, Stepparents, Parents-in-law, Domestic Partner’s Parent • Siblings, Step-siblings, Sibling-in-law, or Domestic Partner’s Sibling • Grandparents, Grandparents-in-law or Domestic Partner’s Grandparents • Grandchildren • Child’s Spouse or Domestic Partner 		
“Non-Eligible Family Member”	<ul style="list-style-type: none"> • Aunts, Uncles • Cousins • Nieces, Nephews 		

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Additional Eligibility Information

Associates who are involuntarily terminated are not eligible. Associates terminated due to a reduction in workforce (involuntary termination) are eligible for the discount if all other criteria are met. Temporary Associates, Interns, and Independent Contractors are not eligible. Edmunds employees are not eligible for the Retiree Discount Policy.

All former or retired members of the Board of Directors are eligible for the Retiree Discount.

CarMax reserves the right to revise or terminate this Retiree Discount Policy, in whole or in part, at any time and without prior notice to you. CarMax may also revise the Policy as necessary to comply with applicable law.

The Retiree Discount Policy eligibility may be revoked by CarMax in its sole discretion should the Eligible Purchaser be deemed in breach of this or any other CarMax policy including, but not limited to failure to meet purchase obligations for CarMax vehicles. Should a revocation of the Retiree Discount Policy apply, the Eligible Purchaser will be notified by CarMax in writing within 30 days of the effective date of the revocation.

Discount Authorization

The **Retiree Discount Purchase Form** must be completed by the Eligible Purchaser who wants to purchase a vehicle and forwarded to the CarMax Benefits Department for authorization. The Form is available on the CarMax Benefits Center website at benefits.carmax.com.

The Sales Consultant or the Eligible Purchaser should send the completed form via email: benefits@carmax.com or pension@carmax.com

Please allow two (2) business days from the date of receipt for processing.

Once the Retiree Discount Purchase Form has been approved and returned as designated on the Form, the Form must be presented, along with the CarMax Retiree Discount Card, to receive discounts on vehicle purchases and services.

If an Eligible Purchaser does not have their Retiree Discount Card, the Eligible Purchaser should contact the CarMax Benefits Department at benefits@carmax.com to obtain another copy or an email approval. Please allow two (2) business days for a response.

Discount Rules

- ✓ A maximum of one vehicle per Eligible Purchaser may be purchased at a discount per calendar year.
- ✓ See the chart below for specific discount amounts. The maximum discount for any particular vehicle or service is \$3,000.
- ✓ Eligible Purchasers do not have to purchase the discounted vehicle at the location(s) where they worked.

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- ✓ Eligible Purchasers will need to present their Retiree Discount Card to the Sales and Service Departments for discounts, or have the store Associate assisting with the transaction send an email to benefits@carmax.com or pension@carmax.com for confirmation of eligibility.
- ✓ Retiree discount purchases for Eligible Purchasers residing outside of Richmond, Charlottesville, Fredericksburg, Phoenix, Kansas City, Atlanta, Las Vegas, and Dallas must be made through a manager.
- ✓ Sales Consultants and Customer Specialists are allowed to sell vehicles to Eligible Purchasers who reside in Richmond, Charlottesville, Fredericksburg, Phoenix, Kansas City, Atlanta, Las Vegas and Dallas, and Sales Consultants may earn commissions on those transactions.
- ✓ An Eligible Purchaser may not give, transfer, or sell their discount to any individual (except that Eligible Family Members as defined above are eligible to use the Eligible Purchaser's discount).
- ✓ CEC Associates are allowed to sell vehicles/provide transactional support to all Eligible Purchasers.
- ✓ The Retiree Discount follows the Associate Discount Policy, in regard to any exclusions of special program vehicles, as determined by the company and at the discretion of the Purchasing Manager.
- ✓ CarMax and CAF vehicles that have been repossessed are not eligible for a Retiree Discount purchase under this Policy.
- ✓ No vehicles may be purchased on the weekends using the Retiree Discount Policy (this does not apply to transactions facilitated by the Sales Consultants at the Richmond, Charlottesville, Fredericksburg, Phoenix, Kansas City, Atlanta, Las Vegas, and Dallas locations).
- ✓ An Eligible Purchaser cannot use the Retiree Discount Policy to purchase a CarMax vehicle, including wholesale vehicles, for the purpose of reselling that vehicle at a profit to a CarMax or subsidiary vendor.
- ✓ An Eligible Purchaser may not offer any CarMax vehicle for sale to a third party before the vehicle is titled in the Eligible Purchaser's name. This includes receiving a firm offer for the vehicle from anyone, including a dealer, online appraisal service or third party.

Vehicle Requirements

- ✓ Vehicles purchased at full retail price do not count as a Retiree Discount purchase (including Aging vehicles purchased at retail even when retail is less than cost + \$300).
- ✓ All vehicles purchased under this Policy will be prepared for delivery the same way as a retail sale (including washing, vacuuming and a full tank of gas.)
- ✓ After purchasing a vehicle using the Retiree Discount Policy, Eligible Purchasers shall be subject to the same consumerism policies as any other customer, including the eligible return period (this includes wholesale purchases). (Note: Unless required by state law, wholesale vehicles are not sold with CarMax's standard Limited Warranty, 125-point inspection, Clean Title Guarantee, or frame and flood damage guarantee.) Eligible Purchasers will be provided the wholesale announcements for the vehicle. Wholesale vehicles are sold "As Is" unless the transaction documents and state law indicate otherwise.)

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- ✓ Sales and services under this Policy are subject to the same terms and limitations and same state and federal legal requirements that apply to goods and services sold to the general public, except as explicitly stated in this Policy. CarMax does not make any representation about the vehicles or services purchased under this Policy other than the otherwise applicable representations made to the general public or as explicitly set out in this Policy.

Fees, taxes, and related charges

- ✓ Eligible Purchasers are responsible for paying all applicable federal, state, or local taxes and fees related to the purchase of any vehicles or services under this Policy.
- ✓ Eligible Purchasers are responsible for paying all related transportation fees for transferred vehicles. No transportation fees are added to a vehicle purchased at retail price.
- ✓ For wholesale vehicles, Eligible Purchasers are responsible for paying (1) all inspection fees and (2) charges for repairs the Eligible Purchaser requests to pass the required inspection(s). **The Eligible Purchaser must pay these fees and charges prior to vehicle purchase, and whether or not the vehicle is actually purchased.**

Product	Discount
<p><u>Used – CarMax & ValuMax</u></p>	<p>Cost PLUS \$300 (if saleable for more than 14 days - on the 15th day, the vehicle is then eligible. If transferred, the time period begins the date the vehicle was first made saleable and transfers with the vehicle.)</p> <p>or</p> <p>Retail MINUS \$500 (if saleable for less than 14 days - the vehicle is eligible until the end of the 14th day)</p> <ul style="list-style-type: none"> ✓ Maximum CarMax discount is \$3,000 ✓ Vehicles cannot be purchased below cost. If the vehicle has been saleable less than 14 days and the Retiree discount takes the price below cost, it is not eligible for a discounted purchase. The Eligible Purchaser may still purchase the vehicle for the retail value, and it will not count as a Retiree purchase. If an ESP is included on the order, a Sales Manager will need to consumerize the MaxCare discount.
<p><u>Wholesale</u></p>	<p>Cost PLUS \$300</p> <ul style="list-style-type: none"> ✓ (Note: The Wholesale Fee of \$100 is not charged on Retiree purchases. Unless required by law, wholesale vehicles are not covered by the CarMax warranty. More limited warranties may apply depending on the state (see the Buyer’s Order (Associate Wholesale Purchase) and Buyers Guide for details.) ✓ Eligible Purchasers are responsible for the actual transportation cost, regardless of whether the Eligible Purchaser decides to purchase the vehicle. Note: the actual transportation cost may be different than the estimated cost provided by Corporate Transportation.

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	<ul style="list-style-type: none"> ✓ Vehicle must pass state inspection and/or an Associate Wholesale Warranty Inspection in some states. ✓ Wholesale purchases are not eligible for financing through CarMax. ✓ All Eligible Purchasers must complete and sign a Buyer's Order (Associate Wholesale Purchase) when purchasing a wholesale vehicle. ✓ Wholesale vehicles cannot be purchased after they have been uploaded to carmaxauctions.com (usually within 4 days of the scheduled auction). ✓ Wholesale vehicles cannot be purchased if they have been designated as a "Feature of the Week" on carmaxauctions.com. ✓ Wholesale vehicles (with an approved Retiree Discount Vehicle Purchase Form) can be held for up to 48 hours for a Retiree purchase. ✓ Any repairs required for state inspection(s) or Associate Wholesale Warranty Inspections will be completed through retail RO at the Retiree rate prior to sale. The Eligible Purchaser must pay for the inspection(s) and any repairs the Eligible Purchaser requests to pass inspection whether or not the vehicle passes, or the Eligible Purchaser ultimately purchases the vehicle. ✓ The inspections, and any work necessary to pass inspection must occur at CarMax unless the LGM and/or Operations Manager approve a sublet. ✓ Repairs beyond those required to pass inspections will be done after the sale at the Retiree rate.
<u>Accessories</u>	<ul style="list-style-type: none"> ✓ See a Sales Manager, Operations Manager, or Service Manager for the latest price sheet. ✓ Cost + 10% ✓ The same list of eligible family members for vehicle discounts applies when accessories are purchased. ✓ Only two accessory transactions per Eligible Purchaser may be purchased at a discount per calendar year. ✓ Retiree Discount purchases can only be made Monday through Friday. (This does not apply to the Richmond, Charlottesville, Fredericksburg and Atlanta locations.) ✓ Accessories purchased by Eligible Purchasers at a discount cannot be financed (unless the Eligible Purchaser is also purchasing the vehicle and accessories are included with the vehicle's financing). ✓ Currently accessories are sold to Eligible Purchasers using the same procedure as retail accessory sales, with the exception of Sales Managers consumerizing the difference in Retiree vs. retail price.
<u>MaxCare</u>	Retail - \$300 - Not available for wholesale vehicles, no limit on purchases.
<u>Parts</u>	Cost + 10%, See a service consultant
<u>Service</u>	20% off labor, 20% off menu items, Detail - 20% off Retail