



GPS | 2017

Guide for Personal Success



COMPENSATION | BENEFITS | WORK/LIFE BALANCE | CAREER DEVELOPMENT

CARMAX ASPIRES TO BE MORE THAN JUST A WORKPLACE. WE AIM TO BE A PLACE WHERE YOU DO MEANINGFUL WORK WITH PEOPLE YOU ENJOY – A PLACE YOU WANT TO COME TO EVERY DAY.

A photograph of a CarMax store sign. The sign is blue with the word "CARmax" in white and yellow 3D letters. The sign is mounted on a white pillar. The background is a clear blue sky.

We offer high-quality programs designed to take care of our associates personally and professionally, to meet your needs now and in the future.

This is just one of the reasons we've been on the FORTUNE 100 Best Companies to Work For® list 13 years in a row!

Total compensation is more than just your paycheck. CarMax contributes toward the cost of your benefits as well as a wide variety of programs to help at work and at home.

For example, our wellness programs encourage you – and your family – to save money while you get on the path to a healthier life. And special benefits like adoption assistance or our customized training can help make your personal or professional goals more affordable – or even free.

As a participant in one of our medical plans, you will be provided with coverage that can save you thousands of dollars in preventive and health care expenses. We also accommodate unique needs, such as the continuation of benefits for Active Duty military service members and their families.

To help you learn more about available programs and their value to you, we've mapped out our many offerings in this Guide to Personal Success (GPS). The information in this booklet is divided into four categories:

Compensation | **Benefits** | **Work/Life Balance** | **Career Development**

Your personal GPS statement outlines the programs you and your family participated in during 2016 and what CarMax paid to offer them to you.

Please take the time to review this booklet and your personalized statement. We think you'll be pleased by all the opportunities available to you. If you have any questions, please contact your manager or Human Resources Representative.

“At CarMax, our number one priority is YOU, our dedicated and talented associates. You go above and beyond every day to take care of our customers, and we strive to take care of you with a wide variety of benefits programs designed with your input and feedback in mind.”

– Bill Nash, CEO



COMPENSATION

Total compensation at CarMax is a combination of pay and other elements – both monetary and non-monetary – that help reward your efforts and contributions to the company. As your career progresses here, so do your opportunities to participate in these programs.

MONETARY COMPENSATION

CarMax regularly reviews compensation to maintain market competitiveness. Associates receive an hourly wage, commission, or annual salary based on position, responsibility, geographical area, and market conditions. Depending on your position, you may be eligible for extra incentives to reward you for achieving business goals.

OTHER COMPENSATION

Recognition Programs

You may earn tangible rewards through recognition programs specific to your business area, department, or position. These programs recognize both business achievements and personal milestones. They include:

CarMax Champions

Store, Home Office, and CarMax Auto Finance (CAF) associates who demonstrate a strong commitment to Drive What's Possible and excel in the areas of customer service, innovation, quality of work, and/or teamwork enjoy reserved parking, a desk award, and gift cards.

Above and Beyond

Every month, associates who care for customers in an outstanding way are publicly recognized with a \$1,000 bonus check, a store pizza party, and a congratulatory letter from our CEO Bill Nash.

President's Club and Director's Club

These performance-based programs reward store associates from all four business areas. Each comes with cash bonuses, special privileges, and other coveted rewards.

Pay Differential for Active Duty Military

Associates who are on active duty may be eligible for a pay differential for active duty service for up to 12 months. They also have the option to continue their benefits while on active duty – Medical, Dental, Vision, Basic and Supplemental Life, Retirement Savings Plan, and the Employee Stock Purchase Plan. Managers work with associates and their schedules to accommodate military trainings throughout the year.

“After only being on the sales floor for a little more than a month, I received the Champion of the Quarter award at our communications meeting. What a way to know your work is appreciated.”

– Thomas, Sales Consultant, Nashville Region





BENEFITS

CarMax is committed to your well-being and offers benefits to support associates and their families' physical, emotional, and financial health.

A CULTURE OF HEALTH

At CarMax, we believe your health is important no matter what stage of life you're in. And we have a variety of tools and resources to help you make smart choices.

YOUR HEALTH CARE PROGRAMS

CarMax encourages all associates to live healthfully. When you adopt a healthy lifestyle and use health care effectively, you help us continue to offer valuable, affordable benefits.

Medical Plan

Our Medical Plan provides comprehensive coverage for full-time associates and their eligible dependents, including Spouses and Domestic Partners. Associates have the freedom to choose from three Medical Plan options. As always, all preventive services are covered in full when performed by in-network providers.

Every year, you and your covered Spouse or Domestic Partner will have the opportunity to participate in our Commitment to Health Program. This program includes a confidential biometric screening and an online Health Assessment. Participation is voluntary – it's a way to support you on your path to a healthier you. By participating, you'll each earn a Medical Plan Credit toward the cost of your CarMax medical coverage.

To make screenings convenient, every CarMax location has an onsite health screening event in March which is open to all associates and their Spouses or Domestic Partners. You can also complete your health screenings at a local Quest Diagnostics® Patient Service Center or at your doctor's office.

Wellness Programs

We offer you and your Spouse or Domestic Partner access to, and financial support for, programs that help with weight management, tobacco cessation, and healthy pregnancy. Weight Watchers members may also be eligible for a gym incentive. Additional wellness programs from Aetna are available for Medical Plan members.

As an added incentive, CarMax offers companywide events including Wellness Challenges, the chance to join training teams for local run/walk events, and more throughout the year.

Dental and Vision Plans

Like our Medical Plan, our Dental and Vision Plans provide comprehensive coverage for full-time associates and their eligible dependents, including spouses and Domestic Partners. The Dental Plan provides coverage for preventive, basic, and restorative services. Vision coverage includes an annual routine eye exam and an allowance for eyewear.

INCOME PROTECTION

Life Insurance

All eligible associates receive company-paid Basic Life Insurance. You may choose to add Supplemental Life, Spouse or Domestic Partner Life, Child Life, or Accidental Death and Dismemberment coverage. Associates traveling on CarMax business are covered by the Business Travel Accident Policy.

Disability Income Protection

We believe it's important to care for our associates in the event of disability. Our Short-Term Disability (STD) Pay Policy provides income protection during absences due to illness, injury, or pregnancy. Benefits are based on tenure, pay type (salary, hourly wage, or commission), and your earnings at the time of your disability. CarMax pays the entire cost of the benefit.

Our Long-Term Disability (LTD) Plan is for absences due to a disability extending beyond 180 days. Tax-free benefits are approximately 60 percent of pre-disability earnings. Participating Associates pay the cost of the Plan.

Flexible Spending Accounts

Our Health Care Flexible Spending Account (HCFA) and Day Care Savings Account (DCSA) plans let eligible associates set aside a portion of their paycheck on a pre-tax basis for out-of-pocket health care or dependent day care expenses.

RETIREMENT AND FINANCIAL PLANNING

Maybe you're not thinking about retirement now. But to help you have financial security now and in the future, we offer several tools for any stage of life:

Retirement Savings Plan

You may set aside up to 75 percent of your pre-tax earnings with the 401(k) program, subject to IRS limits. CarMax matches \$1.00 for every dollar contributed, up to 6 percent of pay. You are always 100 percent vested in your own contributions and the company match. Certain plan limits may apply based on IRS regulations. The Plan, administered by T. Rowe Price, offers a variety of investment options, including target date retirement funds.

Employee Stock Purchase Plan

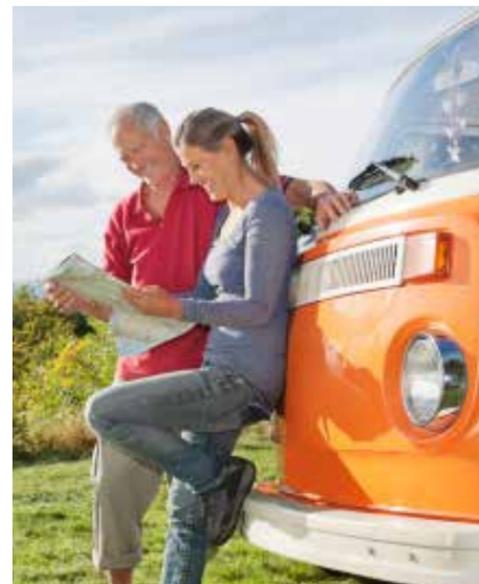
Eligible associates can purchase CarMax stock through payroll deductions – from 2 to 10 percent of pay, up to \$7,500 annually. CarMax matches \$.15 for every dollar you contribute.

AT YOUR FINGERTIPS AT WORK OR AT HOME

All benefit plan information is available at benefits.carmax.com or on the Benefits website on The CarMax World. There you'll find plan summaries, contact information, and guides to help you navigate your benefits. You can use mykmxhr.com to view benefits and pay information or manage your enrollment and personal information. To the extent any information in the plan documents conflict with the above summary, the plan documents shall control.

"It is incredible. I believe I speak for everyone participating in saying that we are excited and grateful."

— Nelson, Sales Consultant
Regarding the CarMax 401(k) program





WORK/LIFE BALANCE

Our goal is to help you find fulfillment and live a healthy life at work and at home. We foster a healthy team environment at each of our locations so you feel like you're part of a family. And, our leaders encourage an atmosphere where the person is valued, not the position.

A COMFORTABLE WORK ENVIRONMENT

You'll enjoy a casual work environment at CarMax, no matter the location you work. Polo shirts, khakis (including shorts), and fleece pullovers keep you comfortable while working and put our customers at ease. All work areas are climate-controlled — even our shops.

WELLNESS AS A WAY OF LIFE

CarMax believes that having a balance between home and work is one way every associate can make health a priority. Wellness is engrained in the CarMax culture, and we continually promote and introduce programs and resources that make it easy for you to focus on a healthy lifestyle.

OUR COMMITMENT TO DIVERSITY

CarMax is proud to provide an environment that recognizes the value of diversity. We believe we maintain our competitive advantage by having a team with a broad range of talents, perspectives, and ideas for continuous improvement.

To create a workplace where you feel welcomed, included, and valued, we:

- Recruit, hire, develop, and promote diverse, qualified associates
- Treat all associates with the utmost respect
- Recognize the value and importance of your diverse attributes

THE CARMAX COMPASS INITIATIVE

Engaged associates are company advocates who are actively committed to the CarMax mission and core values. We measure engagement through our annual Compass survey, where associates rate their CarMax experience. We also ask for your input through regular Compass meetings. These meetings are a forum for sharing feedback and brainstorming to make working at CarMax even better.

PAID TIME-OFF PROGRAMS

To strike a balance between personal and work life, we encourage you to take time for rest, relaxation, and personal needs. CarMax offers a variety of paid time-off options, including sick, vacation, holiday, and leave, that vary depending on pay status, tenure, and needs. Detailed information about our time-off programs is available on the CarMax Benefits website.

Time Away allows salaried associates to take time off for rest, relaxation, or personal reasons. This flexible program enables you to arrange for Time Away based on business needs and management approval.

OTHER VALUABLE PROGRAMS

CarMax Rewards

Enjoy discounts on childcare, appliances, electronics, cell phones, furniture, travel, and more through this online program that can save you thousands of dollars every year.

Adoption Assistance

If you wish to adopt a child, CarMax offers two valuable benefits. The Adoption Assistance Program reimburses up to \$4,000 in eligible adoption expenses for each adopted child or attempted adoption. The Employee Assistance Program (see below) helps locate adoption resources, provides a legal and/or financial consultation, and has counselors to guide you through this special time.

Employee Assistance Program (EAP)

The EAP helps you and your family through many of life's challenges. It offers consultations and resources for legal, financial, and work/life issues for you and any member of your household. Call or go online 24/7 to use this free and confidential service.

Flexible Schedules

As a result of our dedication to healthy work/life balances, CarMax offers flexible scheduling options when appropriate. In fact, many positions can be structured with hours that allow you to better meet personal needs.

HELPING OUR ASSOCIATES

Disaster Relief

The CarMax Associate Disaster Relief Fund is part of our culture of integrity, teamwork, and taking care of each other. The Fund is designed to help associates facing financial hardship resulting from a natural disaster or unforeseen personal hardship, and is supported by donations from CarMax, Inc., as well as individual donations from associates.

In addition to offering the CarMax Associate Disaster Relief Fund, CarMax is a national sponsor of the American Red Cross Disaster Responder program. By providing funding prior to disasters, CarMax helps ensure the Red Cross is able to sustain its mission and provide help to those affected by disaster in our communities.

“Working here has been the best career decision I’ve ever made because my quality of life is so much better. CarMax is so focused on making people better, developing them, and helping them succeed. That’s why I can see myself retiring here.”

— Dave, General Manager, Greater Los Angeles area





CAREER DEVELOPMENT

CarMax views our associates as our most valuable asset. We want you to find personal fulfillment in your job and build success for both you and the company.

WORLD-CLASS TRAINING AND DEVELOPMENT

CarMax has been recognized in *Training* magazine's "Training Top 125" organizations for the 10th year in a row for its continual focus on training and development in every business area.

KMX University

KMX University (KMXU) helps us deliver more than 2.7 million individual training activities each year. Accessible through The CarMax World, the site lets you view position development plans, launch online courses, flash cards, videos, and practice activities, as well as register for classroom training, take exams, and review your personal training history.

Advancement Opportunities

We're invested in helping you Drive What's Possible as we take our company – and our associates – to the next level. You have the opportunity to transfer to other CarMax positions or locations. Associates can view and apply for jobs online. Visit Ignition from any CarMax computer to complete an electronic Internal Transfer Request (eITR).

Management Training Programs

CarMax offers a comprehensive suite of development programs to help prepare associates for leadership roles and strengthen their capabilities while in-role. Additionally, CarMax offers classroom and online training, assessment tools, and coaching support targeted for career growth. New managers receive "best-in-class" management training through the Management Development Program.

Associate Development

We provide a wide variety of resources to contribute to the ongoing development of our Associates. These resources include the File Review, an Annual Performance Review (APR), and individualized development. Through the year, regularly scheduled File Reviews with your manager are designed to ensure timely feedback and support development progress. The APR reviews your overall performance for the year in relation to your individual objectives and expectations. Combined, these development practices focus on your future goals and career growth. These are all based on position-specific competency models so you can better understand your role and the behaviors that lead to success.

TRAINING REIMBURSEMENT

Tuition Assistance Program

We don't just think pursuing education in your field is a good idea – we encourage it! That's why CarMax recently enhanced the Tuition Assistance Program, reimbursing eligible tuition expenses up to a maximum of \$5,250 per year for full-time associates and \$2,500 for part-time associates. The courses you take must be credited, but they are not required to be job-related. Please see the Tuition Assistance Policy at benefits.carmax.com.

"I have had so many role models within the company who truly care about me and my growth. If you asked me today if I would ever leave CarMax for another job I would, in return, ask you, 'Why would I leave this amazing career for anything else?'"

– Afton, Sales Manager, Columbus



GIVING BACK TO OUR COMMUNITIES

The CarMax Foundation

The CarMax Foundation supports your local communities through grants, volunteerism, and matching gifts to local nonprofits. So far, The Foundation has granted over \$35 million to these organizations. Grant programs focus on supporting programs in the areas of education, youth leadership, and children's healthy living. To learn more, visit foundation.carmax.com.

KaBOOM!® Playgrounds

In 2013, The CarMax Foundation joined forces with KaBOOM!, a national nonprofit dedicated to giving all kids a childhood filled with balanced and active play. By the end of 2018, we will have built more than 60 community playgrounds, granted almost 50 Imagination Playgrounds or Rigamajigs, and impacted the lives of 300,000 children. Also, we are proud to be KaBOOM!'s first military partner.

Volunteer Team-Builders

The Volunteer Team-Builder Program allows teams of five or more associates to volunteer with nonprofits impacting their local community. After the event, the organization may be eligible to receive a donation in honor of our associates' efforts.

Matching Gifts

Do you or your family donate to or volunteer with a school, youth sports team, or other nonprofit? Our best-in-class Matching Gifts Program can likely double your impact up to \$10,000 per calendar year. Associates, their Spouses or Domestic Partners, and children are eligible to participate.

Board Service Donations

If you serve – or are interested in serving – on a nonprofit board, The CarMax Foundation offers a KMXU training course. In addition, you may request an annual donation be made to the nonprofit in your honor.

To request a matching gift or board service donation, or to submit a volunteer team-builder for approval, visit foundation.carmax.com and log in to our associate portal.

CarMax Cares Community Service Awards

Every year, associates are nominated by their peers for going above and beyond to help their local communities. Selected associates are honored with an award and the privilege of nominating an organization to receive a \$5,000 donation.

OUR MILITARY COMMITMENT

Many CarMax associates have asked what CarMax can do to support those who have served our country. CarMax is proud to provide community support and career opportunities to military members and their families.

In an effort to support the community, CarMax is partnering with Hiring Our Heroes and The Mission Continues. Hiring Our Heroes is a program of the U.S. Chamber of Commerce Foundation and helps veterans, service members, and military spouses find meaningful employment opportunities.

The Mission Continues is a nonprofit organization that empowers veterans to find new missions through community service. In addition, The CarMax Foundation is KaBOOM!'s first military partner, helping to bring play to military families.

We are also proud to have received recognition for our work to provide careers for many who have served our nation. We were designated as a 2017 Military Friendly® Employer by Victory Media.

We Proudly Hire Associates From Our Nation's Military

When looking into a CarMax career, you will see that we are founded on values equally important to service members, veterans, and military spouses: integrity, teamwork, respect, pride, and commitment to care for people first and always do the right thing.

Pay Differential for Active Duty

Associates on active duty may be eligible for differential pay during active duty service. CarMax managers work with associates and their schedules to accommodate military trainings throughout the year.

Job Protection

CarMax supports our service members while they're continuing to serve. We will work with you to understand your schedule and provide job protection to eligible associates while on leave for service.

EAP for Associates in the Military and Their Families

The CarMax EAP program includes resources for members of the military and their families, including support for family members while an associate is on active duty, legal issues, and more.

Benefits for Active Duty Associates

CarMax associates have the option to continue their benefits while on active duty, including:

- Medical
- Dental
- Vision
- Basic and Supplemental Life
- Retirement Savings Plan
- Employee Stock Purchase Plan

"The CarMax Foundation has allowed, even encouraged, me to get outside of my normal CarMax responsibilities and establish powerful relationships in our community."

— Travis, Senior Buyer, Des Moines

"We feel that we owe it to our veterans to do what we can to help them find meaningful career opportunities. They have exactly what we're looking for: they're disciplined and results-focused."

— Jack, Senior Recruiter, Home Office





“This is an honest, family-oriented, customer-caring company, and I see it lived out daily in every interaction with the customers. I see it lived out with everyone working together and supporting each other.”

— Barbara, Business Office Associate, San Antonio, TX

CONNECTIONS AT A GLANCE

Learn more about our Benefit programs on The CarMax World or online at

benefits.carmax.com.

Other policy information may be found on the CarMax Way.

MYKMXHR Service Center

(888) mykmxhr
(888) 695-6947
mykmxhr.com

Aetna Choice POS II Medical Plan

(866) 498-5004
aetna.com

Teladoc

(855) 835-2362
teladoc.com/aetna

CVS/caremark™

(855) 361-8564
caremark.com

Aetna Dental Plan

(866) 498-5004
aetna.com

EyeMed Vision Plan

(866) 723-0514
eyemedvisioncare.com
To locate a provider, indicate "Select" network

Aetna Employee Assistance Program (EAP)

(866) 498-5004
aetnaeap.com
Company ID and Password: MYKMXEAP

Retirement Savings Plan

T. Rowe Price
(800) 922-9945
rps.troweprice.com

Employee Stock Purchase Plan

Computershare
(866) 322-7629
www-us.computershare.com/employee

Pension Plan

MYKMXHR Service Center
(888) 695-6947, option 5
Email: pension@carmax.com

Stock Incentive Plan

e*Trade (options and awards)
(800) 838-0908
etrade.com

Weight Watchers

(800) 767-7178
mypowwr.com/downloads/carmax.pdf

Tobacco Cessation Program

Aetna Healthy Lifestyle Coaching
(866) 498-5004
(866) 213-0153
mylifevalues.com

CarMax Rewards

carmaxrewards.corporateperks.com/
login

Tuition Assistance

Wage Works/Edcor
(877) 924-3967
wageworks.com

Adoption Assistance

MYKMXHR Service Center
Email: benefits@carmax.com

Flexible Spending Accounts - HCFSA and DCSA

Wage Works (877) 924-3967
wageworks.com

CarMax Associate Disaster Relief Fund

(888) 508-3162
carmaxrelief.org
Email: CarMax@EmergencyAssistanceFdn.org

