



Dear Prospective Carrier:

Thank you for expressing interest in transporting cars for CarMax Auto Superstores. As you may already know, we are a rapidly growing company and as a result have many transportation-related needs. A partnership with CarMax provides enormous benefits to carriers, but those carriers are held to strict service standards.

Enclosed you will find a carrier selection and evaluation process, which is demanding but also objective and fair. Please review thoroughly and determine your level of interest and preparedness for doing business with us. If you determine that your organization is able to meet or exceed our requirements and is willing to abide by all of our policies, please forward the required documentation to:

By Mail:

CarMax Transportation
12800 Tuckahoe Creek Parkway
Richmond, VA 23238

By Fax:

804-935-4550

Upon receipt of your application, our review process may take 2-3 weeks to determination if your organization is a fit for CarMax. You will receive confirmation that your application has been received and you will also receive communications on whether or not your organization has been added to our Approved Carrier list.

If you have questions about this process, please feel free to contact us at our toll free transportation line: 800-520-2344. We sincerely appreciate your interest and are hopeful we can establish a mutually beneficial working relationship.

Respectfully,

CarMax Transportation

CARMAX NEW CARRIER QUALIFICATION PACKET
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SECTION I - CARRIER PREREQUISITIES

OPERATING AUTHORITY & SCOPE:

All carriers must provide a copy of operating authority (ICC or DOT) and scope of operations statement. Carriers must also submit a completed Taxpayer Identification Number and Certification (form W-9) and a New Carrier Data Sheet (see attachment). A listing of current customer references is highly encouraged.

INSURANCE MINIMUMS:

Liability insurance - \$750,000 minimum.

Cargo insurance - \$200,000 minimum with the following two exceptions:

1. One- to Four-car carriers must have a minimum of \$75,000 cargo insurance.
2. High-line carriers must have a minimum of \$300,000 cargo insurance.

Worker's Compensation – Statutory.

All carriers must include CarMax as a certificate holder on all insurance policies and provide policy copies indicating such. It is the responsibility of the carrier to provide updated copies of their certificates.

SAFETY RATING:

All carriers must have a DOT rating of "Satisfactory". CarMax will conduct periodic audits to ensure that carriers have an acceptable rating.

REAL TIME TRACKING:

All carriers must have real-time load tracking and communication capability. Carriers must have the ability to respond to load status requests within a two-hour window.

RATES:

CarMax pays equitable rates for all lanes traveled. We monitor lanes closely to determine when rate adjustments need to be made. We will post available loads to approved carriers with vehicle descriptions, scheduled ETA's, and the approved rate. The first carrier to commit will receive the dispatch. A commitment to a dispatch means the carrier agrees to move all related vehicles at the stated rate and will deliver on or before the stated ETA. Approved carriers also are assigned transportation on-site at auctions they choose to attend. All rates are subject to change.

POINT OF CONTACT:

Every carrier must assign a point-of-contact to CarMax for all related issues, including dispatching, invoicing, and claims. All contact information must include appropriate phone numbers, fax numbers and email addresses.

SECTION II - CARRIER SERVICE REQUIREMENTS

This document provides service requirements for carriers transporting vehicles on behalf of CarMax. All procedures must be strictly adhered to with emphasis on safety and security.

DAMAGE:

The safe transport of our vehicles is the most important aspect of our transportation needs. All carriers are expected to receive, load, and deliver all of our vehicles with the utmost care and consideration. In the event a vehicle is damaged while under the liability of a carrier, that carrier is to notify the delivering store location and the Corporate Dispatch Team immediately. Additionally, we fully expect that carrier to accept responsibility for damages and reimburse CarMax for the entire loss. We will discontinue using a carrier if, over time, we determine excessive damage is occurring. Additionally, if we determine a carrier is operating with unsafe equipment, we will discontinue using that carrier.

DELIVERY SERVICE:

All carriers must meet their scheduled pickup and delivery dates. When receiving a load from a CarMax representative, every carrier will be given a reasonable scheduled pickup and delivery date. If, for any reason, a driver experiences delays that will result in missing one of these dates, CarMax Corporate Transportation must be notified as soon as possible. Carriers must call **800-520-2344, option 1** or email us at **transportation@carmax.com**. If the call is made outside normal business hours, the carrier must leave a detailed message. Carrier performance with respect to meeting scheduled pickup and delivery dates will be monitored corporately. Consistently missing scheduled pickup and delivery dates will result in CarMax discontinuing use of that carrier.

COMPETITIVE RATES:

While our carrier selection process is not driven by price, we must receive competitive rates to all points of operation. We inform carriers of approved rates for each lane we travel when posting available freight. Carriers can not add additional rules tariffs and/or accessorial charges to the quoted rate for any reason. The approved rate will again be stated on our printed confirmation notice when a dispatch is assigned.

SECTION II - CARRIER SERVICE REQUIREMENTS (cont.)

PROFESSIONAL BEHAVIOR:

CarMax is committed to treating all approved carriers with respect and conducting business in a professional manner. We expect our approved carriers to act in a similar manner. Inappropriate and unprofessional behavior directed toward any Carmax employee, customer, or other carrier is unacceptable. Such behaviors are subject to immediate removal from our approved carrier list.

BILLING INFORMATION:

All transportation invoices are processed by our third-party freight payment provider, Cass Information Systems. Once a carrier has been added to the CarMax approved carrier group, that carrier will receive complete instructions prior to invoice processing. All carrier billing inquiries are handled by Cass. See *Section VI* of this document for additional billing instructions.

PICK UP AND DELIVERY HOURS:

All deliveries must be made during the store location's receiving hours. The CarMax associate assigning the dispatch will inform the carrier of current hours for the receiving location. Pick up of vehicles from a CarMax location must also be performed during regular receiving business hours. Receiving hours for all store locations can also be accessed through carmaxtransportation.com. Failure to comply with a store location's posted receiving hours will result in your removal from our approved carrier list.

Pick up of auction vehicles must be performed in accordance with the respective auction's procedures. Vehicles may not be picked up or delivered after posted hours to CarMax unless **prior** approval has been granted by the receiving location's Purchasing Manager. Failure to comply with a store location's posted receiving hours will result in your removal our approved carrier list.

COMPLETED DELIVERIES:

All deliveries must be received by a member of the inventory staff. Carriers must identify themselves and locate an associate to visually inspect and take receipt of vehicles as they are off-loaded. Receiving associates will make any necessary exception notice(s) on the bill of lading and submit to driver for signature. Vehicles are not be left unsecured or located in unapproved locations.

All deliveries must be made to the correct receiving location. CarMax locations are not interchangeable. Carriers will not be paid for attempted deliveries to the incorrect receiving location.

CARRIER COMMITMENT:

When accepting a dispatch from CarMax, a carrier is required to complete the dispatch in its entirety. For example: If a carrier can load eight of the dispatched nine vehicles on one truck, that carrier must provide transport for the remaining vehicle, and it must be done immediately. It is only acceptable to leave our assets if we provide direction to do so. Failure to adhere to this policy will result in CarMax discontinuing use of that carrier.

SECTION III - CARRIER SELECTION AND PERFORMANCE
EVALUATION CRITERIA

SELECTION CRITERIA:

- Financial condition
- DOT ratings
- Equipment availability
- Equipment offerings
- Management involvement
- Flexibility and commitment to CarMax

PERFORMANCE EVALUATION CRITERIA:

- Damage ratio/freight claim processing
- Financial condition
- On time pick up and delivery performance
- Customer service
- Equipment availability
- Equipment offerings
- Management involvement
- Billing accuracy

SECTION IV - DISPATCH PROCESS

The number of vehicles CarMax needs transported from auctions and between stores continues to increase as we add new store locations. In order for our approved carriers to have the best opportunity to request and receive vehicles, here are some important items to remember:

VEHICLES FROM AUCTIONS/LOCAL MOVES

- Contact the Store's Purchasing Department directly to request vehicles. If you need contact names and phone numbers for a specific store location, please contact the Corporate Dispatch Team at 800-520-2344, option 1. The Corporate Dispatch Team can also provide you with the rates paid on specific lanes.
- A store location's Buyers may assign transportation to approved carriers when on-site at auctions they are attending.
- Store locations will tender and dispatch local transfers only. You must contact the Corporate Dispatch Team to request non-local transfers.

TRANSFERS BETWEEN STORE LOCATIONS

- Use the carmaxtransportation.com website to view available vehicles. The website provides the quickest access to available vehicles because it's updated twice daily (approximately 9:00am and 2:00pm, Monday - Friday).
- To request vehicles, send an email to the Corporate Dispatch Team at transportation@carmax.com. Emails must include your name and company, the requested vehicles and their scheduled pickup and delivery dates. Emails directed to this address are viewed by the entire Dispatch Team. This is the preferred method for requesting vehicles
- If you need to contact us by phone, only use the CarMax Dispatch line (800-520-2344, option 1). Due to high call volumes, you will probably reach our voicemail system. Please leave a clear, understandable message that includes your name and company, the requested vehicles and their scheduled pickup and delivery dates.

Note: If you receive our voicemail system, do not hang up then repeatedly call back in the hope of reaching a member of the Dispatch Team. This practice unnecessarily increases call volumes and wastes everyone's time.

- We will reply to email and voicemail vehicle requests in a timely manner. Please understand that during certain times of the day, an immediate response is not likely. If you don't receive a reply after 60 minutes, please feel free to contact us again.

SECTION V - CARRIER EVALUATION CARD

After each delivery is completed, CarMax will complete an evaluation card detailing carrier performance. Completed evaluations will be collected corporately and a history profile for each carrier will be developed. Each carrier will be compared to overall average to determine level of service. If CarMax determines a carrier's performance is below acceptable standards, results will be reviewed with that carrier. Continued sub-standard performance will result in CarMax discontinuing use of that carrier.

Areas of concentration for this evaluation include:

- ETA performance
- Damage ratio
- Thorough bill of lading
- Customer service

CarMax will review evaluation results with all carriers on a periodic basis, and no carrier will be removed from our approved list prior to review of performance history. As our business evolves, the areas we focus on for this evaluation may change. In that event, every carrier will be notified prior to implementation.

SECTION VI - CARRIER BILLING INSTRUCTIONS

In order to insure accurate and timely payment to our carriers, CarMax has entered into a partnership with a freight payables contractor, Cass Information Systems. Unless a carrier is directed by CarMax to do otherwise, all transportation invoices must be sent to Cass for processing. Invoices submitted to any CarMax location will be returned to the carrier.

Cass has received specific instructions from CarMax regarding invoice processing. Before Cass issues payment to a carrier the following requirements must be met:

- Every submittal must include an invoice (see attached sample invoice) and a completed bill of lading. Invoices must clearly indicate your company's name, street address, city, state, and zip code. Completed bills of lading must include a signature of a CarMax associate.
- When submitting multiple invoices, a calculator tape or statement (one copy) must accompany your invoices. The statement, or add tape, should include an itemization of the dollar amount of each invoice that has been attached to the tape or statement and an overall total.
- For all new carriers, the first set of invoices must be submitted to:
CarMax Transportation
12800 Tuckahoe Creek Parkway
Richmond, VA 23238
Note: mark invoices as "New Carrier Invoices"
- Once you have been set up as an Approved Carrier and received your first check, you can begin mailing your invoices directly to Cass at:
CarMax
C/o Cass Information Systems
P.O. Box 6542
Chelmsford, MA 01824-0942
- Only original or certified freight bills applicable to CarMax will be paid. Cass will be working from a pricing matrix that indicates current CarMax rates. If an invoice is received that includes charges over the approved amount, Cass will pay only the approved amount. Cass will also forward a standard notice to the carrier indicating they adjusted the invoice, and Cass will provide monthly reporting to CarMax detailing attempted carrier overcharges. In the event that CarMax agrees to pay at a rate higher than the approved figure for any freight moves, the carrier will be instructed by CarMax to submit your invoice to CarMax Corporate Transportation for approval. We will use an approval stamp for the adjusted rate and then forward your invoice and completed bill of lading to Cass for payment. Cass will not pay a premium on any shipment unless it includes our approval endorsement.

SECTION VI - CARRIER BILLING INSTRUCTIONS (cont.)

- All invoices must clearly state the complete name of origin and destination (see attached sample invoice). Cass will not know abbreviations or commonly used acronyms for auctions, stores, dealers, etc. They will not be able to process invoices if they cannot identify this information. These invoices will be returned to the carrier by Cass for completion.
- All invoices must correspond to a single bill of lading. If a shipment requires more than one truck to complete, you must complete a bill of lading for each truck and an invoice for each bill of lading.
- The bill of lading and/or the invoice must include at least the last six characters of the Vehicle Identification Number (VIN), and the make/model of each vehicle.

Cass will provide support for all carrier payment inquiries. Carriers should always contact Cass first with payment questions. Cass will refer carriers to CarMax Transportation if necessary. The general carrier inquiry information includes:

Click on the Invoice Inquiry menu at **www.cassinfo.com**. You will need the following elements to make payment inquiries:

- **Your six digit access code.** This code can be found printed to the left of your name on all of your remittance updates from Cass under the column heading "Access Code". This code is unique to your company and can only be assigned by Cass.
- **The invoice number(s) you wish to research.**

Follow the prompts given to obtain payment status.

NOTE: if you need assistance using the web page or you need to obtain your access code, please call Cass **(314-506-5959)** for help.

To use the Cass Audio Response Unit (ARU), the following elements are required:

- A touch tone phone. To access ARU, dial **(314) 770-1202**.
- Your 6 digit access code (as defined above).
- Your five-digit customer code, which can be found to the left of the customer name on all of your remittance updates from Cass under the column heading "Customer Code". This code is unique to your company.
- The invoice number(s) you wish to research.

SECTION VI - CARRIER BILLING INSTRUCTIONS (cont.)

Once you have all the required codes at hand and have placed your call to ARU, please follow the computerized voice prompts to obtain payment status.

NOTE: If you do not have access to a touch-tone phone system or you need to obtain access codes, please call Cass **(314-506-5959)** for assistance.

While Cass provides exceptional customer service, carriers may need additional assistance in some cases. If for any reason a carrier receives conflicting or confusing information from Cass, please contact CarMax at 800-520-2344, option 2.

ATTACHMENT – SAMPLE INVOICE

The sample invoice below displays information required by CarMax for carriers to be paid correctly and promptly. All information must be complete, accurate, and legible.

The carrier's name and address must be included

Invoice number should be unique and no more than 12 digits. Please refrain from using the CarMax BOL as the invoice number.

Date on invoice should reflect when vehicles were picked up.

Pick-up and Delivery Addresses must be legible and complete. Please include auction and/or store address and location numbers. Addresses should match the bill of lading.

Per vehicle rate must be listed, as well as invoice total.

Year, Make, and Model of all vehicles must be listed on the invoice. Only include vehicles with matching pickup and delivery locations. No more than 30 vehicles per invoice. If more than 30 vehicles, please split into multiple invoices.

Invoice must be stapled to the bill of lading.

SAMPLE INVOICE

Acme Auto Haulers
1235 Main Street
Atlanta, GA 30011

Date: January 1, 2006

Invoice Number: 522

Origin: Nashville Auto Auction
8400 Eastgate Boulevard
Mount Juliet, TN 37122

Destination: Carmax 7118
8800 Freestate Drive
Laurel, MD 20723

Year	Make	Model	Last 6 of VIN	Rate
2003	Ford	Explorer	D15286	\$300.00
2004	Buick	Regal	157586	\$300.00
2006	Chrysler	Pacifica	245867	\$300.00

Balance Due: \$900.00



NEW CARRIER DATA SHEET

Carrier Name: _____

Motor Carrier or US DOT Number: _____

Mailing Address: _____

Remit To Address: _____

Corporate (Main) Contact

Dispatch Contact

Name: _____

Name: _____

Telephone: _____

Telephone: _____

Cell: _____

Cell: _____

Fax: _____

Fax: _____

Email: _____

Email: _____

Are you a broker? _____

Are you a drive service? _____

Describe Type/Number of owned/leased units: _____

Service Area _____

This page must be returned by mail or fax (804-935-4550), along with your operating authority, W-9, and insurance certificate(s), to CarMax Transportation in order to be considered for qualification as an approved carrier for CarMax