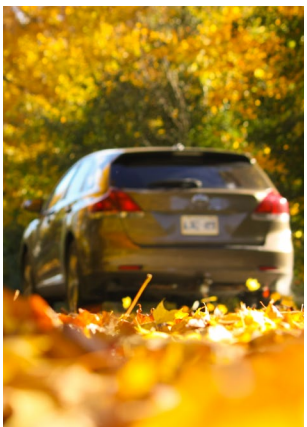


Keeping **You** on the Road



2023 Corporate Responsibility Report

(NASDAQ: CRMT)

Corporate Responsibility Report



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About This Report

Thank you for your interest in the America's Car-Mart, Inc. (Car-Mart or the Company) 2023 Corporate Responsibility Report. We are pleased to share the initiatives, programs, metrics and performance that support Car-Mart's commitment to making a positive impact on our associates, communities, and the environment. The report covers the period of February 1, 2022, through January 31, 2023, unless otherwise noted. Any data referencing a different period is designated in the report. For further information about Car-Mart, please visit www.car-mart.com.

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A Message From Jeff Williams, Chief Executive Officer

America's Car-Mart is in business to help people by keeping them on the road, providing peace of mind in one stressful area of their life—car ownership. Our vision is to be America's best auto sales and finance company in the eyes of our associates and customers while improving the communities we serve. Because of our vision, we take our corporate responsibility very seriously.

This report will highlight our efforts to operate with our values of integrity, respect, compassion, and excellence. We believe that incorporating our values in how we treat our associates, customers, and communities contributes to the sustainable fulfillment of our mission and vision.

In this year's report, you will find that we made significant investments to enhance and reinforce our culture and responsibility practices. Some of our 2022 highlights include:

- Our new unconscious bias training continues to contribute to our efforts in building a diverse workforce.
- We improved our associate engagement survey questions to gain a better understanding of issues that matter most to our associates, including our associates' sense of inclusion, belonging, and fulfillment in their daily work.
- Our community involvement continues to grow. In 2022 we collected over 25,000 toys for delivery to 28 children's hospitals and other organizations through our holiday toy drive, a 19% increase over the previous year.
- Our responsibility practices are being increasingly integrated into our business, including data analytics, associate development, community involvement, and Board of Director involvement in our corporate responsibility platform.

Looking ahead, we remain committed to being a responsible corporate citizen. Doing so enables us to create lasting value for our associates, customers, and communities we serve. As we respond to the market's ever-changing demands and evolve our business, our values will continue to guide our decisions well into the future.

We could not have made these efforts without the incredible hard work of our 2,400+ associates. I, along with the rest of our company, am proud to share our 2023 Corporate Responsibility Report with you.

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



Jeff Williams
Chief Executive Officer



“We believe that incorporating our values in how we treat our associates, customers, and communities contributes to the sustainable fulfillment of our mission and vision.”

Jeff Williams, CEO of Car-Mart

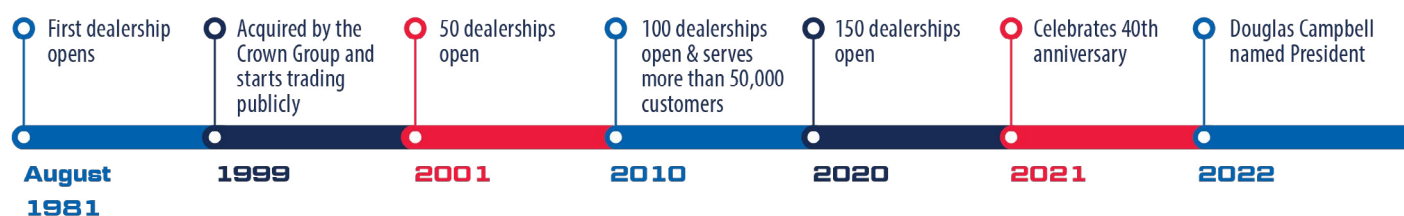
We Are America's Car-Mart

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, Arkansas. 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 2,400 associates and 157 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.

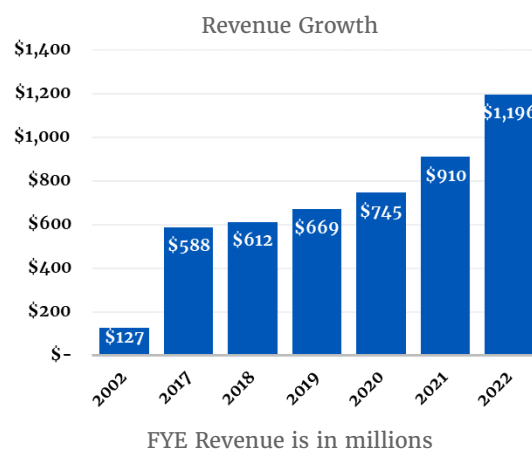


Company Milestones



Facts and Stats

- Headquartered in Rogers, Arkansas
- 156 Automotive Dealerships in 12 states—Alabama, Arkansas, Georgia, Illinois, Indiana, Iowa, Kentucky, Mississippi, Missouri, Oklahoma, Tennessee, and Texas
- 2,400+ associates
- 99,577 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



Recognition and Awards

Each year, we are proud to be recognized for industry leadership:

- America's Greatest Workplaces 2023 for Diversity
- 2022 Auto Remarketing's “AR 500” (considered one of the most influential companies)
- Forbes America's Best Small-Cap Companies in 2022, 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 America's Car-Mart, Inc. 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, Values

These are the guiding forces behind what we strive to do each day. We start 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

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 is 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. In 2022, we completed an enhanced Company engagement survey and our associate feedback confirmed that our working environment, culture, and inclusion were leading drivers in our engagement of associates. Our associates responded with 89% of respondents saying that “they identify with the organization’s mission, vision, and values.” 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. Our engagement survey results showed that over 81% of our respondents responded favorably to “being comfortable being myself at America’s Car-Mart.”

The charts below detail the composition of our workforce through January 31, 2023.

America’s Car-Mart Associates

Total Company	Dealership Managers	Current Dealership Managers
<ul style="list-style-type: none"> • Female – 51% • Male – 49% • People of Color – 35% • White – 65% 	<ul style="list-style-type: none"> • Female – 35% • Male – 65% • People of Color – 29% • White – 71% 	<ul style="list-style-type: none"> • 24% have over 10 years with Car-Mart • 10.7 years – average tenure

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. In 2022, we continued our development of leaders with the implementation of our Unconscious Bias training as leaders completed computer-based inclusion training and group inclusion coaching. All associates must take a computer-based training program on discrimination and harassment 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 operated 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 our anonymous hotline. All calls to the hotline are immediately investigated within 24 hours and contact is made with the associate. We encourage our associates to raise concerns, be alert to possible violations and report issues without fear of retaliation. 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 whistleblower 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, Senior Vice President of People, 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. We expect every associate in our Company to not only read and understand our Code of Conduct but also to apply good judgment and the highest personal and ethical standards in making business decisions.

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 February 2022, we also launched a Human Rights training module that all our associates must complete.

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 associates because we value the dignity of all people. 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 invest time and resources into the hiring process to ensure we are attracting and retaining diverse candidates 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.



Jenny Marrero
Senior Audit Manager

From manually posting payments in her first job to managing the Company's internal audit program—that's **Jenny's** career track at America's Car-Mart. In 2013, she started her Car-Mart journey in Accounting, then Sales & Marketing, and currently Compliance and Audit.

"This is what makes Car-Mart so special – the opportunity to experience all aspects of the business. That blessing paved the way for me to evolve from working in a temporary position to where I am today," says Jenny, who earned the Company's prestigious Pacesetter Award in 2018 for excelling in her Sales & Marketing position.

"Car-Mart realizes the untapped potential and makes an effort to develop that talent," she continues. *"I had an applicable skillset, and the Company invested in me to work in a role that I didn't think would be my career path."*

According to Jenny, Car-Mart is also unique with its focus on people and its values. *"Car-Mart seeks to better others, whether customers or associates,"* says Jenny. *"Car-Mart truly and actively demonstrates its core values on a regular basis. That culture connects us. And it brings out the humanity in people, always trying to be better."*



Brittani Brooks
General Manager

"I found a home when I joined Car-Mart," says **Brittani**, who started her Car-Mart career in the Future Manager program in Arkadelphia, Arkansas, in May 2018. She learned the business in Arkadelphia and North Little Rock, Arkansas, before becoming General Manager in Tuscaloosa, Alabama, in October 2021. There she won 'Lot of the Month' in her third month.

In her role, Brittani helps others, both associates and customers. And that's important to her. *"Once upon a time, I had bad credit. I was broke, so I know what it's like,"* says Brittani, a single mom and a Car-Mart customer. *"And now I get to help people like myself."*

Brittani also appreciates Car-Mart's family atmosphere and strong focus on its mission, vision, and values. On day one at Car-Mart, she was asked to recite the Company's values. *"When I got them right, I knew this job was for me! That was a sign,"* smiles Brittani. *"I'm still in awe of my position,"* she continues. *"Car-Mart means the world to me. I have a family here, and they support me."*



Matt Heiderscheidt
Vice President of
Operations, Region 1

"When I got the green light to join Car-Mart's Future Manager program, it wasn't just a job anymore," Matt says. *"It was a path, a career that I could build on if I put in the work."*

That's when he knew he had made the right decision to work at Car-Mart. From Account Representative in Harrison, Arkansas, to Vice President of Operations, he was also a General Manager in Springfield, Missouri, and Conway, Arkansas, where he oversaw three dealerships. Matt was a four-time top 10 General Manager of the year from 2017 to 2020.

In 2012, Matt was named Vice President of Operations for a newly created region and helped establish Car-Mart's footprint in Mississippi and Georgia, where he opened the Company's first Car-Mart in Georgia (in Woodstock). Currently, Matt leads Car-Mart's Region 1 in the same capacity. He defines his 18-year career at Car-Mart as challenging, rewarding, and entertaining.

"Car-Mart means everything to me," says Matt. *"Financial stability for my family. Peace of mind. A career. It's not just a job, it's a way of life."*

Associate Compensation

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. In addition, associates have a menu of benefit options to choose from to meet their needs.

Associate Benefits & Programs

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 the employee contribution for some plans and maintained deductibles across all plans, and we continually provide communication for associates to help them make better informed healthcare decisions.

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. 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 five 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:

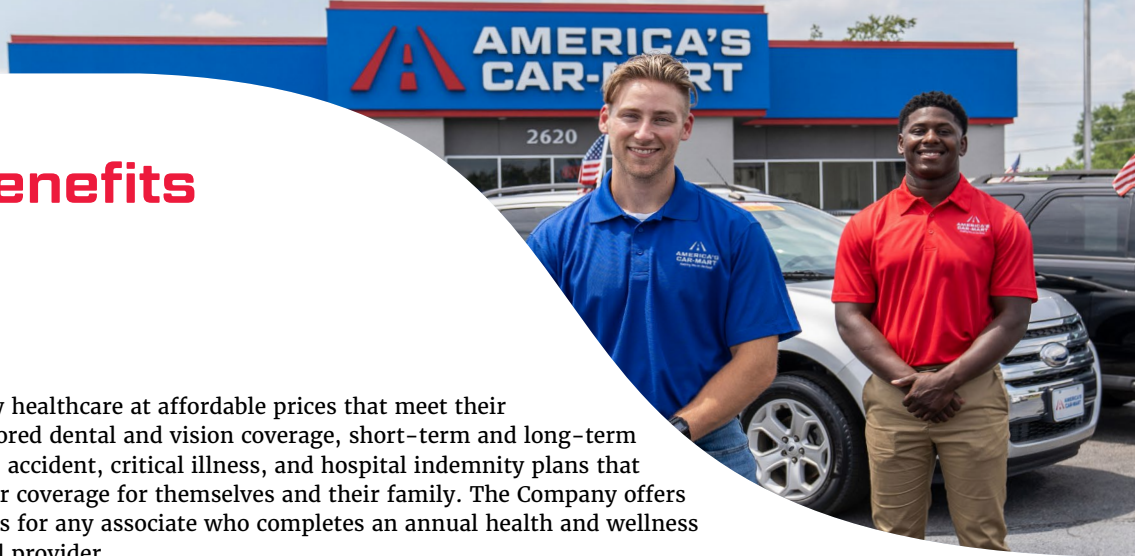
America's Car-Mart offers flexibility to help our associates relax, recharge, and take care of their personal needs via paid time off days. In addition, our personal leave policy allows associates to take unpaid time off to handle personal or family matters after they have completed six months of employment 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. Applications are accepted beginning in January of each year, and selections are based on a leadership review of the applicants. Awards are announced in March. In 2022, we provided four scholarships, which was an increase over 2021.

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 vaccinations clinics (flu and Covid), and other preventative health screenings. For those associates working in office environments, we offer training in ergonomics and office safety programs.

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 (due to domestic violence, natural disaster, other disaster and 1st time home buyers), 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 27 associates and tuition reimbursement to two associates during the year.



Nan Smith, former Car-Mart President

Associate Training & Development

Functional & Position-Specific Courses

All associates who join Car-Mart go through orientation courses in culture, safety, compliance, 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. These seminars are conducted using a mix of in-person, video, and computer-based training.

As of January 31, 2023, 92% 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. 122 associates trained and successfully graduated from our Future Managers' Training program during the 12 months ended January 31, 2023. Our commitment to personal development and career advancement throughout the organization is recognized by 44% of graduates this last year joining the program from a position already within the organization – our highest ratio to date.

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 organizational 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 2022, 26 Car-Mart U. graduates were promoted to General Manager or other management positions, elevating the total number of graduates promoted to 49 since inception in 2021.





Brad Davis
General Manager
Owensboro, Kentucky

One associate expressed from the very beginning of his Car-Mart career that he knew he would one day become a General Manager with his own store. **Brad Davis**, General Manager of the Owensboro, Kentucky, store even mentioned this goal in his interview for a Purchasing Agent position. He knew his goals from the very beginning and said the Future Manager Training Program made achieving his goals possible.

“The ladder for progress is so clearly defined at America’s Car-Mart,” said Brad. “It isn’t like that at other companies. It’s a lot more challenging to figure out who to talk to and what path to take in order to achieve leadership. The Future Manager Training Program gave me a clear path to take and helped me reach my goal.”

Brad joined the Future Manager Training Program in March of 2021 after working as a Car-Mart Purchasing Agent for three years. He was promoted to Assistant Manager in June of 2021, and became the General Manager of the Owensboro, Kentucky, Car-Mart just four months later. Brad attributes his quick career advancement to the training program and said he is now able to help other associates on the path to General Manager, as well.

“Car-Mart’s Training Program provides information on how to successfully be a GM while also setting expectations for the role. It helps you to be as prepared as you can be. Nothing about being a GM was hidden from me or came as a surprise to me,” explained Brad. “It is a standardized training program for all our Future Managers—this really helps you gauge where your progress falls compared to your peers. Any time there is a new GM in my area, I know where they are in their training, because I’ve been there, and in some ways, I know how to better help them be successful in their new role.”

Even though he is done with his formal Car-Mart training, Brad said he is determined to learn more and that every day he works, he is striving to be bigger and better for Car-Mart.



Rachel Rake
Assistant Manager,
Rogers, Arkansas

The Future Manager Training Program at Car-Mart prepares associates like **Rachel Rake** for all stages of management. Rachel, an Assistant Manager at the Car-Mart of Rogers, Arkansas, said her goal is to one day become a General Manager of her own store. Rachel joined Car-Mart’s FM Program in January of 2022 after realizing upward movement at her current company was limited. Rachel excelled in the training program and was promoted to Assistant Manager in March of 2022. With great leadership and her personal dedication, she continues to refine her skills in her daily leadership practices at the Rogers, Arkansas lot. Rachel expressed her gratitude for the Future Manager Training Program because it gave her a well-structured environment, clear expectations, and the proper knowledge for success.

“This program gave me the tools and exposure to successfully manage each department on the lot,” said Rachel. “I had active experience in Sales, Inventory, and Accounts, and developed soft skills such as expense management, conflict resolution, leadership, and decision-making. This program enables each manager across the company to work cohesively, creating a customer experience that is the same across the board, because each individual and each lot are held to the same standards.”

The Power of Mentoring

Mentors play a vital role in helping shape and guide our future leaders at America’s Car-Mart. We believe our culture of mentoring helps strengthen our mission, vision, and values, as well as foster an environment of inclusion and collaboration. That’s why we annually recognize a general manager, who through strong and effective mentorship, goes above and beyond to advise and develop associates to be good stewards of the business.

Cont...



Michael Xiong
General Manager
Broken Arrow,
Oklahoma

Our 2022 Mentor of the Year is Michael Xiong, General Manager, Broken Arrow, OK.

Michael's unwavering commitment to our Mission, Vision and Values, coupled with a profound investment in nurturing the professional development of his associates, merits this distinction.

His mentorship approach is structured and purposeful. Emphasizing continual learning, he dedicates regular sessions for training and mentorship of FMs and AMs. This strategic investment is pivotal in enabling these future leaders to achieve their professional potential.



"I owe Car-Mart the very best knowledge for all of our Future Managers. I wouldn't be here without them giving me the best!"

**Michael Xiong, General Manager, Broken Arrow, Oklahoma
2022 Mentor of the Year**

Paying It Forward to Our Leaders

"Michael is a man of integrity; I've known him all his years with the company, and I've always known him to be an honest forthright individual who will always make good decisions. The right decisions."

**Terry Dodson, HR Manager,
Berryville, Arkansas**

"Michael is exceptionally intelligent, honest, and thorough in all his work. While at his dealership, I was impressed with his high level of organization and consistency. Each area of the business operated smoothly; and he made the GM position look easy. I credit him for my knowledge and success in this company. He is respected by all who work for him. I wholeheartedly believe that Michael will find success in anything he does and give him credit for who I am today."

**Mouhamadou Cisse, Assistant
Manager, Rolla, Missouri**

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.

In 2022, we launched a new internal communications tool, giving all associates access to information, messaging tools, and Company news. This tool has centralized access to direct messaging, group messaging, a resource library, a task management system, and the ability to submit feedback through surveys and forms within the system. This ease of access has improved our associate experience by creating a hub for all the information they need. Additionally, group messaging channels were established across the Company to help associates collaborate more effectively. Now, associates can post encouragements, questions, and tips to their peers throughout the organization.

Our values of integrity, respect, compassion, and excellence are celebrated throughout the platform. Whether that's through videos, messages, bulletins, or graphics posted, they all reinforce our commitment to "doing the right thing." Through our communication, Car-Mart helps extend various holidays and milestone events through educational opportunities that will strengthen responsibility and commitment professionally and personally. Some of these events include International Women's Day, Women's History Month, Asian American and Pacific Islander Heritage Month, Indigenous People's Day, Hispanic Heritage Month, Black History Month, and Veteran's Day.

We also believe it's essential for all associates to hear from our Company's leadership. Periodically, our CEO and other executive team members deliver video messages to all Car-Mart associates. These videos frequently answer questions from associates and inform our team about the company's direction.

In addition to digital communications, in-person interaction is essential to engaging our team. It is vital for dealership associates to have interaction and engagement with management. Area managers typically visit the dealerships in their region at least once every week. Management seeks input from associates throughout the Company. New associates can provide input to improve programs and processes. The Company's goal is to have an ongoing two-way flow of communication among associates.

Our CEO and the management team visit dealerships regularly, meeting 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.

The discussion of ideas and concerns through all of our channels creates a great experience for associates, which leads to a fantastic customer experience. We will continue leveraging communication to ensure we connect and engage with associates across our growing footprint.

Associate Recognition

Associates are frequently recognized for their contributions within the Company and their service to our customers. The Pacesetter Award is presented to any associate who goes above and beyond in their daily work. All associates receive anniversary service awards at 5-year increments, and we host a special celebration to recognize associates when they achieve 25 years of service to Car-Mart.

General Managers of dealerships are eligible to receive awards for sales, excellence in account management and expense management. These are awarded by region. Associates are also recognized for excellent results in sales and collections. Annually, Car-Mart recognizes the Dealership 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 earning repeat customer business. 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.



Dealership of the Year Award presented to Jason Henson, Siloam Springs, Arkansas.



President's Award presented to Danielle Cooper, Corporate C.A.R.E Manager.

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 are focused on equipping our managers and associates with the tools and training to do their job safely. 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 is a priority for our associates and customers. We keep work areas clean and resolve or report hazards as soon as they are discovered. We work to ensure that there are safe labor conditions and health and safety practices.

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.

2022 Highlights:

- We are committed to reducing all workplace incidents among associates and customers;
- Risk Manager became OSHA 30 certified for workplace safety;
- OSHA approved our company's Health and Safety Plan;
- Lot-level safety and maintenance inspections are now conducted periodically by a nationwide third-party provider specializing in facilities maintenance;
- Facilities safety and maintenance items identified during inspections are repaired through a nationwide network of approved third-party providers.

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 2022 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.

Cont...

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

- **Driver Violations by Age Group:** Including all other types of driving violations and/or at-fault accidents within the past three 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 include seat belt violations but do not include non-moving violations, such as weight violations or improper or inadequately maintained equipment.

The Company also has detailed specific safe driving 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 CEO. Data security and privacy are overseen by these groups:

- Information Security Steering Committee, a cross-functional group of senior leaders
- Audit 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 41-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.

Our Customers and Our Communities

Building lasting and successful relationships with our customers means understanding the communities in which we serve them. Car-Mart aims to promote financial inclusion in rural communities, with a focus on serving low-income borrowers in these communities, by offering equitable access to fair and transparent credit. A majority of Car-Mart's active contracts with customers come from communities that have been designated as a "Credit-At-Risk" or a "Credit-Insecure" community.

As demonstrated in the table below, based on obligor zip codes from Car-Mart's portfolio of receivables and mapping the zip code to counties listed on the Federal Reserve Bank of New York's "Unequal Access to Credit" Report¹ (September 2019), 55.16% of the total number of Car-Mart's contracts were originated for customers in the bottom two categories of Instability score. According to the report, "higher index scores indicate that a community is more credit constrained, or credit insecure, than communities with lower scores. In other words, higher index scores identify communities with a larger share of residents who are unlikely to obtain credit at choice for resiliency or opportunity than communities with lower index scores." We believe this data underscores Car-Mart's commitment to serving diverse communities with varying socioeconomic statuses.

Credit Insecurity Index Distribution by County for Car-Mart Portfolio¹

Instability Score	Total Number of Contracts	% of Total Number of Contracts	Total Outstanding Principal Balance	% of Total Outstanding Principal Balance
0. N/A 627	627	0.62%	\$8,608,361	0.66%
1. Credit-Assured Counties (<19)	1,898	1.87%	\$23,993,120	1.84%
2. Credit Likely Counties (19-23)	7,181	7.07%	\$90,221,175	6.90%
3. Mid-Tier Counties (24-28)	35,859	35.29%	\$458,729,319	35.10%
4. Credit-At-Risk Counties (29-35)	40,915	40.25%	\$529,732,340	40.54%
5. Credit-Insecure Counties (≥36)	15,137	14.90%	\$195,524,469	14.96%
Grand Total	101,617	100.00%	\$1,306,808,784	100.00%

These communities have been identified using the counties in the Federal Reserve Bank of New York's (FRBNY) "Unequal Access to Credit: The Hidden Impact of Credit Constraints"¹ report (the "Report"). The report utilizes the Community Credit framework to divide communities into two subgroups – those with a credit score and those without. Residents with no credit score are not connected to a mainstream credit institution and face limited, more expensive options for credit, if at all. Residents in the formal credit economy with credit constraining outcomes may find it challenging to borrow or to withstand emergencies.

Car-Mart customers are typically in the formal credit economy, but the majority have credit-constraining attributes as evidenced by an average FICO credit score of 525–550. According to the Report, "access to credit is an asset for individuals to pursue economic opportunity and enhance financial security." The report seeks to better assess a community's ability to access credit products at fair terms when they choose, which is "credit at choice." The Traditional analysis only focuses on those not in the formal credit economy and often overlooks those with credit-constraining outcomes for whom "credit at choice" is unavailable. The report seeks to measure a community's ability to access this credit at choice by incorporating both populations into their "Credit Insecurity Index score" to develop a more accurate and nuanced method of evaluating counties. Certain counties were identified as having limited access to credit at choice due to significant numbers of residents that are either unbanked or have credit-limiting histories. In comparison to the table below that represents U.S. adult population distribution by county and credit insecurity index tiers, the majority of Car-Mart customers are in the "Credit-At-Risk" and "Credit-Insecure" counties while the majority of the U.S. Adult Population reside in the "Mid-Tier", "Credit-Likely", and "Credit Assured" counties.

Credit Insecurity Index Tiers (Federal Reserve Bank of New York)¹

Distribution of U.S. Counties and their Share of the Adult Population by Credit Insecurity Index Tiers in 2007, 2012, and 2018

Credit Insecurity Index Tiers	Number of Counties			Share of U.S. Adult Population		
	2007	2012	2018	2007	2012	2018
Credit-Assured Counties (<19)	777	397	685	32.9%	12.9%	26.4%
Credit-Likely Counties (19–23)	696	515	611	23.5%	20.8%	23.7%
Mid-Tier Counties (24–28)	641	698	717	25.0%	25.6%	30.6%
Credit-At-Risk Counties (29–35)	585	797	643	13.7%	28.8%	14.4%
Credit-Insecure Counties (≥36)	379	675	426	5.0%	11.9%	5.0%
Total counties*	3,078	3,082	3,082	100%	100%	100%

*Given our minimum sample size requirement of 50 observations per county, some counties are not included in the calculation; hence, the total number of counties analyzed varies from the U.S. total of 3,142 counties.

¹ From Federal Reserve Bank of New York, "Unequal Access to Credit: The Hidden Impact of Credit Constraints" Report, September 24, 2019.

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 banks, toy drives, helping local schools, relief efforts and other local activities. Since May 2015, more than \$680,000 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 helps promote this initiative which culminates with donations in each of our 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, Oklahoma area began collecting toys during the holiday season to deliver to St. Francis Children’s Hospital. Since that time, all our dealerships have participated in this event.

During the Holiday season of 2022, we collected over 25,000 toys that were donated to 28 children’s hospitals in our communities, as well as other nonprofits such as the Poshard Foundation in Carterville, Illinois and Potter Children’s Home in Bowling Green, Kentucky. 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 and Giving Back in our Communities

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 baby supplies.

Our community appreciation events happen throughout the year across the communities in which we operate. We are proud to say that we donate to a nonprofit organization in every community where one of our 157 dealerships is located. Those donations include volunteer time, financial assistance and in-kind services.

Through our Grand Openings and 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:

- The Kitchen, Springfield, Missouri
- NE Arkansas Children's Advocacy Center, Jonesboro, Arkansas
- Northern Oklahoma Humane Society, Ponca City, Oklahoma
- NWA Children's Shelter, Bentonville, Arkansas
- Ozark Action, West Plains, Missouri
- Tulsa Dream Center, Tulsa, Oklahoma
- Current Outreach Center, Van Buren, Arkansas
- Hope's Kitchen, Siloam Springs, Arkansas
- Cancer Perks, Sedalia, Missouri
- Hugh O'Brian Leadership, Oklahoma
- Junior Achievement of Arkansas, Oklahoma, Tennessee and Alabama
- Serv2Perform –Latin XNA, Northwest Arkansas
- SOAR Afterschool Program, Northwest Arkansas
- Arkansas Children's Hospital, Springdale, Arkansas and Little Rock, Arkansas
- Brandon Burlsworth Foundation, Harrison, Arkansas
- Jones Center for Families, Springdale, Arkansas
- Hope Cancer Resources, Springdale, Arkansas
- Mercy Hospital Foundation, Rogers, Arkansas
- Razorback Foundation, Fayetteville, Arkansas
- Various community food banks
- Local Schools:
 - o Athletic programs
 - o Financial literacy efforts
 - o Teacher appreciation events
 - o Booster clubs



Jeff Williams
Chief Executive Officer

Members of our management team, including local dealerships, also serve as volunteers or board members for various nonprofit groups. Our Chief Executive Officer, Jeff Williams, currently serves on the boards of directors for Mercy Health Northwest Arkansas Communities since 2019 and the Jones Center and Jones Trust since 2021. Jeff is passionate about the Company's vision of improving the communities we serve.

Environmental: Respecting our 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, 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. 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 in all of our locations by:

- Installing and replacing LED lighting;
- Utilizing energy saving motion sensitive lighting;
- Retrofitting traditional fixtures with higher efficiency water-saving fixtures;
- Installing and replacing energy efficient HVAC systems.

Corporate Office LEED Certified

In 2020, we moved our Corporate Office from Bentonville to Rogers, Arkansas. 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 supplies a framework for healthy, highly efficient and cost-saving green buildings, and we are pleased that renovations resulted in improvements to our environmental stewardship, including:

- All lighting controlled by motion sensors;
- HVAC systems regulated by time and people usage;
- HVAC systems set 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, office electronics, and related hardware are 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. For efficiency purposes, every location strives to deliver a vehicle that is “Front-Line” retail ready 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

We leaned into technology to support our associates and customers during the pandemic and continue to expand these opportunities today. To maintain flexible work options, certain associates can occasionally work from home to maintain business support for our customers. In addition, we continue to offer one-on-one sessions of our Future Managers training with in-person and virtual meetings. Associate travel continues to be optimized so that virtual meetings are utilized to the extent possible. These changes have contributed to a reduction in our overall carbon footprint and a more flexible workforce.

As we continue to grow and build on what we have learned, our associates will have more opportunities to leverage virtual work options for flexibility in conducting their job. We are also continuing our efforts to provide our customers with additional flexibility in shopping for a vehicle online before visiting a physical location. In 2023, we will expand our capabilities by providing customers with the ability to get pre-approved for financing and shop for a vehicle online.



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:

- 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-vis regional economic impacts.
- 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.
- 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 and has the necessary authority and practices in place to review and evaluate our business operations and to make decisions independent of management. Directors communicate directly with senior management and receive regular updates from the management team on many areas of our business and operations. 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 seven highly qualified individuals, with the majority—five members—being independent directors, who are actively involved in the strategic oversight of the Company. 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 Chairman of the Board is an independent director. This allows the 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. 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.

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. Currently, three of our seven directors (43%) are women. In seeking a diversity of experiences, the Board works to select nominees that cover a range of viewpoints and perspectives. The following table sets forth the current gender identity and demographic background of the members of the Board of Directors:

Board Diversity Matrix

Total Number of Directors	7		
	Female	Male	Did Not Disclose Gender
Part I: Gender Identity			
Directors	3	4	-
Part II: Demographic Background			
African American or Black	-	-	-
Alaskan Native or American Indian	-	1	-
Asian	-	-	-
Hispanic or Latinx	1	-	-
Native Hawaiian or Pacific Islander	-	-	-
White	2	4	-
Two or More Races or Ethnicities	-	1	-
LGBTQ+	-	-	-
Did Not Disclose Demographic Background	-	-	-

Directors who are Military Veterans: 2

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 skillsets 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:

- Five (5) of seven (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 transactions and margin accounts prohibited for directors and officers;
- Share pledging by directors and officers generally prohibited with limited exceptions;
- Stock ownership guidelines for named executive officers.

Board of Directors



Joshua G. Welch
Chair



Jeffrey A. Williams



Ann G. Bordelon



Julia K. Davis



Daniel J. Englander



William H. Henderson



Dawn C. Morris

Commitment 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 25 professionals comprise our compliance, legal, loss prevention and risk staff.
- Multiple regulatory exams are conducted annually.
- Numerous compliance, operational and financial audits are 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 internal communication platform, company blogs, periodic CEO videos and ongoing Q&A sessions
- Training and development programs
- Associate hotline
- Associate recognition awards
- Associate engagement survey
- Quarterly Executive listening sessions with GM’s and New corporate Staff
- Quarterly issues of The Gazette internal newsletter

Customers

- Customer Experience team
- Customer satisfaction surveys
- 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

Communications 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, Inc.
1805 N 2nd 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, 2023. 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, 2022, 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

