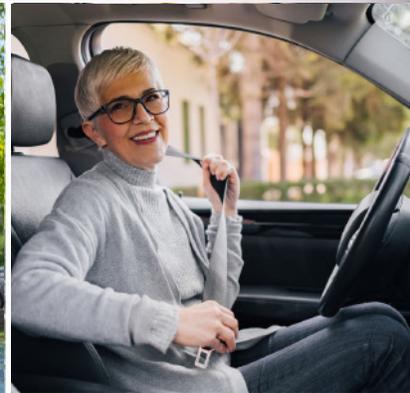


Keeping **You** on the Road



2022 Corporate
Responsibility Report

(NASDAQ: CRMT)

Corporate Responsibility Report

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About This Report

America's Car-Mart, Inc. (Car-Mart or the Company) 2022 Corporate Responsibility Report presents information about our businesses and highlights material about our environmental, social and governance activities. The report covers information through January 31, 2022. Further information is available at: www.car-mart.com.

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Rogers, AR 72756

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A Message From Jeff Williams

President & Chief Executive Officer

America's Car-Mart is in business to help people. We exist to keep our customers on the road and give them peace of mind in one stressful area of their lives. Customers rely on Car-Mart for reliable transportation, and our commitment to them goes far beyond just selling vehicles.

Each of our 2,200+ associates take this responsibility seriously. Every day we live our purpose and stay true to our values – Integrity, Respect, Compassion and Excellence. They, along with our mission and vision, serve as a guide for how we work, and they help keep our culture intact.

Moreover, we have an obligation to grow our market share. We believe the more customers we serve the better we can make our communities. This responsibility mindset drives us in all that we do.

Since publishing our inaugural Corporate Responsibility Report in 2021, we continue to do the right thing and remain fully committed to being a responsible corporate citizen. In this report, you will find that we made great strides in making decisions and investments in support of our associates, customers and communities. Some of our 2021 highlights include:

- Our new Human Rights Policy formalizes our commitment to ethical business practices and our responsibility to our customers, associates, suppliers and communities.
- Our optional Peace of Mind package includes enhanced service contracts providing roadside assistance and oil changes, features that provide real value to our customers.
- Our community involvement is stronger than ever, and through our holiday toy drive, we collected over 21,000 toys for delivery to 25 children's hospitals and other organizations.
- Our efforts to reduce our carbon footprint helped improve our energy efficiency.
- Our responsibility practices are being increasingly integrated into our business including data gathering, associate development, community involvement and Board of Director involvement in our corporate responsibility platform.
- We established a cross-functional leadership team to lead our corporate responsibility efforts.

As we look to 2022 and beyond, we are committed to a journey of continuously reinventing and improving to meet the ever-changing demands of the marketplace and of living out our company's mission. Indeed, it's our purpose that sets us apart and forms the foundation for a great future for America's Car-Mart.

A special thanks to our wonderful associates who come to work every day to do all they can to make a difference for our company. I, along with our associates, are proud to share our 2022 Corporate Responsibility Report with you.

Thank you for your interest in America's Car-Mart.



Jeff Williams
President and Chief Executive Officer



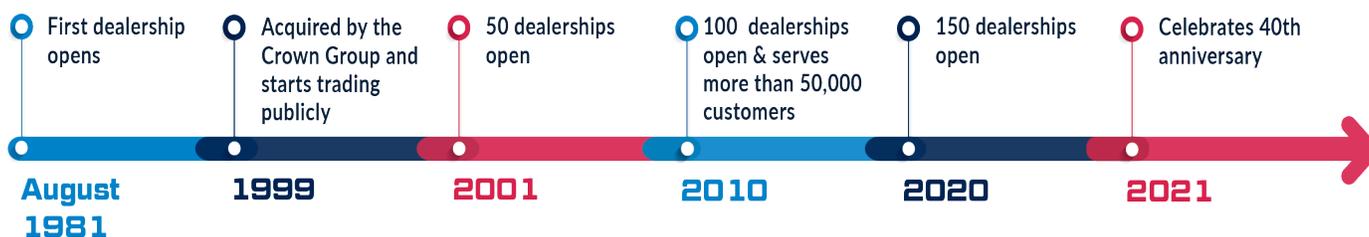
We Are America's Car-Mart

Company History

The year was 1981 and **Bill Fleeman**, a home builder, recognized the need to help people get into affordable, quality used vehicles. He bought a few cars and opened the first Car-Mart in Rogers, AR. When the cars sold quickly, Bill knew he was on to something. As the business grew and Bill opened more Car-Mart dealerships, he wanted customers to know they could get good value for their money at Car-Mart. Today – with more than 2,200 associates and over 150 dealerships in 12 states – the Company's founding ideal has not wavered – to deliver an experience that provides customers with quality, used vehicles that meet their needs and budgets and is followed up with excellent support after the sale. Our customers have depended on us for over 40 years, and we continue to help people through challenging times, one customer at a time. One thing that has never changed and never will is our focus on the customer experience and earning repeat business.

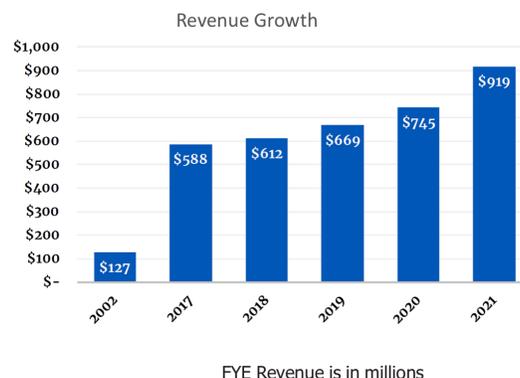


Company Milestones



Facts and Stats

- Headquartered in Rogers, AR
- 153 Automotive Dealerships in 12 states -- Alabama, Arkansas, Georgia,, Illinois, Indiana, Iowa, Kentucky, Mississippi, Missouri, Oklahoma, Tennessee, and Texas
- 2,200+ associates
- 93,982 active customer accounts
- 795,000 vehicles sold since fiscal year 2000
- One of the largest publicly held automotive retailers in the U.S. focused exclusively on the "Integrated Auto Sales and Finance" segment of the used car market
- Car-Mart trades on NASDAQ under CRMT
- Recognized and honored for industry leadership:
 - Forbes America's Best Mid-Sized Employers list in 2019 and 2018 (Forbes did not recognize in 2020 due to the COVID pandemic)
 - Cherokee Media Group 2021 Independent Dealer of the Year
 - 2021 Auto Remarketing's "AR 500" (considered one of the most influential in the pre-owned auto industry)
 - Forbes America's Best Small-Cap Companies in 2021 and 2020





Our Passion for Customers

We are deeply passionate about providing transportation solutions to credit-challenged customers and helping them achieve success is the core of what we do at Car-Mart. We supply quality, used vehicles, all while working one-on-one to help customers with their financing. We assist our customers by preparing a monthly payment plan that fits their budget. We understand their needs, address them with respect, and aim to make the relationship seamless, easy, and long-lasting. Most of all, we are diligent about keeping our customers on the road. We give them peace of mind and leave them confident they are driving a reliable, used vehicle with continuing support after the sale.

Mission, Vision and Values

These are the guiding forces behind what we strive to do each day. We start all our company meetings by reciting these items and including them in our training materials, classes, and posters at each dealership. It's part of our DNA. Car-Mart associates have a special pride for our Mission, Vision and Values.

Although we have modified our Mission and Vision over the years, our four core values are the same as they were at our founding in 1981. These values – Integrity, Respect, Compassion and Excellence – instill trust in all we encounter. We make a commitment to providing vehicles that are accessible and affordable. This experience becomes more memorable and rewarding when it is wrapped up in our values.

Our success hinges on our ability to bring customer focus to everything we do. We ensure that these values remain with every customer and every transaction.

OUR MISSION

We strive to earn the repeat business of our customers by providing quality vehicles, affordable payment terms, and excellent service.

OUR VISION

To be America's best auto sales and finance company in the eyes of our associates and customers while improving the communities we serve.

OUR VALUES

Integrity • Respect • Compassion • Excellence

Our Commitment

to Robust Social, Environmental, and Governance Practices

We have never wavered from our commitment to living our core values since our start in 1981. Support of others in our communities and our local environments are woven into the Car-Mart vision to improve the communities we serve. The way we manage our business is reflected in our governance principles.

We are unlike traditional retailers that have extensive supply chains and sell products that require and generate a significant amount of packaging materials. Our key sales products are vehicles, and our business model promotes long-term ownership of them. We educate customers about the value of owning a quality vehicle and extending its life through proper care and regular maintenance via our Company blog, emails, and in-person interactions at our dealerships. This helps keep quality vehicles on the road and reduces the need for vehicle recycling and disposal.

We do not own distribution centers for supplies and mostly rely on small, local businesses to serve our dealerships and Corporate Office. We are proud to support local businesses by purchasing products and services, including:

- Vehicle servicing
- Automotive parts such as batteries and oil
- Office supplies
- Shredding, recycling, and waste management services

We are committed to integrating stronger responsibility practices into our business, including the following:

- Data gathering and processes, particularly for the environmental pillar
- Education for associates and customers about our commitment to and practices in ESG areas
- Ongoing participation in social programs to improve our communities
- Greater oversight from our Board of Directors on activities that comprise our corporate responsibility platform



Social

We are committed to customers, associates, and communities

Our Valued People

At America's Car-Mart, our associates are the heart of our business. Many associates were once customers who enjoyed their experience so much that they chose to come work with us. They make a difference every day in serving each other, our customers, and our communities.

Understanding the day-to-day life of our customers is key to making our associates successful. Many of our associates live in the communities they serve, and our demographics reflect the diversity and makeup of those communities.

We are building a working environment and a culture that attracts, develops, and retains motivated and high-performing associates. We provide them with broader challenging opportunities, an environment that encourages entrepreneurial thinking and the ability to develop their career. Our associates also have the opportunity and are encouraged to participate in community activities and volunteer service.



Culture Fosters Diversity, Equity, and Inclusion

The Car-Mart culture is one that fosters diversity, equity, and inclusion. The Company encourages associates to be engaged and committed at work and in their community. We view diversity as a crucial factor in reflecting the values and cultures of all our associates. We are, after all, a locally operated business and our diversity must represent the community in which we serve. We are an equal opportunity employer that strives also to have an environment representing the demographics of the area, including a wide range of backgrounds, cultures, and experiences. Our hiring practices are designed to find and promote candidates reflecting the various communities in which we operate.

Through the intranet and various internal communications programs, Car-Mart recognizes the work and achievements of all associates, including those who comprise diverse groups within the Company. We feature associate stories during heritage months throughout the year to celebrate diversity and raise awareness. Each year, our CEO Jeff Williams recognizes and appreciates the service and sacrifices of current Car-Mart associates who are veterans of the armed forces.

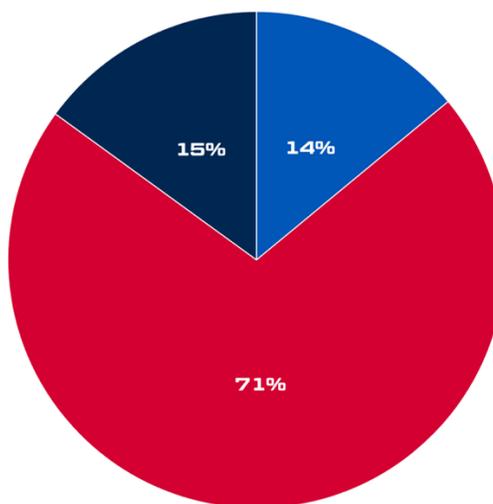
We are proud of the diverse profile of our Company's talented associate base, with an almost equal mix of men and women working throughout Car-Mart. Our goal is to hire associates that represent the demographics of the community in which we serve. The charts below detail the composition and age demographics of our workforce through January 31, 2022.

America's Car-Mart Associates

Total Company	Dealership Managers	Current Dealership Managers
<ul style="list-style-type: none"> Female - 51% Male - 49% Racial/Ethnic Diversity - 34% White - 66% 	<ul style="list-style-type: none"> Female - 37% Male - 63% Racial/Ethnic Diversity - 33% White - 67% 	<ul style="list-style-type: none"> 39% promoted from within 24% have over 10 years with Car-Mart 7.6 years - average tenure

Age Demographics

- Over 55
- 30-55
- Under 30



One of our four values is respect. We appreciate the diversity of our workforce and the experiences and perspectives that individual associates bring to each other and to our customers. Nevertheless, it is important to reinforce our values through education and training. As an example, all members of corporate management completed a training session on "Unconscious Bias" and this training is planned to roll out across the Company in 2022. In addition, every associate must complete a training program on discrimination and harassment. All associates must take this computer-based program annually. During the training, the associate is asked if he or she has witnessed any situation of harassment or discrimination. If they answer yes, it is immediately reported to the Vice President of Associate Support for immediate investigation.

Code of Conduct

Our Company-wide policies are designed to protect our associates, customers, guests, and suppliers by complying with federal and state regulations. We do not tolerate any activity that involves harassment or violence, either by an associate or involving an associate. We encourage any associate who may have a concern internally or externally to report the matter to our 24/7 hotline, which is run by a third party. The toll-free hotline is widely advertised throughout an array of internal communications and on the Car-Mart intranet. Concerns can be anonymously reported. We encourage associates to first try to address a concern with their immediate supervisor, but they also can contact Associate Support, Legal or Compliance. If they are uncomfortable in that process, they can use the anonymous hotline. All calls to the hotline are immediately investigated within 24 hours and contact is made with the associate. We take this policy very seriously and seek to resolve all inquiries.

The majority of calls during the last twelve months were related to human resource concerns or requests for information. There have been no whistle-blower calls received on the hotline since its inception. Our third-party hotline administrator reports the information on all calls to the Vice President of Associate Support, Chief Legal Officer and Chief Compliance Officer. The Chief Compliance Officer also receives regular reports on all calls. There have been no serious or ethical issues that warranted discussion with the Board of Directors.

Our Code of Conduct applies to all directors, officers and associates of Car-Mart and our subsidiaries.

Car-Mart does not tolerate any form of discrimination. We recognize that highly productive and diverse associates are essential to our success and should be given equal opportunities to flourish in a barrier-free, non-discriminatory environment. All employment practices including activities relating to recruiting, hiring, benefits, leaves of absence, training, transfer, promotion, job assignments, compensation, corrective action and termination are conducted in a non-discriminatory manner. We conduct business without regard to, and do not discriminate because of, an associate's race, color, religion, creed, sex, gender identity, sexual orientation, age, disability, pregnancy, national origin, genetic information or ancestry, as well as citizenship, marital, veteran, and family and medical leave status, or any other status protected by law.

Statement of Support for Human Rights

America's Car-Mart recognizes the importance of promoting and protecting human rights. Accordingly, we released a formal Human Rights Policy in early 2022 that formalizes our commitment to ethical business practices and our responsibility to our customers, associates, suppliers, and communities in which we operate. The Policy can be accessed [here](#). In addition, we will be launching a human rights training module in February 2022 in further support of this policy.

We operate within a limited geographic area in the United States and without global operations. Recognizing that, we believe our training programs support our core value of "doing the right thing" with respect to protecting our associates, suppliers, and business partners.

Car-Mart has a zero-tolerance policy against modern slavery, human trafficking, child labor, and the deprivation of any person's civil liberties. We expect our suppliers and business partners to operate with these same principles in mind. In conjunction with our Human Rights Policy, we created our Third-Party Expectation of Conduct which specifically sets forth this policy and is clearly communicated to all vendors and suppliers.

We believe that the following pages describe the ways we hire, train, and develop because we value the dignity of all associates. Further, our work environment supports our associates to put forth their best efforts in their position and have the opportunity for promotional and career advancement.

Attracting and Retaining Talented Associates

Operating our headquarters to support dealerships throughout 12 states and to ensure the success of our growth strategy requires that we continue to seek, attract, hire, and retain top talent at all levels of the Car-Mart organization. We are proud of the history we have of promoting from within, both in our dealerships, dealership management, and at our Corporate Office.



Corey Sterns
General Manager
Tyler, TX

Corey Sterns started his Car-Mart career when his wife, Nicole, sent his resume to Car-Mart without his knowledge. One day, while teaching high school, he received a call from the local Car-Mart General Manager. Out of curiosity, he decided to see what Car-Mart was all about. He interviewed for the vacancy and was offered the position the same day.

He contends he's where he's at today because Car-Mart paved the way for him. **Jennifer Martin**, our General Manager at Nacogdoches, TX, taught him what it takes to be a good manager. **Bert Dunmire**, in Underwriting, showed him how to be an effective account representative. **Dan Crovella**, our General Manager at Longview, TX, gave him the necessary store experience.

Corey started as an Account Representative and then Senior Account Representative, followed by a promotion to Assistant Manager in Longview, TX. Most recently, he received a promotion to General Manager in Tyler, TX.

"I enjoy working here so much. It wasn't in my head to be a GM," says Corey. *"The leaders at Car-Mart take the time to show you what it takes to be successful."*



Charity Waters
Area Operations
Manager

"I love it." That sums up **Charity Waters'** tenure at America's Car-Mart.

When Charity joined the company, she set a goal to attain a district manager level position, and she's achieved that in five years. She joined the company in the Future Manager program in January 2017 in Prattville, AL. Three months later, she promoted to Assistant Manager in Prattville and then to General Manager in Altus, OK. Next, she was a Corporate Recruiter in Bentonville, AR., then an Associate Support Manager in Car-Mart's Region 3 before assuming her current position as Area Operations Manager in Clarksville, TN.

"I love what I do," says Charity. *"It gives me exposure to our business and from different points of view."*

She enjoys working for Car-Mart because of how the company helps people, both customers and associates – from the company's toy drive at Christmas to delivering food to customers. *"We give opportunities where others won't. I'm opportunistic. Car-Mart is opportunistic,"* Charity says. *"That's why we have so many inventory associates end up as general managers. We're a family. And that's special."*

We offer a competitive compensation and benefits program, and an open road for people like Corey and Charity to grow personally and professionally. For **Jill Clark**, that open road has led to a career of 32 years and counting. Jill started her career with America's Car-Mart as an Office Manager in 1989. Jill then promoted to Assistant Manager and in 1995 was promoted to General Manager of Springdale. Jill was the first female General Manager at the time and is the longest continual GM in the company. In 2011, Jill won the President's Award which is the highest honor for a Car-Mart Associate.



Jill Clark
General Manager
Springdale, AR

Associate Benefits & Programs

We provide each associate with a comprehensive and competitive compensation package that is based on the role he or she fills. Our compensation philosophy is based on performance, both individually and as a Company. Many associates have the opportunity for additional compensation as a result of commissions, performance-based salary increases and/or bonuses. All associates earn above minimum wage requirements under both state and federal law. In addition, associates have a menu of benefit options to choose from to meet their needs.



- **Health Benefits:** We strive to offer associates quality healthcare at affordable prices that meet their individual needs. We also offer tailored dental and vision coverage, short-term and long-term disability insurance, life insurance, accident, critical illness, and hospital indemnity plans that allow associates to select the proper coverage for themselves and their family. The Company offers discounts on health insurance plans for any associate who completes an annual health and wellness assessment with a licensed medical provider.

We recently lowered deductibles for some plan rates and continually provide communication for associates to help them make more informed healthcare decisions. For the past three years, two of which were during the COVID-19 pandemic, we have maintained health insurance premiums at the same rate as the prior year, not passing on any increased costs in premiums to our associates. In addition, up to 10 days of emergency paid leave was offered during 2021.

We also offer a telemedicine program that provides an alternative low-cost access to routine healthcare needs, as well as behavioral health therapy.

- **Behavioral Health:** All associates have access to mental and behavioral health care through our Employee Assistance Program (EAP) which is available 24/7/365. Our EAP program assists associates with personal and job-related concerns, including emotional well-being, family and relationships, legal and financial issues, healthy lifestyles and work and life transitions. Three face-to-face sessions with a counselor are available to each household per calendar year and can be used toward legal consultations. Additionally, through our telemedicine provider who is available 24/7/365, we offer both psychologists and psychiatrists for our associates and their eligible dependents covered on our health plan.
- **Retirement and Financial Planning Programs:** Car-Mart is dedicated to educating and helping associates plan for retirement and achieving financial stability. To that end, all associates are auto-enrolled in our 401(k)-retirement plan when they begin employment if they meet eligibility requirements. After achieving one year of service, the Company contributes a match of 50% up to the first 6% of the associate's contribution. Through our 401(k) plan, our associates have access to a qualified investment advisor to help plan their financial future. This benefit is offered at no charge to our associates and can be utilized as many times as needed throughout their career with Car-Mart. In addition, we also offer a series of webinars and educational sessions on topics such as "When Can I Retire?".
- **Qualified Stock Purchase Plan:** Any associate of the Company who works a minimum of 20 hours per week, at least 5 months per year, is eligible to participate in the Plan once their term of employment reaches 12 months. Associates' payroll deductions are used to purchase full and fractional shares of Car-Mart stock at a discount of 15% of the stock price on the day of purchase.
- **Paid Time Off and Holiday Pay:** America's Car-Mart offers flexibility to help our associates relax, recharge, and take care of their personal needs via paid time off days. In addition, our personal leave policy allows associates to take unpaid time off to handle personal or family matters after they have completed six months of employment and assuming workplace arrangements are made for coverage. We also offer paid bereavement leave for the passing of an immediate family member. Starting in January 2022, the Company expanded its paid time off benefits to include two additional associate choice holidays.
- **Scholarship Fund:** Car-Mart contributes annually to the growth of future generations with the Company's Scholarship Fund. Children and stepchildren of associates who have completed 6 months of continuous service are eligible for a \$1,000 scholarship for any post high school education, including universities, community colleges, or trade schools. One scholarship is given annually, and plans are to increase the number of scholarships given beginning in 2022.
- **Additional Benefit Opportunities:** Associates also can take advantage of negotiated discounts at retailers and other merchants, including theme parks, hotels, and day care, to name a few. If we can find a way to save money on events or activities in the daily lives of our associates, we will pass those savings along.

Health & Wellness Priorities For Associates

We believe it is important to support the physical, mental, social, environmental, and financial well-being of our Car-Mart associates at work and at home. We are committed to doing so with key initiatives that inspire associates to strive for long-term sustainable health and wellness for them and their families.

We educate and empower associates to improve and maintain their overall health. Further, we are committed to the health and wellness of all associates and their families. We offer resources for preventive care, such as flu shots, vaccinations, and other preventative health screenings. For those associates working in office environments, we offer training in ergonomics and office safety programs.

During the past year, the company held several wellness challenges to encourage and reward positive health habits. These challenges included weight loss, exercise, hydration, healthy eating, and stop smoking events held throughout the year.

All of our buildings are tobacco-free, and tobacco products may only be used in designated outdoor smoking areas at our locations. Tobacco products include cigarettes, cigars, smokeless tobacco, e-cigarettes or pipes of any kind.

As noted earlier, Car-Mart also provides an Employee Assistance Program with 24/7/365 access to professional resources to assist with an issue that can affect an associate's work, health and general well-being. If additional resources are needed, the EAP professional can assist by locating affordable solutions in their geographic area.

Additional wellness benefits at our corporate office include:

- **Fitness Center:** The corporate Fitness Center and workout equipment are available for use by all associates. It is available 24/7 for salaried associates and 14 hours per day for hourly associates. The Fitness Center also offers locker rooms with showers.
- Access to an outdoor 2,685-foot (0.5 mile) walking trail within the corporate office grounds.
- Access to the Northwest Arkansas Razorback Greenway, which covers more than 36 miles of trails. The trail system is open to road cyclists, mountain bikers, runners, walkers, hikers, and others interested in outdoor activities.



The Nan Fund

Helping associates and customers is in our company's DNA. That's why the Nan Fund was created in 2004. Named after Nan Smith, the fund provides financial assistance to associates in need. Nan was Car-Mart's President from 1999 to 2002 and Chief Operating Officer from 1981 to 1998. The fund recognizes the ideals and principles Nan embodied throughout her tenure. Nan was always helping associates everywhere she went, and this fund was established to honor her legacy.

This critical need fund provides financial assistance to associates during their time of need, including assistance with unexpected funeral expenses after the loss of a family member. During a crisis, the associate can apply to the Nan Fund for assistance with housing, necessities and lost wages for up to 5 days. Although ongoing funding is provided primarily by fellow associates, the Company matches donations from associates on a quarterly basis.

Associates that meet certain criteria of job position and tenure with the Company can also apply to the Nan Fund for educational benefits.

If the associate meets minimum GPA standards, the associate is given the opportunity to receive additional funding for academic study. This program is available for any higher education as well as obtaining a GED.

The Fund was able to provide assistance to 19 associates and tuition reimbursement to 3 associates during the year.



Associate Training & Development

Functional & Position-Specific Courses

All associates who join Car-Mart go through orientation courses in culture, safety, discrimination and sexual harassment and many other topics. In addition to such required training programs, associates have access to online training programs for development of job specific skills and leadership qualities. These programs are grouped by job position. For example, sales associates and inventory associates take courses in the sales process and the 15-step detail process. Assistant Managers and General Managers have up to 30 training programs to complete on topics including hiring, credit card security, vehicle purchasing, payment processing, and underwriting, among others.

All our associates have job specific computer-based learning they are required to complete for their position along with optional developmental courses. In addition, we provide hands-on training to all of our job functions in the dealerships through seminars. During 2021 these seminars were conducted using a mix of in-person, video and computer-based training.

As of January 31, 2022, 95% of associates had completed their required computer-based training modules covering safety, compliance, discrimination and other important topics.

Future Manager & Car-Mart U Training Classes

Car-Mart's Future Managers training program is a notable example of our commitment to associate advancement. Through this program, associates learn the foundations of operating a Car-Mart store. They acquire management techniques and soft leadership skills, including how to hire, how to motivate and retain associates, and how to deal with conflict and interpersonal skills. Every aspect of the business is manifested in Car-Mart's values and culture and these areas are a large part of the training. After completing the initial immersion course for Future Managers, an associate has a basic understanding of our business and culture and is ready to become an Assistant Manager. We trained 123 associates in our Future Managers' Training program during the 12 months ended January 31, 2022.

Our Car-Mart U training program was founded in 2020 and builds upon the foundation established in the Future Manager program. This series of classes for our Assistant Managers introduces new concepts and curriculum necessary to successfully fulfill Company initiatives in alignment with our core, such as leadership training, business concepts and customer experience. This program is designed to prepare Assistant Managers for an upper management role. In 2021, its first full calendar year in operation, Car-Mart U had 23 of its program graduates promoted to General Manager or other management positions.



Mark Carlock
General Manager
Pine Bluff, AR

Mark Carlock, General Manager of Pine Bluff, AR's Car-Mart location shares his career development story below:

Mark Carlock joined Car-Mart in June 2020 in Benton, AR. He participated in the company's Future Manager training program and, upon completion, was promoted to System Manager of Sales & Inventory in Benton, AR. Then the opportunity for General Manager at Bryant, AR, popped up and yet another opportunity presented itself as General Manager in Pine Bluff, AR (and where he graduated from high school!).

"They saw something in me. They trusted me with this lot - and here I am," says Mark. "I'm excited about what I have accomplished at Car-Mart in such a short time, and I'm excited about the potential I have at this company."

More on Mark's story, as well as other associate stories, may be found on our corporate blog at car-mart.com/blog.



Stacy Barrett
General Manager,
Tullahoma, TN

Stacy Barrett is another associate who benefited from the Future Manager Training program. Today, she is General Manager at Car-Mart of Tullahoma, TN. Stacy joined Car-Mart in November 2019 as a Manager in Training in Jackson, TN. She was quickly promoted to Assistant Manager in Columbia, TN and named to her current position in June 2020. She's won "Lot of the Month" five times since she's been General Manager and she's continually exceeded her sales goals.

"I love what I do. I love making a difference," says Stacy. "These training programs support our mission of having a supportive environment where all associates and customers are valued and ensure that there is a diverse pipeline of talent within the organization."



Armin Horn
General Manager,
El Reno, OK

Car-Mart has a history of promoting from within the company. **Armin Horn**, General Manager in El Reno, OK, is a perfect example of that development. Armin joined Car-Mart in August 2019 as a Future Manager in Van Buren, AR where he was promoted to Assistant Manager in November. And now he's happy to be in El Reno. Recently, Armin reflected on his Car-Mart journey so far:

"Honestly, and I know it sounds like a cliché, but I just love my job and I love coming to work. I love helping people. Selling someone a car and seeing their face light up is one of the best things I like to do. Helping people is one of my passions – that's why I love coming to work."

"I enjoyed the Future Manager training. You get out of it what you put into it. I loved the training. Everyone was so nice to answer and help me and ensure I had the information to go through the program."

More of Armin's story, as well as those of other Car-Mart associates, may be found on our corporate blog at car-mart.com/blog.

Mentoring Underscores Culture

At Car-Mart, we believe mentors help make each of us better. Because teaching and mentoring future leaders is important, the Company annually recognizes its top mentor. Car-Mart's 2021 "Mentor of the Year" was **Curtis Valentine**, General Manager in Rogers, AR. The award is presented to a General Manager who goes above and beyond in advising and developing associates to be leaders in the business. Mentors play a vital role in helping to shape and guide future managers on their Car-Mart career journey.

For Curtis, mentoring is a passion. *"I enjoy seeing people grow. It's an honor to help develop our associates and help them to be the best they can be."*

"Curtis ensures associates are fully trained," says Katharine Nowlin, Dealership Development Manager and a Curtis mentee. "He explains processes and ensures both understanding and the 'bigger picture' of how what they do impacts the business. Curtis has high expectations of his associates and wants everyone to be successful, and he will do whatever it takes to ensure success within his control."

Jeremy Casebolt, Dealership Development Manager, adds that Curtis provides the tools to help his people make good decisions. He then questions those decisions for added thought and learning. He answers questions and he shares his knowledge. *"This environment is constantly challenging us; it's never complacent, and Curtis is there challenging his associates to be better every day,"* Jeremy says.

"I'm on this earth to take care of other people. It's important we look out for the people who work for us. It's gratifying to see someone's growth and know I had an impact."

- Curtis Valentine, General Manager, Rogers, AR



Curtis Valentine
General Manager,
Rogers, AR

Associate Recognition

Associates are recognized for their contributions within the Company and to customers. The Pace Setter Award is given to any associate that goes above and beyond. All associates receive anniversary service awards at 5-year increments. For those achieving 25 years of service to Car-Mart, associates and their families are celebrated.

General Managers of dealerships are eligible to receive awards for sales, excellence in account management and expense management. These are awarded by region. Annually, Car-Mart recognizes the General Manager of the Year, which is the highest award for a dealership. There are other recognitions for various levels of performance and a Mission Award is given to those associates who lead and embody Car-Mart's mission of "doing the right thing." The highest award in the Company, given to one associate annually, is the President's Award for someone who embodies the Company's values and has achieved remarkable success.



General Manager of the Year Award
Jason Henson
 General Manager, Siloam Springs, AR



President's Award
Darshan Lundy
 Director of Customer Experience

Safety is Paramount for Associates and Customers

Ensuring the safety of all associates, customers, suppliers, and guests and complying with federal, state and local safety laws and regulations are critical priorities for us. We value the trust that our customers place in us each time they visit one of our dealerships, either to buy a vehicle, make a payment or discuss their account. They rightfully expect to be safe and protected with each visit.

Our commitment to health and safety became even more paramount during COVID-19. Since the beginning of the pandemic, we have enhanced our cleaning procedures and implemented additional sanitizing measures, and we continue to follow recommendations from the CDC to keep our facilities clean, safe and sanitized.

All associates share health and safety responsibilities, from management to sales representatives. Every associate has a responsibility to stay informed about safety initiatives and to report unsafe conditions to their supervisor. Workplace safety, especially related to vehicles, requires constant discipline and focus. Suppliers also must ensure that employees working on behalf of Car-Mart adhere to all our health and safety policies, requirements, and regulations.

We have specific annual safety goals that are reviewed by our management team:

- Eliminate all preventable work-related injuries, illnesses and property damage
- Achieve 100% compliance with all established safety procedures

Internally, we track workplace injuries among associates, customers and other third parties at our facilities. With our comprehensive safety and education program and attention to proper procedures at our dealerships, the number of incidents is below industry standards for all retail locations.

2021 Highlights:

- 21 dealerships have been accident-free for 5 or more years, and these are recognized internally for their achievements.
- In 2021, Car-Mart recorded 61 workplace incidents among associates and 21 among customers and others. While these numbers are low, we are committed to reducing all incidents to zero.
- Risk Manager became OSHA certified for workplace safety
- OSHA approved our company's Health and Safety Plan
- Third party lot-level safety audits conducted periodically, and results reported to Risk Manager

Our Risk Manager is responsible for safety education, training and regularly reviews indicators and areas where risks and injuries can occur, helping us to eliminate hazards. General Managers at each location are responsible for safety at their location daily. There is a Safety Committee at the Corporate Office, with representatives from different functional areas in the Office. Members of the Corporate Safety Committee are trained in CPR and other emergency procedures and help assist with an issue until emergency personnel arrive. The Safety Committee at the Corporate Office regularly conducts drills for events such as a fire or tornado.

The Risk Manager, along with executive management, meets quarterly with the Company's insurance provider to review claims and determine if remediation programs are required, such as slip/fall and dog bite incident training. In 2021 annual safety training was provided for all associates.

The Audit Committee of the Board of Directors receives reports annually on insurance and risk assessments. The Company assesses new risks and opportunities as they occur and ensures that they are evaluated for potential impact to associates, customers, suppliers, and communities.

Driving Safely

Operational safety is paramount throughout the organization and especially related to Company and customers' vehicles. Every associate whose job requires him or her to drive a vehicle owned by a customer must have a valid driver's license and a driving record that is acceptable to the Company's insurance carrier. An associate with a driving record considered below standards has an opportunity to improve a driving deficiency. All positions at our lots must have a valid driver's license. Annual safe driving training is required for all applicable job positions.

Car-Mart's insurance company secures a Motor Vehicle Report (MVR) on any associate who operates a company vehicle prior to employment and can be checked periodically. A change in an associate's driving status—e.g., license suspension or a major traffic violation, must be reported immediately to management. Based on the information provided by a MVR, an associate is assigned a grade of insurability. Drivers with one or more of the following types of serious driving violations within the past 3 years are at risk of being uninsured and this can jeopardize employment status. The following violations on an MVR can endanger an associate's employment at Car-Mart:

- ✘ Driving while intoxicated or while disabled by use of drugs
- ✘ Refusal to submit to test for alcohol (e.g., failure to take a Chemical Test, Blood Test, or Breath Analyzer Test)
- ✘ Leaving the scene of an accident without reporting it
- ✘ Homicide, assault or criminal negligence resulting from the operation of a vehicle
- ✘ Driving while license is suspended or revoked
- ✘ Reckless or dangerous driving which results in injury to a person
- ✘ Racing
- ✘ Passing a stopped school bus
- ✘ Possession of a controlled substance

The Company considers the age of an associate for violations as follows:

- Driver Violations by Age Group: Including all other types of driving violations (which includes seat belt violations) and/or at-fault accidents within the past 3 years: (these are convictions showing on the MVR for the indicated violation)
- Driver's Age / Violations / Accidents
 - o 18 through 24: 2 or more
 - o 25 and Over: 3 or more

Violations considered do not include non-moving violations, such as weight violations or improper or inadequately maintained equipment.

The Company also has detailed specific regulations for the use of a Company-owned vehicle.

Car-Mart reminds both associates and customers:

- ✓ Don't drink or use drugs and drive!
- ✓ Wear a seat belt.
- ✓ Don't text or talk and drive, unless it is hands-free.



Data Security & Privacy

Data security is a key component of our commitment to providing our associates and customers with a great experience. We have the responsibility to protect and safeguard all information and secure the sensitive data of those who place their trust in us.

Our Approach

Our data security mission is to maintain the confidentiality, integrity, and availability of all data stored within our systems and networks. And that data covers associates, customers, and suppliers. We work relentlessly to protect sensitive data through a comprehensive program of technologies, procedural requirements, policies, and controls, as well as being staffed by well-trained and experienced cybersecurity professionals.

Car-Mart's data security efforts are led by our Sr. Vice President of Information Technology, who reports to our President and CEO. Data security and privacy are overseen by these groups:

- Information Security Steering Committee, a cross-functional group of senior leaders
- Audit and Compliance Committee of the Board of Directors
- Innovation and Technology Committee of the Board of Directors

Risk Assessment and Controls

We understand there are possible risks to our information through external and internal efforts. To effectively identify vulnerabilities and remediate risks that could impact the information we store, we utilize controls, technologies and processes that align with leading industry standards. Dedicated associates test, scan, and search daily for vulnerabilities and assess if there are any risks to customer data. Additional security and safeguards are provided through third-party security services and software in our cloud environment and data centers. These third parties conduct 24/7 monitoring, external audits, and threat assessments against our environment. The audit and assessment services are provided throughout the year, with immediate remediation if any concern is raised.

In the event of a data breach, Car-Mart will comply with all applicable state and federal requirements to notify appropriate regulatory agencies and potentially affected customers, associates and other third parties. We will also provide credit protection services to any customer that is affected should such a breach occur. To date, we have not experienced any data breaches in our 40-year history.



Engaged Associates

Drive Customer Relationships



For Car-Mart to be successful, our associates must be engaged, invested, and committed to living our four values every day, especially as they interact with and nurture relationships with our customers. Our business is all about relationship building with individual customers and within our local communities. If our associates are committed and helpful to our customers and our communities, we deliver on the Car-Mart mission.

Our customers are hardworking people often struggling with managing their finances from paycheck to paycheck. They are:

- Credit challenged (no credit, bad credit, former repossessions, or bankruptcy)
- In need of a vehicle
- Needing to build credit
- Live paycheck to paycheck – price sensitive and budget conscious
- Intimidated by the car-buying experience
- Want hope – looking for a low down payment
- Want peace of mind – concerned about being taken advantage of
- Anxious about the car-buying and financing process

When purchasing a Car-Mart vehicle, we offer our customers several products and services designed for “Keeping them on the Road.” These include service contract protection plans, accident protection plans, flexible payment options and a satisfaction guarantee.

Customer Experience

It is imperative that we provide customers with a quality, mechanically sound vehicle that they can afford. As a fully integrated automobile retailer and finance company, we work hard to maintain frequent contact with our customers over time. During the pandemic, customers could easily reach our local dealership offices to take care of their needs as they were presented with significant stress and anxiety related to the pandemic. We also provide the ability for customers to chat and text with our customer care team at the corporate office. This type of service makes Car-Mart more convenient for many.

Our “Cars on the Road Pledge” was fully rolled out in 2021 and includes longer service contracts providing roadside assistance and oil changes, features that provide real value to our customers. Our daily work directly impacts our customers’ quality of life. Just because they are buying an older model, higher mileage vehicle does not mean that they should not enjoy peace of mind from reliable transportation. The support we offer after the sale regardless of what comes along, coupled with our presence in the local community, is crucial to delivering good value.

Our Customer Experience team in our Corporate Office consists of a team of associates dedicated to improving the Car-Mart customer experience. The team consists of four parts, all with the same mission of providing superior service to our valued customers.

- **Sales Team:** Dedicated to supporting web-based sales activities, including collecting documents, answering chat questions, helping sell/trade your car, scheduling lot appointments, and helping with the buying process.
- **C.A.R.E. Team:** Dedicated to addressing and resolving customer issues with fast, friendly, and excellent service.
- **Remote Account Resolution Team:** Dedicated to addressing more complex customer issues by establishing an open communication line with our valued customers and resolving any account issues.
- **APP (Accident Projection Plan) Team:** Dedicated to working with customers who are filing an accident claim related to our accident protection product. The APP team is focused on getting the most value from every damaged or stolen vehicle and providing the customer with the necessary information to get them into another car and back on the road as fast as possible.

Customer Hotline

Customers have access to a hotline dedicated to their needs. It is run and staffed by a dedicated group of corporate office associates and is available for any issue, question, product concern or other service-related issue. The hotline is open for customers Monday through Saturday from 8:00 am to 8:00 pm CT. All calls to the hotline are tracked for completion through the operations team in the field with reporting through the corporate office.

Customer Assistance During COVID-19

Car-Mart continues to work with each customer individually to help them with their situation. The Company makes regular updates to its website and updates Q&As based on inquiries from customers. We will continue to offer online and phone payment options, and regularly evaluate the overall customer experience as the pandemic evolves.

Communication Enhances Culture

Car-Mart is a service-driven Company. Our success depends on the ideas and dedication of the entire team and the Car-Mart culture is built on respect, teamwork, communication, and continuous improvement. We value open communication and behaviors that underscore the importance of every job. We appreciate the opportunity to celebrate the accomplishments of fellow associates, and the joy that we bring to Car-Mart customers.

It is important for dealership associates to have interaction and engagement with management. Area managers typically visit the dealerships in their region at least once every week. With appropriate social-distance policies and travel restrictions during the pandemic, visits often occurred either virtually or telephonically. We began in early 2022 a return to in-person visits in accordance with applicable state and local regulations.



Management seeks input from associates throughout the Company. New associates have the opportunity to provide input to improve programs and processes. The Company's goal is to have an ongoing two-way flow of communications among associates.

Car-Mart's intranet site provides the connectivity that brings together associates across the 12 states where the Company operates and ensures that the "doing the right thing" culture is underscored to all associates. In addition, Car-Mart helps extend various holidays and milestone events through educational opportunities that reinforce responsibility and commitment professionally and personally.

In March we recognize International Women's Day as well as Women's History Month and acknowledge women for their contributions in the industry and the world in general. In addition, we celebrate Black History Month each February.

CEO Jeff Williams delivers a periodic video message that is available to all Car-Mart associates, and this includes answering questions received from associates in the field and at Corporate.

While the pandemic has curtailed some of the face-to-face engagement that is such a part of Car-Mart's 40-year history, it is the regular practice of our CEO and the management team to visit dealerships, meeting both with associates and customers on those trips. Management at various levels appreciate suggestions, ideas, observations, and concerns from associates, who are always encouraged to speak to their supervisor and others on the management team. Feedback spurs conversation and gives many a pathway for greater opportunity. We believe that discussion of ideas and concerns allows for teamwork and collaboration to better serve each other and our customers. We will continue to leverage technology channels to ensure that we connect and engage with associates across our growing footprint.

Corporate Citizenship Serving in Our Communities

Since our beginning, Car-Mart has a proud and strong tradition of improving the communities in which we operate through partnerships, donations and volunteerism. Giving back and helping those in need is in our DNA because it extends our "doing the right thing" principle. We find meaningful ways to give back and be an advocate and champion for our communities. It's all about our vision of making our communities better places – one customer at a time. Car-Mart and our associates are dedicated to making a difference in their local communities through health-care related groups, food appeals, toy drives, helping local schools, relief efforts and other local activities. Since May 2015, more than \$550,000 has been donated to local and national organizations for the benefit of Car-Mart's communities. Some programs are sponsored Company-wide; others are decided by and driven by local engagement, including monetary donations and volunteer time from associates.





Company-Sponsored Programs

Drive Away Cancer

Every October, we support Breast Cancer Awareness Month through our “Drive Away Cancer” promotion. Every Car-Mart dealership help promote this initiative by creating and sponsoring local activities that culminate with donations in each of our four regions to the American Cancer Society.



Appreciating our Military and First Responder Communities

We are also committed to supporting the brave men and women who serve and have served our country. We are grateful for the sacrifices and selfless acts made by our veterans and first responders. Many of our Car-Mart associates have served and given themselves selflessly as well, so we want to do our part to pay it forward to our service people and first responders.

Through the years, we have partnered with several veteran and first-responder organizations, including “Hope for Heroes Foundation,” an organization supporting veterans, police officers, firefighters, and emergency responders. The organization’s mission is to help those heroes who have been emotionally and/or physically disabled in the line of duty.

Holiday Toy Drive

In 2009, our dealerships in the Tulsa, OK area began collecting toys during the holiday season to deliver to St. Francis Children’s Hospital. Since that time, all our dealerships have shared this event.

During the Holiday season of 2021, we collected over 21,000 toys that were donated to 25 children’s hospitals in our communities, as well as other nonprofits such as the Poshard Foundation in Carterville, IL and Potter Children’s Home in Bowling Green, KY. Stories of how toys provide a positive impact to young patients can be found on our Car-Mart Blog at <https://www.car-mart.com/blog/>.



Local Programs

Paying it Forward - Helping Our Neighbors

At Car-Mart, we are big fans of Paying It Forward to our loyal customers. Random acts of kindness can go a long way in making a difference in someone's day. We believe in assisting those customers and others in our communities, who, from time to time, may just need a helping hand or a friendly smile. We enjoy performing charitable deeds such as delivering groceries or simply handing out gift and gas cards.

Our community appreciation events happen throughout the year across the communities that we operate in. We are proud to say that we donate to a nonprofit organization in every community where one of our 153 dealerships are located. Those donations include volunteer time, financial assistance and in-kind services.

Through our community appreciation events, we regularly support organizations important to our associates and customers – our neighbors – that make a difference locally. Many of our activities support children, military and first responders, and cancer. Locally, other groups beyond these core focus areas also receive assistance, and these include efforts that benefit organizations range from the Salvation Army to the Boys and Girls Club. In addition to the organizations already mentioned, below are examples of local groups that have benefited from the Paying it Forward program at Car-Mart during the past year:

- A Veteran's Best Friend (training service dogs)
- Feed the Vets
- Wounded Warrior Foundation
- Adult and Teen Challenge (helping them reach freedom from addiction)
- Helping Hands Ending Hunger of Georgia
- Juvenile Diabetes Research Foundation (JDRF)
- CARTI Foundation
- Jones Center for Families
- Various community food banks
- Local United Way chapters
- Local Schools:
 - o Athletic programs
 - o Teacher appreciation events
 - o Booster clubs



Don Rea
Small Claims Manager

Members of our management team, including local dealerships, also serve as volunteers or board members for various nonprofit groups. **Don Rea**, Small Claims Manager, personifies this servant mentality. He currently serves as Chairman of the Board of the Ascension St. John Auxiliary in Broken Arrow, OK. The Auxiliary provides volunteer assistance at the St. John Medical Center in Broken Arrow. Don is especially passionate about providing assistance to home-bound patients.



Environmental Footprint

Evaluating Our Carbon Footprint

At Car-Mart, we recognize that our company and associates have an impact on the environment. We are committed to conducting operations at Car-Mart in an ethical and socially responsible way, and we are sensitive to the needs of the environment and the local communities in which we operate. We respect the environment because we know that the future depends on how we care for it today. Environmental stewardship aligns with our mission, vision and values, and makes good business sense for our associates and customers. Further, we believe that a sustainable environment requires participation and cooperation from every associate, supplier, business partner and customer.

As a company, we are committed to reviewing the environmental impact of our operations and services and setting appropriate environmental improvement goals. Studies are under way internally in 2022 to determine how those goals will be quantified to reflect their impact on climate and carbon footprint. Starting in 2022 an independent third party has been retained to perform quarterly lot inspections for safety, environmental, and maintenance issues.

It is important to meet the requirements of relevant legislation and regulations, as well as standards and codes of practice accepted for the auto dealership industry. We also believe in the importance of being efficient with our resources and identifying areas where resources such as computers can be resold in other markets.

Energy Efficiency

With a goal to reduce our carbon footprint, we continue to improve our energy efficiency by:

- Installing LED lighting in 100% of new locations and all remodels
- Replacing legacy lighting with LED lighting where possible during regularly scheduled maintenance
- Adding energy saving motion sensitive lighting in 100% of new and remodeled buildings
- Utilizing timers for outdoor lighting at all dealerships lots. Lights routinely turn on at dusk and off when there is sunlight
- Retrofitting traditional fixtures with higher efficiency water-saving fixtures in 100% of new locations and remodels
- Installing energy efficient HVAC systems on new buildings, remodels, and all replacements during routine maintenance
- Improving energy efficiency and savings through increased levels of insulation and installation of triple glaze low-E glass in new, relocated, and remodeled buildings

Corporate Office LEED Certified

In 2020, we moved our Corporate Office from Bentonville to Rogers, AR. This is a leased facility and a certified LEED (Leadership in Energy and Environmental Design) building. The LEED certification is a globally recognized symbol of sustainability achievement and leadership.

This building was renovated with improved technology and efficient mechanical, electrical, plumbing, access, and elevator systems. The move promotes a better working environment that promotes safety and fosters creativity; further, it underscores our commitment to environmental stewardship because the building offers a wide range of green building features.

LEED provides a framework for healthy, highly efficient and cost-saving green building and we are pleased that renovations resulted in improvements to our environment stewardship, including:

- All lighting is controlled by motion sensors
- HVAC systems are regulated by time and people usage
- HVAC systems go to “energy efficiency” mode on weekends
- All workstations have recycling containers for cardboard and aluminum cans
- Paper is shredded and recycled by a third party supplier
- Computers turn off when not in use and associates are encouraged to power down their equipment when not working
- 100% of computers, monitors and related hardware is recycled or sent to resellers to harvest usable parts

Extending Care for the Environment Operationally

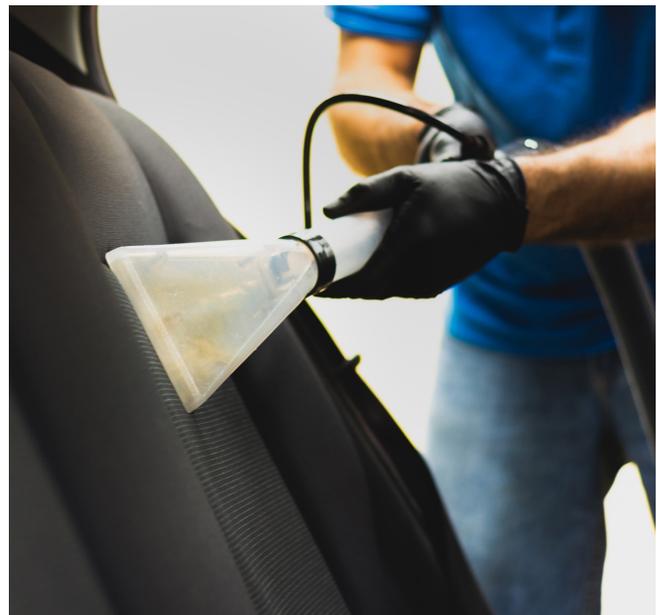
Our business strategy is based on sourcing, procuring, and offering “front-line ready” vehicles for our customers. These are vehicles that are considered maintenance free and ready for purchase by a customer. As such, we extend the life cycle of these vehicles and in turn lessen the environmental impact of used vehicle disposal.

At Car-Mart, we take a meticulous approach to selecting vehicles to purchase because we believe the quality and maintenance of a vehicle impacts the customer and the environment. Our best vehicles are those that come in with just a need for a wash and some detailing. Each vehicle must meet stringent requirements before it becomes a Car-Mart vehicle. The Company’s internal condition report guides our car buyers on items to examine as a part of the pre-purchase inspection, along with photos for quality review. The condition report is followed by an associate test drive that allows the vehicle to reach full operating temperature. These steps ensure reliable performance and longer life of the customer’s vehicle.

Approximately 20% of our dealerships have lifts and mechanics to service vehicles ahead of their purchase. All other dealerships rely on local third-party service producers for maintenance related activities, including tire changing, battery replacement, oil changes and car detailing. We choose these local suppliers carefully, with a goal of ensuring that they practice proper storage, handling, and transportation of these materials.

At the facilities where we provide service, all automotive fluids collected from servicing vehicles are managed and handled by third-party refiners. Washing and detailing vehicles to ensure they are “Front-Line” ready, whether handled by Car-Mart associates or third parties, follow industry practices for water conservation and proper handling of detailing chemicals. We educate all associates about the importance of minimal use of water and good conservation practices during these maintenance activities.

Our business strategy depends on keeping the cars on the road. Good vehicle maintenance and proper driving habits can contribute to reducing a vehicle’s footprint on our planet. All customers receive a “How to Maintain Your Vehicle” guide and the company regularly supplies educational materials on our website, social media channels and at dealerships on necessary routine maintenance activities.





Incorporating Dealerships into Local Communities

Our goal is to be recognized as a good neighbor where we operate our dealerships. That commitment starts when we go before a local planning board for site approval either for a new location or an expansion. Our dealerships are mostly in commercially- zoned areas. We adhere to all local regulations on wastewater retention, conservation, landscaping, waste management and recycling.

Leveraging Today's Virtual World

During the pandemic, certain associates took advantage of the option to work from home when possible. We

also transitioned one-on-one sessions of our Future Managers training to virtual meetings. Associate travel continues to be optimized so that virtual meetings are utilized to the extent possible. This has contributed to a reduction in our overall carbon footprint.

As we continue to grow and take what we have learned from the COVID-19 pandemic, certain associates will have more opportunities to work remotely. We are also continuing our efforts to provide our customers with additional options for purchasing a vehicle without a physical visit to one of our locations. In 2022 we intend to begin offering our customers the ability to purchase a vehicle online and in the near future, we will be able to deliver the vehicle to their home.

As mentioned earlier in our sections on Customer Relationships, we enhanced the opportunities for customer vehicle payments with technology options. In addition to in-person at our dealerships, customers can pay online, via phone or through a bank auto-draft.

Environmental Risks

We understand and recognize the changing global climate impacts us all. We are not immune to such changes and, as such, understand that they pose a gradually increasing risk to our operations. These risks include, but are not limited to, the following:

1. Increasing frequency of severe weather events in our target geographic market comprised of the south-central and southeast United States. In addition to increased frequency, the increasing severity of hurricanes, tornadoes, floods, and heat waves could significantly disrupt our dealership operations vis-a-vie regional economic impacts.
2. Increasing average temperatures in the United States may lead to more severe disruption of food production and increased food prices that adversely impact our customer base.
3. Transitions in consumer demand for used electric and hybrid vehicles due to more stringent emission regulations, fuel economy standards, and shifting manufacturer product offerings.

Governance: **Responsibility Backed** **by Strong Governance** **Principles**

Our Board of Directors is committed to strong governance to drive the long-term growth of the Company for our shareholders. The Board oversees the strategic direction of America's Car-Mart, including decisions about capital investment. Board members are actively involved in various committees and in risk oversight. Directors communicate directly with senior management on many areas of our business. The management team updates the Board on these activities at least once annually and plans to consider adopting a more formal corporate responsibility policy in 2022. All Board members reviewed this Corporate Responsibility Report before its publication and supported ongoing communications about these practices.

Board of Directors

Car-Mart is privileged to have a Board of Directors currently comprised of 7 highly qualified individuals, with the majority – 5 members – being independent directors, who are actively involved in the strategic oversight of the Company. The Chairman of the Board is an independent director. This allows the President and Chief Executive Officer to focus on the management of the business and our day-to-day operations, rather than serving as Board chair. We believe the separation of these roles is currently in the best interests of the Company's shareholders and allows for more effective Board oversight of the Company's operations.

Board of Directors

Ann G. Bordelon

Julia K. Davis

Daniel J. Englander

William H. Henderson

Dawn C. Morris

Joshua G. Welch - Chair

Jeffrey A. Williams



However, the Board of Directors does not have a policy that prohibits the CEO from serving as the Chair because it desires the flexibility to determine in the future that one person should hold both positions if such leadership structure would be in the best interests of the Company and shareholders. Directors serve one-year terms, and under the Company's Bylaws, each Board nominee must receive a majority of the shares voted at our annual Shareholders' meeting to be elected to the Board.

The Board of Directors believes that the Board should collectively possess a combination of skills, professional experience and diversity of backgrounds necessary to oversee our business. This aligns with our overall commitment to diversity, equity, and inclusion detailed earlier in this report. In seeking a diversity of experiences, the Board works to select nominees that cover a range of viewpoints and perspectives. As an example, our new board members added in 2021 offer expertise in marketing, branding, and information technology.

The members of our Board are committed to staying up to date on our operations. During the pandemic, visits to dealerships were curtailed, but Board members appreciate the opportunity to see how our associates take care of customers and keep our customers on the road.

The Board has four committees, each one operating under a written charter that describes the committees' purpose and role in the governance process.

- Audit and Compliance Committee
- Compensation and Human Capital Committee
- Innovation and Technology Committee
- Nominating and Governance Committee

The Board's committee charting can be found at our Investors website at ir.car-mart.com.

Our Board includes both long-standing and newer directors to leverage their business expertise and improve their effectiveness collectively. All Board members are expected to invest the time and dedication required to understand our business and operations so they can contribute and enhance their value to our management team and shareholders. The biography for each Board member is available at: ir.car-mart.com/overview/officers-directors.

Highlights of Governance Principles

Our Board's framework encourages diversity of thought and skill sets, and is grounded in sound governance policies and practices. We continue to strengthen our structure and review best practices to promote responsibility and accountability.

The following list highlights some of these:

- 5 of 7 board members are independent
- Annual election of all directors, and each director must receive a majority vote to be elected
- Separate Chair and CEO
- Annual board and committee evaluations
- Independent committee chairs
- No super-majority voting requirements
- Risk oversight
- Compliance oversight
- Membership for directors in the National Association of Corporate Directors
- Onboarding and training for new directors
- Pay-for-performance compensation philosophy
- Annual advisory say-on-pay voting by shareholders
- Hedging and pledging prohibited for directors, officers and associates with material, non-public information
- Stock ownership guidelines for named executive officers

Committed to Ethical Conduct, Compliance, and Risk Oversight

Car-Mart's Board of Directors is responsible for directing and monitoring our governance practices and policies which include the following:

- Corporate Bylaws
- Board Committee Charters
- Code of Business Conduct and Ethics

Our Company is built upon a foundation of strong core values and business practices. We are fully committed to serving our customers and employing individuals with personal standards consistent with those core values. Our Code of Business Conduct and Ethics is designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- Full, fair, accurate, timely, and understandable disclosure in reports and documents filed with regulatory agencies and other public communications
- Compliance with applicable laws, rules, and regulations
- Prompt internal reporting of violations of this Code
- Accountability for adherence to this Code

Our Code applies to all directors, officers, and associates of the Company and its subsidiaries.

Our Compliance and Ethics program is led by our Chief Compliance Officer and reports to the Audit and Compliance Committee of the Board of Directors. Additionally, we leverage a team of people in the organization to support compliance initiatives and integrate compliance throughout our business. This cross-functional approach helps to ensure full compliance in all aspects of our business.

At Car-Mart, we are committed to complying with all laws and regulations impacting our business and customers. We foster a culture of compliance through education and training and by continually strengthening our controls and operational oversight.

Integrity is one of our four values. It is the goal of our associates to be honest and transparent in every interaction with fellow associates and customers. Associates are expected to be compassionate and respectful in their encounters with others. We focus on listening to our customers and ensuring they have an excellent shopping experience. Our value of integrity is the cornerstone of our standards for compliance and ethics.

Additionally, our Compliance Management System seeks to ensure the Company complies with laws and regulations, as well as addressing and preventing risks of harm. This system is designed to:

- Prevent violations of laws, regulations, and associated risks of harm to consumers
- Identify potential violations of laws, weaknesses and vulnerabilities
- Correct any identified violations of laws and regulations, and remediate deficiencies and weaknesses

Risk oversight is supported by the internal reporting structures in place that bring to the Board any matter that can affect the Company's risk exposures.

Our Compliance Team

- Over 20 professionals comprise our compliance, legal, loss prevention and risk staff
- Multiple regulatory exams are conducted annually
- Numerous compliance and financial audits conducted annually

Engaging with Various Stakeholders

Our business requires us to communicate with various audiences. Beyond the dynamics between associates and customers, we rely on interaction with local community officials and regulators, industry associations, community groups, shareholders and the financial community, and other parties. We monitor issues that affect our business and believe that understanding all perspectives allows us to make the right business decision. Feedback from all audiences, especially associates and customers, helps us improve how we operate and contributes to enhancements in our strategy to continue to “Keep you on the road.”

Examples of our Ongoing Stakeholder Engagement:

Associates

- Communication programs from the Corporate Office, including intranet, company blogs, periodic CEO videos and ongoing Q&A sessions
- Training and development programs
- Associate hotline
- Associate recognition awards
- Associate engagement survey
- Quarterly issues of *The Gazette* internal newsletter

Customers

- Customer Experience team
- Customer satisfaction surveys
- Financial assistance programs during the pandemic
- Educational materials on vehicle care

Shareholders and Financial Community

- Institutional investors
- Individual shareholders
- Media
- Analysts
- Quarterly earnings calls
- Participation in investor conferences

Local and Regional Non-Profit Organizations

- Partnerships with national organizations that benefit local chapters, e.g., American Cancer Society
- Veteran and first responder groups
- Associate volunteer events
- Board service from associates

Local Business Affiliations in our 12-State Business Area

- Chambers of Commerce
- Rotary

Governments and Regulators

- Engagement with local planning boards and city councils for dealership approvals and ongoing relationships
- Local, state, and federal regulators

Industry Associations

- National Independent Auto Dealer Association and related state associations
- Arkansas Society of Certified Public Accountants
- American Institute of CPA's
- Society of Corporate Compliance and Ethics
- National Auto Finance Association
- Society of Human Resources Management
- Association of Corporate Counsel
- Information Systems Audit and Control Association

Communication with the Board of Directors

We have an established process for interested parties to communicate with members of the Board of Directors of America's Car-Mart, Inc. Any shareholder may communicate with the Board, or with individual members. Written communication can be sent to:

Chief Financial Officer or Corporate Secretary
America's Car-Mart
1805 North Second Street
Suite 401
Rogers, AR 72756



Feedback on Corporate Responsibility

The information included in this report illustrates the commitment of America's Car-Mart leadership team and Board of Directors to "doing the right thing" for customers, associates, communities, the environment, and shareholders. The information contained in this report is accurate as of January 31, 2022. To contact us regarding this report, please e-mail us at: corporateresponsibility@car-mart.com.

Forward Looking Statements

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements address the Company's future objectives, plans and goals, and can generally be identified by words such as "may," "will," "should," "could," "believe," "expect," "anticipate," "intend," "plan," "foresee," and other similar words or phrases. These forward-looking statements are based on the Company's current knowledge and assumptions about future events and involve various risks and uncertainties. Such risks and uncertainties that may affect future results include those risk factors described in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2021, and in the Company's other reports filed with the SEC from time to time. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made.



Summary

We believe that our customers need us more than ever. What we do is very important to the quality of life for many, and we make a big difference in the world. We are very excited about our future and the opportunities we have to continue to grow and serve more customers. We have real purpose in our work and have a responsibility to positively contribute to the growth of our associates and to improve the communities we serve. Our 2,200+ associates serve nearly 94,000 customers in over 150 communities. We also have several thousand vendor partners that are part of our team. Through this network we have a tremendous opportunity to be a positive force in making our country a better place in the future.

For additional questions about any information included here, please e-mail us at corporateresponsibility@car-mart.com

