CarMax does not retail vehicles with structural damage. Structural damage is generally defined as damage pertaining to a main loadbearing platform of a vehicle that gives the vehicle its strength, stability and design exclusivity and to which all other components of a vehicle are fastened.

Below is guidance on how to determine whether structural damage exists. All vehicles being considered for retail sale at CarMax will be evaluated based on the following criteria and other CarMax standards documents. CarMax uses the NAAA (National Auto Auction Association) "Structural Damage Policy" as a guideline for interpreting structural and frame damage sustained by vehicles.

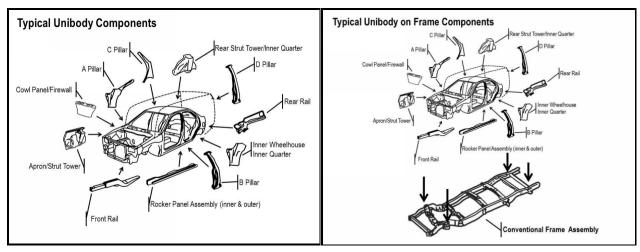
#### Vehicles with the following conditions must be designated wholesale, unless otherwise noted as "allowable";

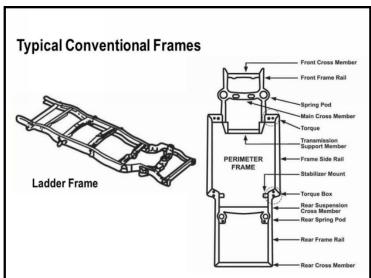
#### 1. General

- a. Cracking or distortion of or damage to the frame or structural components outlined in this policy.
- b. Any frame rail (front, center, or rear) that shows evidence of repair or replacement.
- c. Prior repairs made on, or to, any portion of the frame or structural components of the vehicle.
- d. Clamp marks on the frame or structural components outlined in this policy.
  - i. Given the correlation between clamp marks and repairs/measurement done on a frame machine, CarMax is taking the approach that these vehicles will not make quality CarMax cars and will not be retailed. It is understood that clamp marks are not an arbitratable item under the current NAAA guidelines.
- e. Damage to the apron or other ancillary structural components on a unitized structure in the area where the radiator core support attaches.
- f. Transport tie down tears where the tear length exceeds 1" in length or cross over one section of the rail.

  The tear cannot cross a pre-existing bend in the rail.
  - i. Tie down tears less than or equal to 1" should be bent back.
- g. Pinch rails where there are signs of collapse or it is damaged along a crumple zone or distortion relative to the parallel frame rail when comparing two sides of the same vehicle.







## **Allowable Conditions**

- Minor dents or small holes (compliant with the Hole Standard section on pg. 4 in the undercarriage);
- ii. Scrapes or minor dents in the radiator support;
- iii. Radiator or core support components that have had prior minor damage or repairs, unless adjacent strut components have been affected.

### 2. Aftermarket Accessories

- a. Any aftermarket accessories installed through welding to the structure and/or frame, including, but not limited to brush guards, side steps and tow-packages.
- b. Torch marks or holes cut with a torch on any structural component related to the installation or removal of an aftermarket accessory or vehicle component (cutting previous welds, etc.).
- c. Aftermarket sunroofs
- d. Accessories installed using non-OEM holes created in structural components, including, but not limited brush guards, side steps and tow-packages.
- e. 5th wheel or gooseneck trailer attachments installed using modified OEM holes or welding operations
- f. Front tow bar attachments (attachment designed for towing the vehicle itself, e.g.: behind an RV)

#### **Allowable Condition**

It is allowable to have front mounted accessories on the vehicle as long as they utilize existing
 OEM holes where installed on structural components.

#### 3. Rust

- a. Perforating rust on structural components outlined in this policy.
  - i. Perforating rust is defined as rust that has significantly compromised the strength and rigidity of the rusted metal.

#### Allowable Condition

 Surface rust on the frame or undercarriage is a cosmetic condition and is not structural damage.

### 4. Body Panels

- a. Three or more replaced, consecutive bolt-on panels
- b. Replaced quarter panels, roof, and pillars on any uni-body vehicle

#### **Allowable Condition**

- i. A pick-up bed is not a structural component and could be replaced.
- ii. Bed side panels can be replaced since the bed is a bolt-on component.

#### 5. Welding

- a. Welding marks on any frame or structural components outlined in this policy.
- b. Any repairs done by welding impacting the frame or structural components as outlined in this policy

#### **Allowable Condition**

- i. Damaged or previously repaired and/or replaced core supports are acceptable as long as the welding or repair does not negatively impact any surrounding (ancillary) structural components.
- ii. Exhaust hangers properly welded are not considered structural damage.

#### 6. Holes in Structural Components and Frame

a. Any hole over 5/8" in diameter not created by the OEM.

#### **Allowable Condition**

- i. Any single non-OEM hole less than or equal to 5/8" of an inch in diameter (per component or frame)
- ii. Up to three (3) holes less than or equal to ¼" spaced no closer than 2"apart for the purposes of a properly installed aftermarket accessory.

## 7. Holes found in Non-Structural Components (i.e., Doors, Deck Lids, etc.)

- a. Any hole greater than 5/8" in diameter in any component
- b. More than three (3) holes less than or equal to 5/8" in diameter found in a hinged jamb or brace
- c. Holes spaced less than 2" apart from first hole center to the next closest hole center on any single panel.

#### **Allowable Condition**

i. Holes in non-structural features that support properly installed aftermarket components.

**NOTE:** Allowable holes must be properly repaired or the panel must be replaced and any holes placed in jambs or braces must be properly sealed with waterproof sealant and plugged with a black hole plug.