

AUCTION POLICIES

GENERAL

All motor vehicle dealers (“Dealer(s)”) attending any CarMax auction agree to abide and be bound by these CarMax Auction Policies and CarMax’s Simulcast Terms and Conditions located at [https://kmaxaucteaststorage.blob.core.windows.net/xml-cms/assets/auctions-policies/Simulcast Terms and Conditions.html](https://kmaxaucteaststorage.blob.core.windows.net/xml-cms/assets/auctions-policies/Simulcast_Terms_and_Conditions.html), as may be in effect at the time of an auction, (“the Policies”). The Policies apply to all owners, partners, officers, employees, agents, and representatives (collectively referred to as “Authorized Agents”) of Dealer. The term “Dealer,” when used in the Policies, includes Authorized Agents. By registering, attending, bidding, and/or purchasing at any CarMax auction, Dealer accepts all terms and conditions contained in the Policies, including any subsequent amendments. The Policies will be provided to Dealer upon request and are available on carmaxauctions.com[®] and at all auction locations.

CarMax reserves the right, at its sole discretion, to interpret, apply, modify, or waive any and/or all terms and conditions in the Policies. A waiver by CarMax at any time shall not be deemed, implied, or interpreted to constitute a similar waiver at another time. If any portion of the Policies is determined by a court of competent jurisdiction to be null and void or unenforceable, such provision shall be deemed severed, and the remaining provisions shall remain in full force and effect.

This is a **DEALER-ONLY** auction. Dealer must be registered and approved by CarMax to attend. Dealer represents and warrants to CarMax the accuracy of all information contained in its Dealer Registration Application. All Dealers attending and conducting business at an auction must have reached the age of majority in the state where the auction occurs. All Dealers must be properly licensed with the state or country (for Dealers operating outside the United States) in which they do business. All purchases from CarMax are for re-sale only. Retail customers are not allowed. Any Dealer who attends with a retail customer will have his/her/its privileges revoked.

Authorized Agents must be identified in writing on the Dealer Registration Application, an Application to Add A Buyer form, or online registration via carmaxauctions.com[®]. Dealer agrees that each Authorized Agent is duly authorized to buy vehicles on Dealer’s behalf and to execute bills of sale, checks or drafts, and assignments of title binding on Dealer. Authorization shall continue in full force and effect unless and until terminated by Dealer on a form provided to Dealer by CarMax. Termination will not be effective until receipt of such form by CarMax. In consideration of CarMax permitting such Authorized Agents to act in such capacity, Dealer hereby guarantees all transactions made by each Authorized Agent.

Dealer must provide an acceptable form of identification (as determined by CarMax, in its sole discretion) and state-issued salesperson or buyer’s license (as required by law) at auction check-in. Auction bidder numbers are issued to Dealer at auction check-in. Bidder numbers are the property of CarMax and must be surrendered to CarMax upon request. Dealer acknowledges and agrees to accept full responsibility and liability for all uses of the bidder numbers issued and for payment of all purchases made with it. At all times, CarMax reserves the right to: (i) deny any person or Dealer admission to the auction; (ii) deny any person or Dealer the privilege to bid or purchase; (iii) refuse to accept or honor a gate pass; and/or (iv) revoke a gate pass.

CarMax Code of Business Conduct. Dealer acknowledges that CarMax associates are prohibited from (i) giving or accepting money or gifts in exchange for business or preferred treatment; (ii) giving gifts or entertainment exceeding nominal value to any Dealer or personally accepting gifts or entertainment exceeding nominal value from any Dealer; provided, however, that cash or cash equivalents (i.e. gift cards) may never be given or

personally received regardless of value; (iii) taking advantage of 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; and (iv) entering into relationships, agreements or transactions with any individual or business that creates or suggests an unethical practice or conflict of interest. Dealer shall report any known or suspected violations of this Section to its CarMax point of contact or to the CarMax Help Line at 1-866-569-8477 where they may do so anonymously. Dealer shall cooperate in any investigation involving a suspected violation of this Section.

Dealer consents to (a) receive marketing and transactional correspondence from CarMax by either fax or email and (b) receive calls or texts, including those placed by automatic telephone dialing systems and/or using prerecorded or artificial voices, at any number provided by Dealer.

Firearms of any kind are NOT permitted on CarMax property regardless of state concealed weapon laws. A Dealer in possession of a firearm on CarMax property will be denied admittance.

Dealer assumes any and all risks associated with attending auctions. CarMax shall have no liability for any claim, action, litigation, judgment, loss, penalty, injury, damage, suit, cost and/or expense (including legal fees), or any other liabilities of any other kind or character whatsoever (collectively, "Losses") arising out of, resulting from, or in any way related to Dealer's (i) attendance at a CarMax auction or (ii) presence at the CarMax facility or on the auction premises. Dealer shall indemnify, defend, protect, and hold harmless CarMax, its affiliates, subsidiaries, officers, directors, employees, and agents from and against any Losses arising out of, resulting from or related to, directly or indirectly, Dealer's and/or any of Dealer's Authorized Agents' or affiliates': (i) purchase of vehicles at a CarMax auction; (ii) breach of these Policies; and/or (iii) acts or omissions.

Any person caught tampering with a vehicle will be subject to immediate expulsion and suspension of auction privileges. CarMax reserves the right to review audio/video documentation to investigate suspected vehicle tampering.

Dealer has no right in or to CarMax's logos, trademarks, and/or trade names, and shall not use such without the prior written consent of CarMax.

VEHICLE PURCHASE

High bidder must sign the Wholesale Vehicle Purchase Agreement ("Bill of Sale") at the time of bid. The Bill of Sale must be signed by the Authorized Agent who successfully bids on the vehicle, not another Authorized Agent from the same Dealer. Dealer will follow Auctioneer's cadence on price. Any misunderstanding about price must be addressed at the drop of the Auctioneer's hammer (not following the sale of the vehicle). CarMax reserves the right to review any audio or video evidence to verify the accuracy of the sale.

PAYMENT

General: Full payment (cash, check, floorplan, wire/ACH transfer) must be made by close of business on the day after the sale (exceptions must be decided by the Auction Manager and/or Auction Accounting). Payments made under an ongoing ACH authorization will be processed the next business day after the sale unless the Dealer indicates another method of payment on the Bill of Sale. Method of payment is subject to CarMax's approval. Failure to pay for vehicle(s) within the stated time frame may result in suspension of auction privileges. If Dealer purchases multiple vehicles and one or more vehicles are purchased "Title Absent," Dealer may pay for these vehicles separately. If Dealer pays for multiple vehicles, including those purchased "Title Absent," with a single check, Dealer agrees that CarMax may present the

check for payment immediately upon receipt (see Check Acceptance Policy located in the Business Office). The maximum service charge allowable under applicable state law will be assessed on each returned check, in addition to any other rights and remedies CarMax may have. CarMax may also suspend Dealer's check writing privileges. Dealer consents and agrees that CarMax may collect on any returned check via ACH debit.

For each vehicle sale CarMax assesses a Buyer's Fee in addition to the sale price. The Buyer's Fee varies depending upon the CarMax auction location and the individual vehicle's sale price. CarMax also assesses an Administrative Fee for certain pay types (not applicable in Connecticut). Please contact a CarMax associate for additional information.

To the extent permitted by applicable law, Dealer waives any right it may have to order or request a stop payment on any check or ACH authorization given in payment for any vehicle(s) purchased from CarMax. If Dealer believes that it has the right to reject or to revoke acceptance of any vehicle, Dealer shall not order or request a stop payment on any check or ACH authorization, but rather shall follow the Refund/Return Policy as outlined below.

VEHICLE REMOVAL

At auctions where vehicles are driven through the auction lane, Dealers may NOT drive vehicles until the auction has concluded. Dealers may NOT drive vehicles that they do not own without the permission of the rightful owner.

Vehicles must be removed from CarMax property by close of business on the day after the sale (exceptions must be approved by the CarMax Auction Manager). If Dealer leaves any purchased vehicle(s) on CarMax property, any and all claims, demands, causes of action, at law or equity, or any other actions relating to the maintenance and condition of the vehicle(s) after purchase are waived. Failure to remove vehicle(s) within the stated time frame may result in suspension of auction privileges. **Vehicles left on CarMax property beyond 48 hours without consent are subject to removal at Dealer's expense.** All vehicles must have a proper gate pass prior to being removed. All vehicles departing are subject to trunk and interior inspections by auction officials and/or federal, state, and local law enforcement authorities.

REFUND/RETURN POLICY

ALL VEHICLES ARE SOLD AS-IS. CarMax will announce certain conditions as specified below. Dealer is obligated to listen/watch for condition announcements and to understand those condition announcements. Any and all refund/adjustment decisions will be made by the CarMax Purchasing Manager or Auction Manager in his/her sole and absolute discretion and shall be final. **This Refund/Return policy shall be the sole and exclusive remedy of Dealer and Authorized Agents. All other potential claims for damages, including, but not limited to incidental, consequential, and exemplary damages and lost profits are waived. REFUNDS WILL BE LIMITED TO THE TOTAL PURCHASE PRICE SHOWN ON THE BILL OF SALE.** CarMax will only accept return of a vehicle if it is in the same condition as when it was sold. CarMax may deny any request if the vehicle appears to have been tampered with by Dealer. CarMax reserves the right to investigate any and all vehicles prior to arbitration. If a refund is requested in connection with any arbitration, the Dealer must return the title to CarMax within 5 days of the approved arbitration (as applicable). No refund will be issued until CarMax receives the title from the dealer (if applicable). If Dealer fails to bring vehicle to an active CarMax auction location as indicated on www.carmaxauctions.com by the close of business of the day following the applicable arbitration period, then the arbitration will be voided. Dealer must initiate an arbitration in CarMax's online arbitration in-take form found at <https://auctions-arbitration-site.carmaxauctions.com/> if Dealer arbitrates a vehicle at an active CarMax auction location that is different from the selling CarMax auction location; otherwise, CarMax may void such

arbitration. If Dealer fails to return the title within 5 days of an approved arbitration (if applicable), then the arbitration will be voided.

CarMax will consider requests for refunds/returns or adjustments in the following circumstances only:

- 1) Dealer must request a refund/return or adjustment within seven (7) days of the applicable auction event for the following:
 - i) **Unannounced major transmission defects. At select CarMax Auction locations, CarMax will make the following announcements regarding major transmission defects: Transmission Slips/Shifts Hard; Transmission Not Engaging; Transmission Noise; and Clutch Needs Service.**
 - ii) **Unannounced major transfer case defects.**
 - iii) **Unannounced major engine defects. At select CarMax Auction locations, CarMax will make the following announcements regarding major engine defects: Upper Engine Defect (if due to a major engine defect); Lower Engine Defect (if due to a major engine defect); Head Gasket Defect; and Turbo Defect.**
 - iv) **Unannounced major differential defects.**
 - v) **Unannounced absence of factory-installed air conditioning.**
 - vi) **Logo/decals discrepancies.** Discrepancies between a vehicle's features or equipment as represented on the vehicle's decals or logos and those actually present on the vehicle.
 - vii) **Unannounced major mechanical convertible top defect.**
 - viii) **Unannounced electrical powertrain defects.**
 - ix) **Unannounced vehicle color change.** Vehicle has been completely repainted from original color.
 - x) **Unannounced vinyl vehicle wrap.** Vehicle is completely covered with a vinyl wrap.
 - xi) **Unannounced major sunroof defect.**
 - xii) **Unannounced major air ride suspension defect.**
 - xiii) **Unannounced missing or physically damaged factory navigation or entertainment systems. Inoperable devices without physical damage are not eligible for arbitration.**
 - xiv) **Unannounced missing seats.**
 - xv) **Unannounced excessive water intrusion due to inoperable sunroof and/or windows.**

- xvi) **Unannounced structural damage.** Vehicles with frame/structural damage as defined by the NAAA will be announced as “structural damage” or “structural alterations.” Vehicles with frame rust perforation will be announced as “structural damage-perforated rust.”
- xvii) **Unannounced flood damage.** Vehicles with flood damage or flood damage history as defined by the NAAA will be announced as “flood” or “possible flood.”
- xviii) **Unannounced voided manufacturer warranties, manufacturer buy backs, previous municipal and government vehicles, taxis/ limousines, rental vehicles, fleet vehicles, police vehicles, driver’s education vehicles, Canadian, and Grey Market vehicles. Applies to vehicles with any of the preceding history or any other unannounced vehicle disclosures required by specific state law.**
- xix) **Unannounced missing catalytic converters. Absence of catalytic converter(s) on any vehicle originally equipped with such equipment.**
- xx) **Unannounced missing and/or currently deployed air bags.**

No refunds/adjustments will be given for 1) mechanical defects of any kind or 2) absent or missing keys if a vehicle does not run, is disclosed as a non-runner, or is pushed through the auction and sold without representation.

2) **Failure to deliver title. Receipt of title is guaranteed within 30 days (or the maximum allowable under applicable state law, if any) for those vehicles purchased “Title Absent.”** The only remedy under this guarantee will be a refund of the total purchase price shown on the Bill of Sale. In order to return a vehicle, Dealer must notify the CarMax Business Office Manager or the Auction Manager at the location where the vehicle was purchased before the title is received by CarMax. If the title is received by CarMax before Dealer provides notice, the sale will not be cancelled. In the event Dealer requests that CarMax provide a replacement title, Dealer will be responsible for covering the costs of all fees associated with obtaining the replacement title. **For vehicles announced as “Title Absent,” CarMax shall deduct \$0.50 per mile driven over 300 miles as indicated by the applicable wholesale motor vehicle purchase agreement if such vehicle is arbitrated.**

3) **Unannounced brands or title errors.** Unannounced title brands (i.e., existing Salvage or Not Actual Miles brands) and/or title errors must be reported to the CarMax Business Office Manager or the Auction Manager within seven (7) days of receipt of title. All vehicles sold with a “clean, non-branded” title will be guaranteed against any brand noted on any prior certificate of title for a period of four (4) years from the date of sale. The refund shall be reduced by 2% per month from the purchase price showing on the Bill of Sale. This guarantee shall expire after 48 months from the date of sale. Dealer agrees to provide CarMax with a reasonable period of time to resolve any title error/issue before demanding a refund.

4) **Unannounced salvage, total loss and theft vehicles without brands.** Vehicles with known salvage, total loss, or theft recovery history without title brands will be announced as such. Dealer has 90 days from the date of sale to report unannounced salvage, total loss, or theft recovery history to the CarMax Purchasing Manager or Auction Manager. Supporting documentation must be provided.

5) **Unannounced odometer discrepancies/broken odometers.** Dealer is required, prior to settlement, to verify the odometer reading on the Bill of Sale against the odometer reading on the vehicle. Unannounced replacement odometers that are indicated by an odometer replacement sticker, odometer discrepancies between the Bill of Sale and the odometer reading, and/or unannounced broken/inoperable odometers must be brought to the CarMax Purchasing Manager's or Auction Manager's attention before the vehicle leaves the premises. If Dealer discovers an unannounced replacement odometer after leaving the premises, Dealer must provide documentation other than an odometer replacement sticker within thirty (30) days from the date of sale. Refund shall not exceed the total purchase price of the vehicle shown on the Bill of Sale. Grey Market vehicles and Canadian vehicles that have been properly converted to display mileage and were announced as Grey Market or Canadian vehicles will not be considered odometer discrepancies. No vehicle will be considered for return due to odometer discrepancies or inoperable or broken odometers if designated "Exempt," "NAM," "Not Actual Miles," "Exceeds Mechanical Limits," "EML," and/or "Odometer Inop" on the odometer disclosure, marketing materials, run list, title reassignment, and/or Bill of Sale. These announcements indicate to the Dealer that there is either (a) a known issue with the odometer reading or (b) no obligation for CarMax to disclose mileage because of a vehicle's age or class, or (c) a third-party Electronic Vehicle Data Histories ("EVDH") report of a mileage issue that is unsupported by physical inspection, title history, and/or customer disclosure.

6) **VIN discrepancies/OBD systems.** Dealer is required, prior to settlement, to verify the VIN on the Bill of Sale against the VIN on the vehicle. Any discrepancies must be brought to the CarMax Purchasing Manager's or Auction Manager's attention before the vehicle leaves the premises. Vehicles with VIN discrepancies between the VIN plates and the vehicle's OBD system and/or vehicles where law enforcement confirmed that the vehicle was reported as stolen (and subsequently not recovered) before the date of auction are eligible for refund provided that law enforcement has impounded the vehicle and that Dealer reports the discrepancy and/or stolen vehicle status to the CarMax Purchasing Manager or Auction Manager within seven (7) days of discovery and within four (4) years of the date of sale. Dealer must provide information sufficient to CarMax to support this claim.

NOTE: EVDH (i.e., Carfax, AutoCheck, NMVTIS, NICB, etc.) will not be considered as the sole means of resolution for any of the above. Information provided by these reports must be resolved by the Dealer through the EVDH supplier.

Requests for refunds will not be considered for any other reason, including, without limitation:

- 1) Dash warning lights of any kind;
- 2) Battery failure on hybrid and/or electric vehicles;
- 3) Visible defects, including suspension defects;
- 4) Noises or conditions that are related to general maintenance and wearable items;
- 5) Mechanical problems or defects in or damage to the vehicle of any kind (such as missing or inoperative safety equipment) other than as expressly and specifically listed above; and
- 6) Announced mechanical and/or structural issues or defects.
- 7) Unannounced state or local government/DMV taxes or fees due for the vehicle that are under \$100. Unannounced state or local government/DMV taxes or fees due for the vehicle that are greater than or equal to \$100 must be arbitrated within 30 days of the sale of the

vehicle.

- 8) Missing additional keys. CarMax guarantees one set of keys for each vehicle, excluding vehicles announced as non-runners.
- 9) CarMax Logistics Services. Arbitration timeframes for any vehicle transported from a CarMax auction location using CarMax's logistics services shall run to the later of the applicable arbitration timeframe stated above or 48 hours following the delivery time on the vehicle's bill of lading. Dealer must book CarMax's logistics service by close of business on the day after sale to receive the arbitration extension provided in this sub-section. For a vehicle arbitrated under this section, Dealer must bring vehicle to an active CarMax auction location as indicated on www.carmaxauctions.com by the later of the close of business of the day following the applicable arbitration period or by close of business two business days after such vehicle is delivered; otherwise, the the arbitration will be voided.

All announcements and/or descriptions of any vehicle, express or implied, are based on CarMax's actual knowledge of the vehicle. CarMax assumes no duty to inspect or investigate the condition of any vehicle. CarMax assumes no responsibility to investigate, disclose, or implement manufacturer recalls. Dealer agrees that it will conduct all inspections or investigations of the vehicle desired by it prior to the vehicle leaving the premises. Dealer agrees to remove all non-manufacturer logos, insignias, and advertising before re-selling any vehicle. Except as specifically provided for above, Dealer must notify CarMax of any unsatisfactory conditions or defects in the vehicle it purchased prior to the vehicle leaving the premises.

For more information go to carmaxauctions.com[®]

Certain vehicles may have unrepaired safety recalls. Check for unrepaired safety recalls at <https://www.nhtsa.gov/recalls>.