CARMAX, INC.

CORPORATE GOVERNANCE GUIDELINES

As amended and restated by the Board of Directors on January 29, 2019

These Corporate Governance Guidelines (the "Guidelines") have been adopted by the Board of Directors (the "Board") of CarMax, Inc. ("CarMax" or the "Company"), pursuant to the recommendation of the Nominating and Governance Committee. These Guidelines provide a framework for the governance of CarMax in conjunction with (and subject to) the requirements of state and federal law, the New York Stock Exchange (the "NYSE") and the CarMax Articles of Incorporation and Bylaws. These Guidelines may be amended from time to time by the Board.

1. ROLE OF DIRECTORS

The primary responsibility of the directors of the Company is to oversee the business and affairs of CarMax. The Board agrees that day-to-day operations of the Company are the responsibility of management and that the role of the Board is to oversee management's performance of that function. In connection with its oversight function, the Board reviews the Company's (i) strategic plan periodically as part of the Company's long-range planning process, (ii) annual operating plan and budget, and (iii) annual capital expenditure plan and budget. Important oversight functions are assigned to the following committees of the Board, each of which exercises its responsibilities under a written charter: Audit; Compensation and Personnel; and Nominating and Governance. Individual directors are required to discharge their responsibilities as directors and as committee members in accordance with their good faith business judgment of the best interests of the Company. In discharging that obligation, directors shall be entitled to have the Company purchase reasonable directors and officers liability insurance on their behalf and to the benefits of indemnification to the fullest extent permitted by law, the Company's Articles of Incorporation and Bylaws and any indemnification agreements. In addition, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants and advisors.

2. BOARD MEMBERSHIP

a. **Composition of the Board.** Upon recommendation by the Nominating and Governance Committee, the Board (1) annually makes determinations regarding the independence of each director and (2) approves director nominees for election at the Company's annual meeting of shareholders. Directors and director nominees are responsible for disclosing to the Board all relationships with the Company that should be taken into account in making the independence determination and any changes in those relationships. An "independent" director shall be one who meets the qualification requirements for being an independent director under the listing standards of the NYSE. A majority of the directors serving on the Board shall be independent directors. All members of the Audit Committee, Compensation and Personnel Committee, and Nominating and Governance Committee shall be independent directors.

b. **Transactions with Independent Directors; Conflicts of Interest.** The Company may not enter into any relationship with any independent director (whether directly or with an organization of which such director is a partner, shareholder or officer) that would be material to the Board's determination of such director's independence without disclosure to, and prior approval by, the Board. Directors must promptly disclose to the Company's Chief Executive Officer (the "CEO") any actual or potential conflicts of interests. In addition, a director must disclose to the Board or any committee, as appropriate, any interest that may affect the objectivity of such director in connection with the matter under consideration and must recuse himself/herself from any such discussion or decision in which he/she has a conflict of interest.

c. **Other Public Company Directorships.** Non-management directors shall notify the Chair of the Nominating and Governance Committee in advance of accepting an invitation to join another public company board. Without specific approval from the Board, non-management directors shall serve on no more than five public company boards (including CarMax), and members of management serving on CarMax's Board shall serve on no more than one other public company board. Without specific approval from the Board, non-management directors who also serve as chief executive officers or in equivalent positions at other companies shall not serve on more than two boards of public companies in addition to the CarMax Board. No member of the Audit Committee shall serve on more than three public company audit committees (including CarMax).

d. **Selection of New Directors; Board Composition.** The Nominating and Governance Committee is responsible for identifying individuals qualified to become members of the Board. Candidates (i) shall be individuals who possess the highest personal and professional ethics as well as significant experience or skills that will benefit the Company, (ii) shall be free of any conflicts of interest that would interfere with their ability to discharge their duties or would violate any applicable law or regulation, and (iii) shall be capable of devoting the necessary time to discharge their duties and shall have the desire to represent the interests of all shareholders. When searching for new Board members, the Nominating and Governance Committee will consider candidates with diversity of experience and background, including ethnic and gender diversity. The Nominating and Governance Committee is responsible for recommending to the Board any changes to the size of the Board, assessing the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board, and considering principles to be applied in filling vacancies and planning for Board member succession. The Nominating and Governance Committee strives to ensure that the Board reflects a diversity of experience and background, including ethnic and gender diversity.

e. **Director Nominations.** The Nominating and Governance Committee recommends for Board approval the nominees for directors to be elected by the shareholders at the Company's annual meeting of shareholders. The Nominating and Governance Committee also considers and makes recommendations to the Board regarding shareholder nominations for directors that are submitted in accordance with the Company's Bylaws and applicable law.

f. **Director Elections.** In accordance with the Company's Bylaws, unless the number of nominees exceeds the number of directors to be elected at any meeting of the shareholders, a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board. The Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board may nominate for election as director only candidates who agree to tender an irrevocable resignation that will be effective upon failure of the nominee to receive the required vote and the Board's acceptance of such resignation. In addition, the Board may fill director vacancies and new directorships only with candidates who tender, in connection with their appointment to the Board, the same form of resignation tendered by other directors in accordance with this Corporate Governance Guideline.

If an incumbent director fails to receive the required vote for re-election, then, within 90 days following certification of the shareholder vote, the Board of Directors will act to determine whether to accept the director's resignation. In determining whether to accept the offered resignation, the Board of Directors shall consider any recommendation of the Nominating and Governance

Committee or any committee responsible for the nomination of directors, the factors considered by that committee and any additional information and factors that the Board of Directors believes to be relevant.

Any director who tenders his or her resignation pursuant to this provision shall not participate in the Nominating and Governance Committee recommendation or Board action regarding whether to accept that director's resignation offer.

Thereafter, the Board will promptly disclose its decision regarding whether to accept the director's resignation offer (or the reason(s) for rejecting the resignation offer, if applicable) in a Form 8-K furnished to, or filed with, the Securities and Exchange Commission.

g. **Director Tenure.** The Nominating and Governance Committee considers the participation and contribution of incumbent directors in determining whether to recommend their renomination to the Board. Non-employee directors shall not stand for reelection after reaching age 76. The Board may, at its discretion, waive the age limitation, and any such waiver shall be reviewed by the Board annually. Notwithstanding the foregoing, any director who serves on the board as of June 24, 2014, and has attained age 73 as of that date, shall be eligible to stand for election for three more one-year terms.

h. **Retirement of Management Directors.** A management director of the Company serving as a member of the Board shall tender his or her resignation as a director at the time he or she ceases to be an officer of CarMax as a result of his/her retirement or any other change in status. The Board, upon recommendation of the Nominating and Governance Committee, may decide not to accept the tendered resignation if it determines that the director's continued service on the Board is in the Company's best interests, and the Board will make its independence determination with respect to such director in accordance with Section 2(a) above.

i. **Change in Employment Responsibility.** A non-management director who has a substantial change in principal employment or responsibility shall tender his or her resignation as a director. The Board, upon recommendation of the Nominating and Governance Committee, may decide not to accept the tendered resignation if it determines that the director's continued service on the Board is in the Company's best interests.

j. **Selection of Chair of the Board and Chief Executive Officer.** The Company's Bylaws provide for the designation of both a Chair of the Board and a CEO of the Company. The Board has no fixed policy as to whether the roles of Chair and CEO should be separate and remains free to make this choice in the manner it judges most appropriate for the Company. In the event that the CEO also serves as Chair, or the Chair is otherwise not independent, the Board will appoint a Lead Independent Director to serve in accordance with the Company's Lead Independent Director Job Description. The Chair of the Board shall be elected annually by the Board.

3. BOARD OPERATIONS AND MEETINGS

a. **Attendance at Meetings and Frequency of Meetings.** The Board generally will meet at least four times each year and one such meeting shall be in conjunction with the annual meeting of shareholders. The Board believes that the specific number of Board meetings may vary with circumstances and that special meetings shall be called as appropriate. The non-management directors of the Company shall meet in executive session at each regularly scheduled Board meeting. The independent directors shall meet in executive session at each regularly scheduled Board meeting if there are non-management directors who are not independent. Directors are expected to attend meetings of the Board and of committees of which they are members. When necessary, directors may attend meetings telephonically. Directors are responsible for devoting adequate time to preparation for participation in the meetings, including review of materials provided to them in advance of each meeting.

b. **Annual Meeting of Shareholders.** Directors are expected to attend the annual meeting of shareholders.

c. **Board Materials Distributed in Advance.** Whenever feasible and appropriate, information that is important to the Board's understanding of matters to be discussed at an upcoming Board or committee meeting shall be distributed in writing in advance of each meeting.

d. **Board's Interaction with Management.** Routine day-to-day operation of the Company is the responsibility of management, led by the CEO. Management is generally responsible for communication between the Company and its constituencies, including shareholders, employees, customers, suppliers, the financial community, governmental authorities and the communities in which the Company operates. Management also has responsibility for properly informing the Board of the status of the Company's operations and business so that the Board may effectively exercise its oversight functions.

e. **Access to Employees.** The Board and its committees consult from time to time with the CEO to identify members of management who should regularly attend, or periodically present reports to, the Board and its committees. Directors may also initiate individual contacts with members of management and other employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Company's Corporate Secretary or directly by the director. In any case, directors are expected to use their judgment to ensure that any such contacts are not disruptive to the operation of the Company.

f. **Access to Independent Advisors.** The Board and each of its committees is authorized to engage independent legal, accounting and other advisors and shall have the power to hire and fire such independent legal, accounting or other advisors as they may deem necessary, without consulting or obtaining the approval of senior management of the Company in advance. The fees and expenses of any such advisors will be paid by the Company.

g. **Confidentiality.** The proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her services as a director.

h. **Communication with Non-Management Directors.** The Board will establish methods by which interested parties may communicate with directors and disclose such methods.

i. **Assessing the Board's Performance.** On an annual basis, the Board shall evaluate its own performance, soliciting input from all members of the Board and, as appropriate, from management of the Company, and, as led by the Nominating and Governance Committee, review the results of the evaluation with the Board. Additionally, each of the Audit, Compensation and Personnel, and Nominating and Governance Committees evaluates its performance on an annual basis, and provides a report on the results to the full Board.

4. BOARD COMMITTEES

a. **Standing Committees.** The Board has established three standing committees to which it has assigned substantive duties. These are the Audit Committee, the Compensation and Personnel Committee, and the Nominating and Governance Committee. Each committee shall have its own written charter that shall comply with the applicable NYSE governance rules, and other applicable laws, rules and regulations. The Board may also establish or maintain additional committees.

b. **Assignment and Rotation of Committee Members.** The Nominating and Governance Committee shall recommend to the full Board for approval all committee member assignments, including designations of the chairs of the committees. Consideration will be given to rotating committee members and committee chairs periodically, but the Board does not believe that rotation should be mandated as a policy as an individual director's continued membership on a given committee or an individual's continued leadership as a committee chair may be in the best interests of the Company.

5. COMPENSATION OF DIRECTORS

a. **Director Compensation.** The Compensation and Personnel Committee reviews and recommends to the full Board the compensation to be paid to non-management directors. In its review and recommendation, the Compensation and Personnel Committee considers (i) maintenance of the independent status of independent directors, (ii) customary compensation for non-management directors at similarly situated companies, and (iii) use of the compensation program to align the interests of Board members with shareholders. Independent directors may not receive any additional compensation from the Company without prior disclosure to, and approval by, the Board. This restriction includes, but is not limited to: consulting or other employment contracts with a director; providing goods or services to a director on terms and conditions more favorable than those usually provided to customers or employees of the Company; charitable contributions to an organization of which the director is an officer or employee; political contributions for the director's benefit; or similar arrangements for the benefit of members of a director's family. Directors who are employees of the Company do not receive separate compensation for their service as a director.

b. **Stock Ownership by Directors.** The Board considers ownership of CarMax stock by directors to be important to align the interests of the directors with CarMax shareholders. Accordingly, it is a policy of the Board that, no later than five years after joining the Board, all directors shall attain minimum stock ownership of five (5) times the annual cash retainer for directors. Directors shall continue to meet this ownership requirement so long as they serve as a director.

Compliance with these guidelines shall be measured on an annual basis as of the last trading day of each fiscal year. Once a director achieves compliance with these guidelines, the director shall be deemed in compliance on a going-forward basis, so long as the director has not at any time sold shares of CarMax common stock that results in the director's noncompliance with these guidelines immediately following the sale.

In determining compliance with the share ownership requirements, the following forms of equity shall be counted: (1) all shares of common stock owned outright; (2) all shares of common stock owned outright and held by immediate family members; (3) all stock options (for the purposes of these guidelines, the value of each stock option shall be the excess of the market price of the underlying stock over the exercise price of the option); (4) all unvested shares of restricted stock; (5)

all unvested, stock-settled market stock units ("MSUs") (for purposes of these guidelines, the value of each MSU shall be calculated by multiplying the number of MSUs awarded on the grant date by the market price of the underlying stock); and (6) all stock-settled restricted stock units ("RSUs"), whether vested or unvested, (for purposes of these guidelines, the value of each RSU shall be calculated by multiplying the number of RSUs awarded on the grant date by the market price of the underlying stock). Directors who are not in compliance with the share ownership requirement as of each measurement date shall retain all Company common stock received from CarMax (a) as a direct stock grant, (b) upon the vesting of restricted stock grants (net of applicable taxes), (c) upon vesting of MSUs (net of applicable taxes), (d) upon payment of RSUs (net of applicable taxes), and (e) upon the exercise of stock options (net of applicable taxes and the purchase price of the stock options). Upon the director's satisfaction of the share ownership requirement, these retention conditions shall no longer apply.

Management directors are required to maintain the equity ownership consistent with the Company's Executive Stock Ownership Guidelines.

6. MANAGEMENT DEVELOPMENT, COMPENSATION AND SUCCESSION

a. **Evaluation of the Chief Executive Officer.** In accordance with its charter, the Compensation and Personnel Committee annually reviews and approves corporate goals and objectives relevant to the CEO's compensation, and evaluates his or her performance in light of these goals and objectives. The Compensation and Personnel Committee shall solicit feedback from the Chair (as appropriate) and the Lead Independent Director regarding goals and objectives relevant to the CEO's compensation. The Compensation and Personnel Committee shall solicit feedback from independent directors as a part of evaluating the CEO's performance and shall discuss the results of its evaluation of the CEO with the independent directors in executive session. Based on this evaluation and discussion, the Compensation and Personnel Committee approves the salary, bonus and other incentive and equity compensation to the CEO and reviews the results of the evaluation with the CEO. The Chair, if independent, and the Lead Independent Director, may participate in this review.

b. **Compensation of Executive Officers.** The Compensation and Personnel Committee approves the compensation for the Company's officers. Before approving salary, bonus and other incentive and equity compensation for executive officers other than the CEO, the Compensation and Personnel Committee will meet with the CEO to review his or her evaluations of the performance of the Company's executive officers and his or her corresponding compensation recommendations.

c. **Succession Planning.** The Compensation and Personnel Committee reviews the succession planning with respect to the CEO and other senior management positions. As part of this responsibility and with input from the CEO, the Compensation and Personnel Committee will review periodically (a) candidates to assume the position of CEO and other senior management positions, including succession planning for the CEO in the event of an emergency, death, or resignation, and (b) the development and/or recruitment plans for internal and external candidates for such positions. The results of these reviews shall be reported to the Board, which shall have ultimate responsibility for the selection of the CEO and oversight responsibility for senior management succession planning.

7. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

a. **Director Orientation.** Upon joining the Board, each new director is provided with basic information concerning CarMax. Further, each non-management director, within three months of election to the Board, shall spend a day at the CarMax corporate headquarters for a personal briefing by senior management to acquaint him or her with the Company's financial profile, strategic plans, management organization, compliance programs and corporate policies. The new director's orientation may also include a visit to one or more of the Company's auto superstores. Management is responsible for regularly providing non-management directors with sufficient and timely information to permit them to perform their oversight functions and to understand the Company's strategic alternatives, financial position and the risks and opportunities inherent in its operations. Agenda materials for Board and committee meetings and management presentations to the meetings are used to fulfill this responsibility, in conjunction with regular distribution to Board members of reports and information about the Company.

b. **Continuing Education.** The Company encourages all directors to take continuing education seminars that will enhance their ability to fulfill their Board responsibilities. In order to assist directors in this effort, the Company shall, from time to time, present directors with (i) internally-developed materials and presentations and (ii) programs presented by third parties. In addition, the Company shall provide financial and administrative support for attendance at director education seminars. Directors are encouraged to attend at least one such seminar every two years. The Company shall pay reasonable expenses of attendance for each seminar. Committee chairs are encouraged to attend a second director education seminar primarily focused on the requirements, responsibilities and activities of their respective committee. In addition to attending seminars, directors are encouraged to participate in other forms of continuing education, including webinars.

8. CODE OF BUSINESS CONDUCT

The Company has adopted a Code of Business Conduct applicable to officers, directors and employees of the Company and its subsidiaries, covering such matters as conflicts of interest, insider trading, handling of confidential information, compliance with laws and protection and proper use of corporate assets, which shall be reviewed annually by the Board. Any waiver of the Code of Business Conduct for an executive officer or director must be made by the Audit Committee and must be promptly disclosed to shareholders.

9. PUBLICATION

These Guidelines, along with the Code of Business Conduct and each committee charter, shall be published by the Company in appropriate print and electronic formats.

Effective as of January 29, 2019