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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934**

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Filed by the  
Registrant

Filed by a  
party other  
than the  
registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**CARVANA CO.**

(Name of registrant as specified in its charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check all boxes that apply):

- No fee required.
  - Fee paid previously with preliminary materials.
  - Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11.
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# CARVANA

Dear Fellow Stockholders,

We are pleased to invite you to attend the 2022 Annual Meeting of Stockholders of Carvana Co. on Monday, May 2, 2022, beginning at 2:00 p.m., PDT. The annual meeting will be conducted virtually via live webcast. To participate in this year's annual meeting of stockholders, you must register beforehand by visiting [www.proxydocs.com/CVNA](http://www.proxydocs.com/CVNA) by 5:00 p.m. EST on April 28, 2022 or the Registration Deadline. After completion of your registration by the Registration Deadline, further instructions, including a unique link to access the annual meeting, will be emailed to you. You will not be able to attend the annual meeting physically. Once registered you will be able to listen to the annual meeting live and vote online.

Details regarding how to attend the meeting online and the business to be conducted at the annual meeting are more fully described in the accompanying Notice of 2022 Virtual Annual Meeting of Stockholders and Proxy Statement. We will mail a notice containing instructions on how to access this proxy statement and our annual report on or about Wednesday, March 23, 2022, to all stockholders entitled to vote at the annual meeting. Stockholders who prefer a paper copy of the proxy materials may request one on or before April 22, 2022, by following the instructions provided in the notice we will send.

Your vote is important. Whether or not you plan to attend the annual meeting, we urge you to vote. You may vote by proxy over the Internet, by telephone, or by mail following instructions on the proxy card. Voting by proxy will ensure your representation at the annual meeting regardless of whether you attend.

Sincerely,

A stylized, handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

**Ernest Garcia III**  
President, Chief Executive Officer and Chairman

## NOTICE OF 2022 VIRTUAL ANNUAL MEETING OF STOCKHOLDERS

The 2022 virtual Annual Meeting of Stockholders of CARVANA CO. (“Carvana” or the “Company”) will be held on Monday, May 2, 2022 at 2:00 PM (PDT) and will be conducted virtually via live webcast (the "Annual Meeting"). To participate at this year’s Annual Meeting, you must register beforehand by visiting <http://www.proxydocs.com/CVNA> by 5:00 p.m. EST on April 28, 2022 (the "Registration Deadline"). You will be asked to provide the control number located inside the shaded gray box on your notice or the proxy card, or the Control Number, as described in the notice or proxy card. After completion of your registration by the Registration Deadline, further instructions, including a unique link to access the Annual Meeting, will be emailed to you. Once registered you will be able to listen to the Annual Meeting live and vote online. We are holding the Annual Meeting for the following purposes, as more fully described in the accompanying proxy statement:

1. to elect two nominees identified in the accompanying proxy statement to serve as directors, as recommended by the Compensation and Nominating Committee of the Board of Directors of Carvana;
2. to ratify the appointment of Grant Thornton LLP as Carvana’s independent registered public accounting firm for the year ending December 31, 2022;
3. to consider the approval, by an advisory vote, of Carvana’s executive compensation (i.e., “say-on-pay” proposal); and
4. to transact other business as may properly come before the meeting or any adjournment of the meeting.

Our board of directors has set March 3, 2022, as our record date for this year’s meeting. Only stockholders that owned Carvana Co.’s Class A common stock or Class B common stock at the close of business on that day are entitled to notice of our Annual Meeting and may vote at it or any adjournment of the meeting. On or about March 23, 2022, we expect to mail to our stockholders a Notice of Internet Availability of Proxy Materials, or the Notice, containing instructions on how to access our proxy statement and our 2021 annual report. This Notice provides instructions on how to vote via the Internet or by telephone and includes instructions on how to receive a paper copy of our proxy materials by mail. The proxy statement and our 2021 annual report can be accessed directly at the following Internet address: <http://www.proxydocs.com/CVNA>.

By Order of the Board of Directors



**Paul Breaux**  
General Counsel and Secretary

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## **Commonly Asked Questions and Answers About the Annual Meeting**

### **Q: Why did I receive these materials?**

The Board of Directors of Carvana Co. (the “Board”) is soliciting your proxy to vote at our 2022 Annual Meeting of Stockholders (or at any postponement or adjournment of the meeting). Stockholders who own shares of our common stock (Class A or Class B) as of the record date, March 3, 2022, are entitled to vote at the annual meeting. You should review these proxy materials carefully as they give important information about the items that will be voted on at the annual meeting, as well as other important information about Carvana.

### **Q: Who will be entitled to vote?**

Stockholders who own shares of our common stock as of the record date, March 3, 2022, are entitled to vote at the annual meeting. As of the record date, Carvana had approximately 90,100,981 shares of Class A common stock outstanding and 82,900,276 shares of Class B common stock outstanding. Holders of shares of Class A common stock are entitled to one vote per share of Class A common stock. Ernest Garcia II, Ernest Garcia III, and entities controlled by one or both of them (collectively, the “Garcia Parties”) are entitled to ten votes per share of Class B common stock they beneficially own, for so long as the Garcia Parties maintain, in the aggregate, direct or indirect beneficial ownership of at least 25% of the outstanding shares of Class A common stock, determined on an as-exchanged basis assuming that all of the Class A common units (“Class A Units”) and Class B common units (“Class B Units,” and together with Class A Units, “LLC Units”) of Carvana Group, LLC (“Carvana Group”) were exchanged for Class A common stock. The Garcia Parties are currently entitled to ten votes per share of Class B common stock they beneficially own. All other holders of Class B common stock are entitled to one vote per share. All holders of Class A common stock and Class B common stock will vote together as a single class except as otherwise required by applicable law. Cumulative voting is not permitted with respect to the election of directors or any other matter to be considered at the annual meeting.

### **Q: What will I be voting on?**

You will be voting on the following matters:

1. to elect two Class II directors to serve on the Board until the 2025 Annual Meeting and until their successors are duly elected and qualified;
2. to ratify the appointment of Grant Thornton LLP as Carvana’s independent registered public accounting firm for the year ending December 31, 2022;
3. to consider the approval, by an advisory vote, of Carvana’s executive compensation (i.e., “say-on-pay”); and
4. to transact other business as may properly come before the meeting or any adjournment of the meeting.

**Q: How does the Board recommend I vote on these matters?**

The Board recommends you vote for the following:

1. FOR the election of Dan Quayle and Gregory Sullivan as Class II directors;
2. FOR the ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022; and
3. FOR the approval, by an advisory vote, of Carvana's executive compensation.

**Q: How do I cast my vote?**

*Registered Stockholders.* If you hold shares in your own name, you are a registered stockholder and there are four ways to vote:

1. by Internet at <http://www.proxypush.com/CVNA>, 24 hours a day, seven days a week (have your proxy card in hand when you visit the website);
2. by toll-free telephone at 1-866-509-2149 (have your proxy card in hand when you call);
3. by completing and mailing your proxy card (if you received printed proxy materials); or
4. by voting during the virtual Annual Meeting through [www.proxydocs.com/CVNA](http://www.proxydocs.com/CVNA). To be admitted to the Annual Meeting and vote your shares, you must register by the Registration Deadline and provide the Control Number as described in the Notice or proxy card. After completion of your registration by the Registration Deadline, further instructions, including a unique link to access the Annual Meeting, will be emailed to you.

Even if you plan to attend the virtual Annual Meeting, we recommend that you also vote by proxy so that your vote will be counted if you decide not to attend the Annual Meeting.

*Beneficial Stockholders.* If you hold your shares through a broker, trustee, or other nominee, you are a beneficial stockholder. If you are a beneficial stockholder, you will receive voting instructions from your broker, bank, or other nominee. You must follow the voting instructions provided by your broker, bank, or other nominee in order to instruct your broker, bank, or other nominee on how to vote your shares. Beneficial stockholders should generally be able to vote by returning the voting instruction card to their broker, bank, or other nominee, or by telephone or via Internet. However, the availability of telephone or Internet voting will depend on the voting process of your broker, bank, or other nominee. As discussed above, if you are a beneficial stockholder, you are invited to attend and vote your shares at the Annual Meeting live via webcast so long as you register to attend the Annual Meeting at [www.proxydocs.com/CVNA](http://www.proxydocs.com/CVNA) by the Registration Deadline. To vote online at the Annual Meeting, you must obtain a legal proxy from your broker, bank, or other nominee.

**Q: Can I access the proxy materials electronically?**

Yes. Your notice, proxy card, or voting instruction card will contain instructions on how to view our proxy materials for the annual meeting online and how to instruct us to send our future proxy materials to you electronically by email. Our proxy materials are also available at

www.proxydocs.com/CVNA and will be available during the voting period starting on March 23, 2022.

Instead of receiving future copies of our proxy statement and annual reports by mail, stockholders of record and most beneficial owners can elect to receive an email that will provide an electronic link to these documents. Your election to receive future proxy materials by email will remain in effect until you revoke it.

Please note that only one notice will be sent to stockholders who are listed at the same address unless such stockholders have notified Carvana of their desire to receive multiple copies of such documents. If a single copy of the notice was delivered to an address that you share with another stockholder, and you prefer to receive additional copies, or if multiple copies were delivered to an address that you share with another stockholder, and you prefer to receive one copy, Carvana will promptly make such changes upon request. You may make such requests over the internet at [www.investorelections.com/CVNA](http://www.investorelections.com/CVNA), via telephone at (866) 648-8133, or via e-mail at [paper@investorelections.com](mailto:paper@investorelections.com).

**Q: How may I change or revoke my proxy?**

*Registered Stockholders.* If you are a stockholder of record, you can change your vote or revoke your proxy any time before or at the Annual Meeting by:

1. entering a new vote by Internet or by telephone (until the applicable deadline for each method as set forth above);
2. returning a later-dated proxy card (which automatically revokes the earlier proxy card);
3. notifying our Secretary, in writing, at Carvana Co., Attn: Corporate Secretary, 1930 W. Rio Salado Pkwy, Tempe, AZ 85281; or
4. attending and voting at the virtual Annual Meeting (although attendance at the Annual Meeting will not, by itself, revoke a proxy) at [www.proxydocs.com/CVNA](http://www.proxydocs.com/CVNA).

*Beneficial Stockholders.* If you are a beneficial stockholder, your broker, bank or other nominee can provide you with instructions on how to change your vote.

**Q: Who can attend the annual meeting?**

All common stockholders as of the record date, or their duly appointed proxies, may pre-register and virtually attend the Annual Meeting.

**Q: What is the voting requirement to approve each of the items, and how are the votes counted?**

*ITEM 1 – ELECTION OF DIRECTORS.* A plurality of the votes cast by the shares of common stock present in person or represented by proxy at the virtual meeting and entitled to vote thereon is required to elect each nominee. This means that the two nominees receiving the highest number of votes at the annual meeting will be elected, even if those votes do not

constitute a majority of the votes cast. Abstentions and broker non-votes will not impact the election of the nominees.

*ALL OTHER ITEMS.* The affirmative vote of a majority of the votes cast by the shares of common stock present in person or represented by proxy at the virtual meeting and entitled to vote thereon is required to approve all other items. Abstentions will be counted as present and entitled to vote on the proposal and will therefore have the effect of a negative vote. We do not expect there to be any broker non-votes with respect to any of the proposals.

**Q: When will the results of the vote be announced?**

The preliminary voting results will be announced at the annual meeting. The final voting results will be published in a current report on Form 8-K filed with the SEC within four business days of the annual meeting.

**Q: What is the deadline for submitting a stockholder proposal or director nomination for the 2023 Annual Meeting?**

Stockholder proposals pursuant to SEC Rule 14a-8 for inclusion in Carvana's proxy statement and form of proxy for Carvana's 2023 Annual Meeting of Stockholders must be received by Carvana at our principal executive offices at 1930 W. Rio Salado Pkwy, Tempe, AZ, 85281, no later than the close of business on November 23, 2022. Stockholders wishing to make a director nomination or bring a proposal, but not include it in Carvana's proxy materials, must provide written notice of their nomination or proposal to the general counsel and secretary at Carvana's principal executive offices no later than the close of business on February 1, 2023, and not earlier than the close of business on January 2, 2023, assuming Carvana does not change the date of the 2023 Annual Meeting of Stockholders by more than 30 days before or after the anniversary of the 2022 Annual Meeting. If so, Carvana will release an updated time frame for stockholder proposals. Any stockholder proposal or director nomination must comply with the other provisions of Carvana's amended and restated bylaws and be submitted in writing to the general counsel and secretary at Carvana's principal executive offices.

To comply with the universal proxy rules (once effective), stockholders who intend to solicit proxies in support of director nominees, other than the Company's nominees, must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than Friday, March 3, 2023.

## BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our business and affairs are managed under the direction of our Board, which is composed of six directors. Our certificate of incorporation provides that the authorized number of directors may be changed only by resolution of our Board. Our certificate also provides that our Board will be divided into three classes of directors, with the classes as nearly equal in number as possible. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the class whose term is then expiring.

The following table sets forth the director class, name, age as of May 2, 2022, and other information for each member of our Board:

Name	Class	Age	Position	Director Since	Current Term Expires	Expiration of Term For Which Nominated
Ernest Garcia III	I	39	President, CEO, and Chairman	2017	2024	
Ira Platt	I	58	Director	2017	2024	
Dan Quayle	II	75	Director	2017	2022	2025
Gregory Sullivan	II	63	Director	2017	2022	2025
Michael Maroone	III	68	Lead Director	2017	2023	
Neha Parikh	III	43	Director	2019	2023	

We believe that in order for our Board to effectively guide us to long-term sustainable, dependable performance, it should be composed of individuals with sophistication and experience in the many disciplines that impact our business. To best serve our stockholders, we seek to have a board of directors that, as a whole, is competent in key corporate disciplines, including accounting and financial acumen, business judgment, crisis management, governance, leadership, people management, risk management, social responsibility and reputational issues, and strategy and strategic planning. Additionally, the Board desires to have specific knowledge related to our industry, such as expertise in automotive retail, consumer finance, and eCommerce.

The Compensation and Nominating Committee believes that all directors must, at a minimum, meet the criteria set forth in the Board’s code of conduct and the corporate governance guidelines, which specify, among other things, that the Compensation and Nominating Committee will consider criteria such as independence, diversity, age, skills, and experience in the context of the needs of the Board. In addressing issues of diversity in particular, the Compensation and Nominating Committee considers a nominee’s differences in viewpoint, professional experience, background, education, skill, age, race, gender, and national origin. The Compensation and Nominating Committee believes that diversity of backgrounds and viewpoints is a key attribute for a director nominee. Accordingly, to improve director diversity and best serve our stockholders, the Compensation and Nominating Committee formally adopted a policy in 2019 to request that any search firm that it engages include women and minority candidates in the initial list from which the Compensation and Nominating

Committee selects director candidates. The Compensation and Nominating Committee also will consider a combination of factors for each director, including whether the nominee possesses:

- a. the ability to represent all stockholders without a conflict of interest;
- b. the ability to work in and promote a productive environment;
- c. sufficient time and willingness to fulfill the substantial duties and responsibilities of a director;
- d. the high level of character and integrity that we expect;
- e. broad professional and leadership experience and skills necessary to effectively respond to the complex issues encountered by a national, publicly traded company; and
- f. the ability to apply sound and independent business judgment.

The Compensation and Nominating Committee has determined that all of our directors meet the criteria and qualifications set forth in the code of conduct for the Board, the corporate governance guidelines and the criteria set forth above for director nominees. Moreover, each director possesses the following critical personal qualities and attributes that we believe are essential for the proper functioning of the Board to allow it to fulfill its duties for our stockholders: accountability, ethical leadership, governance, integrity, risk management, and sound business judgment. In addition, our directors have the mature confidence to assess and challenge the way things are done and recommend alternative solutions, a keen awareness of our business and the social realities of the environment in which we operate, the independence and high-performance standards necessary to fulfill the Board's oversight function, and the humility, professional maturity, and style to interface openly and constructively with other directors. Finally, the director biographies below include a non-exclusive list of other key experiences and qualifications that further qualify the individual to serve on the Board. These collective qualities, skills, experiences, and attributes are essential to our Board's ability to exercise its oversight function for Carvana and its stockholders and to guide the long-term sustainable, dependable performance of our business.

Subject to any earlier resignation or removal in accordance with the terms of our certificate and bylaws, our Class I directors will serve until our 2024 annual meeting of stockholders, our Class II directors will serve until our 2022 annual meeting of stockholders, and our Class III directors will serve until our 2023 annual meeting of stockholders. In addition, our certificate provides that our directors may be removed with or without cause by the affirmative vote of at least a majority of the voting power of our outstanding shares of stock entitled to vote thereon, voting together as a single class, for so long as the Garcia Parties are entitled to ten votes for each share of Class B common stock they hold. If the Garcia Parties are no longer entitled to ten votes for each share of Class B common stock they hold, then our directors may be removed only for cause upon the affirmative vote of at least 66 $\frac{2}{3}$ % of the voting power of our outstanding shares of stock entitled to vote thereon.

The Compensation and Nominating Committee will consider stockholder nominations for membership on the Board. For the 2023 Annual Meeting, nominations may be submitted to Carvana Co., 1930 W. Rio Salado Pkwy, Tempe, AZ 85281, Attn: Secretary, who will forward them to the Chairman of the Compensation and Nominating Committee. Recommendations must be in writing and we must receive the recommendation no later than the close of business on February 1, 2023, and not earlier than the close of business on January 2, 2023.

Recommendations must also include certain other requirements specified in our bylaws. The Compensation and Nominating Committee will apply the same criteria to the evaluation of those candidates as it applies to other director candidates.

When filling a vacancy on the Board, the Compensation and Nominating Committee identifies the desired skills and experience of a new director and nominates individuals who it believes can strengthen the Board's capabilities and further diversify the collective experience represented by the then-current directors. The Compensation and Nominating Committee may engage third parties to assist in the search and provide recommendations. As discussed above, any search firm that the Compensation and Nominating Committee engages is requested to include women and minority candidates in the initial list from which the Compensation and Nominating Committee selects director candidates. Also, directors are generally asked to recommend candidates for the position. The candidates would be evaluated based on the process outlined in the corporate governance guidelines and the Compensation and Nominating Committee charter, and the same process would be used for all candidates, including candidates recommended by stockholders.

## ITEM 1—ELECTION OF DIRECTORS

Our Board recommends that the nominees below be elected as members of the Board at the annual meeting to serve for a three-year term expiring at the 2025 Annual Meeting.

NAME	AGE	DIRECTOR SINCE	POSITION
Dan Quayle	75	2017	Director
Gregory Sullivan	63	2017	Director

Each nominee was recommended for election by the Compensation and Nominating Committee for consideration by the Board and proposal to our stockholders. If, before the annual meeting, any nominee becomes unable to serve, or chooses not to serve, the Board may (i) nominate a substitute (ii) allow the vacancy to remain until the Board identifies an appropriate candidate or (iii) reduce the size of the board to eliminate the vacancy. If the Board chooses to nominate a substitute nominee, the persons named as proxies on the proxy card will vote for that substitute nominee.

**The Board recommends that you vote “FOR” each of the director nominees.**

### DIRECTOR NOMINEES

**Dan Quayle** has served on our Board since our Initial Public Offering ("IPO") in 2017. Mr. Quayle has served the United States Federal Government in various capacities as a Congressman, Senator, and as the 44th Vice President of the United States of America from 1989 to 1993. Since 1999, Mr. Quayle has been with Cerberus Capital, a New York private investment firm. He has served as Chairman of Cerberus Global Investments since 2001. Mr. Quayle earned a B.A. degree in political science from DePauw University and a J.D. from the Indiana University Robert H. McKinney School of Law. We believe Mr. Quayle will continue to be a valuable member of our Board because of his experience as the chairman of Cerberus Global Investments, LLC, as well as his extensive experience in the areas of government, foreign relations, and private investment..

**Gregory Sullivan** has served on our Board since our IPO. Mr. Sullivan is the Chief Executive Officer ("CEO") of AFAR Media, a travel media company he co-founded in 2007. From 1995 to 2007, Mr. Sullivan served DriveTime in various capacities, including as president from 1995 to 2004, CEO from 1999 to 2004, and Vice Chairman from 2004 to 2007. Mr. Sullivan earned a B.B.A. degree in finance from the University of Notre Dame and a J.D. from the University of Virginia School of Law. We believe that Mr. Sullivan will continue to be a valuable member of our Board because of his senior management experience in the automotive and media industries.

### CONTINUING DIRECTORS

**Ernest Garcia III** co-founded Carvana and has served as our President and CEO since our inception in 2012. Mr. Garcia is also Chairman of the Carvana Co. Board. Prior to founding

Carvana, Mr. Garcia held various roles at DriveTime Automotive Group, Inc. (“DriveTime”) from January 2007 to January 2013. From January 2007 to December 2008, he served as a financial strategist. He was a managing director of corporate finance from December 2008 to November 2009. From November 2009 until January 2013, he served as a Vice President and Treasurer and Director of Quantitative Analytics. As Director of Quantitative Analytics, Mr. Garcia was responsible for the firm’s ongoing development of consumer credit scoring models, and its utilization of those tools in retail-vehicle-sales deal structuring and vehicle-price optimization. Prior to DriveTime, Mr. Garcia was an associate in the Principal Transactions Group at RBS Greenwich Capital from 2005 to 2006, where he focused on consumer-credit-based investments. Mr. Garcia holds a B.S. in management science and engineering from Stanford University. We believe that Mr. Garcia will continue to be a valuable member of our Board because of his extensive knowledge of our business and strategy, as well as his experience in the automotive retail industry and leadership role with us.

**Ira Platt** has served on our Board since our IPO. Since its inception in 2009, Mr. Platt has been the president of Georgiana Ventures, LLC, a firm that provides equity and debt capital to specialty finance companies, acquires portfolios of consumer finance receivables and offers consulting services to the specialty finance industry. From May 2009 to December 2013, Mr. Platt served as the President of 221 Capital Partners, LLC, a firm that provides advisory services. From 2009 to 2011, Mr. Platt was the Portfolio Manager for the Rosemont TALF Opportunity Fund, a partnership investing in asset-backed securities. In addition, Mr. Platt was a managing director and Head of the Principal & Distressed Capital Business for RBS Greenwich Capital, the domestic fixed income banking unit of the Royal Bank of Scotland Group, from 1997 to 2009. Mr. Platt was an Executive Vice President of the Aegis Consumer Funding Group, a publicly traded non-prime automotive finance company, from 1991 to 1997. Mr. Platt earned a B.A. degree in 1985 from Emory University and an M.B.A. from The Fuqua School of Business at Duke University. Mr. Platt served on DriveTime’s board of directors from February 2014 until April 2017. We believe that Mr. Platt will continue to be a valuable member of our Board because of his service on DriveTime’s board and his extensive experience in consumer finance and the automotive retail industry.

**Michael Maroone** has served on our Board since our IPO. Mr. Maroone is currently the CEO of Maroone U.S.A. LLC, a position he has held since May 2017. From July 2005 to April 2015, Mr. Maroone served on the board of AutoNation, Inc., an automotive retailer and provider of new and used vehicles and related services. From August 1999 until his retirement in February 2015, Mr. Maroone also served as President and Chief Operating Officer of AutoNation, Inc. Prior to joining AutoNation, Inc., Mr. Maroone was President and CEO of the Maroone Automotive Group, a privately-held automotive retail group, from 1977 to 1997. Mr. Maroone currently serves on three other boards: as chairman of the board of Cleveland Clinic Florida, a non-profit, multi-specialty academic hospital; as a member of the board of the Cleveland Clinic Enterprise Board; and as a member of the board and audit committee of MDH Acquisition Corp, a New York Stock Exchange (“NYSE”) listed special purpose acquisition corporation. Mr. Maroone previously served as a member of the board of Cox Automotive, Inc., a privately held combination of global automotive wholesale and services businesses including automotive auctions, financial services, media, and software; as a member of the board of Salty Dot, Inc., on the Cleveland Clinic Board of Trustees; and was co-chairman of the Florida Leadership Board of the Cleveland Clinic. He holds a B.S. degree in Small Business Management from the University

of Colorado Boulder. Mr. Maroone was selected to serve on our Board because of his advisory experience and his extensive experience in the automotive retail industry, and we believe that Mr. Maroone will continue to be a valuable member of our Board because of such experience.

**Neha Parikh** has served on our Board since April 2019. Ms. Parikh is the Chief Executive Officer of Waze, where people and technology meet to solve transportation challenges, a position she has held since June 2021. Waze is a platform that empowers communities to contribute road data, edit Waze maps and carpool to improve the way we move about the world. From August 2017 to November 2019, Ms. Parikh served as the President of Hotwire, a leading innovator in value creation and discount travel and a member of the Expedia Group. She started with Expedia Group in 2008 with Hotels.com, where she amassed experience in roles across the business, including product development, marketing, pricing, and strategy. Prior to her role with Hotwire, she was the Senior Vice President of Global Brands and Retail for Hotels.com, driving marketing activities, overseeing the global P&L and operations, and leading merchandising, business development, and partner marketing globally. Before joining Hotels.com, Ms. Parikh worked in consumer insight and demand strategy consulting with The Cambridge Group where she led projects across a variety of retailers, and at Dade Behring, Inc. (a Siemens healthcare company), where she held progressive levels of responsibility in marketing and product development. She also worked as a management consultant at Pricewaterhouse Coopers, LLP and gained multi-faceted expertise at an internet start-up in Chicago. Ms. Parikh also served on the board of directors of Tailwind Acquisition Corp, a NYSE listed special purpose acquisition corporation, from 2020 to 2021. Ms. Parikh holds a bachelors of business degree from The University of Texas at Austin and an MBA from the Kellogg School of Management at Northwestern University. We believe that Ms. Parikh will continue to be a valuable member of our Board because of her extensive senior management experience in the online retail vertical.

## **INDEPENDENCE STATUS**

The listing standards of the NYSE require that, subject to specified exceptions, each member of a listed company's audit committee, compensation committee, and nominating committee be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act.

Our Board has determined that each of our non-employee directors, including our director nominees Dan Quayle and Gregory Sullivan, meets the requirements to be an independent director. In making this determination, our Board considered the relationships that each non-employee director has with Carvana and all other facts and circumstances that our Board deemed relevant in determining their independence, including beneficial ownership of our Class A common stock.

## **CONTROLLED COMPANY STATUS**

For purposes of the corporate governance rules of the NYSE, we are a "controlled company." Controlled companies under those rules are companies of which more than 50% of the voting power for the election of directors is held by an individual, a group, or another company. The Garcia Parties beneficially own more than 50% of the combined voting power of

Carvana Co. Accordingly, we expect to be eligible for, but do not currently intend to take advantage of, certain exemptions from the corporate governance requirements of the NYSE. Specifically, as a “controlled company,” we would not be required to have:

- a. a majority of independent directors,
- b. a nominating and corporate governance committee composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities,
- c. a compensation committee composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities, or
- d. an annual performance evaluation of the nominating and governance and compensation committees.

In the event we choose to rely on some or all of these exemptions in the future, you would not have the same protections afforded to stockholders of companies that are subject to all of the applicable corporate governance rules of the NYSE.

## **BOARD MEETINGS AND COMMITTEES**

During the year ended December 31, 2021, our Board held seventeen meetings, our Audit Committee held seven meetings, and our Compensation and Nominating Committee held four meetings. Directors are expected to attend the annual meeting of stockholders and all or substantially all of the Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Each director attended last year’s annual meeting. Eleven of the seventeen meetings of the Board in 2021 were attended by 100% of the directors, and of the remaining six meetings of the Board with less than 100% attendance, five were attended by five of the six directors. Each director attended 100% of the meetings held by the committees of the Board on which the director served.

Our Board has an Audit Committee and a Compensation and Nominating Committee. The composition, duties and responsibilities of these committees are as set forth below. In the future, our board may establish other committees, as it deems appropriate, to assist it with its responsibilities.

<b>Board Member</b>	<b>Audit Committee</b>	<b>Compensation and Nominating Committee</b>
Ira Platt	(Chairman)	•
Gregory Sullivan	•	(Chairman)
Dan Quayle		•
Michael Maroone	•	
Neha Parikh	•	•

### *AUDIT COMMITTEE*

The Audit Committee is responsible for, among other matters,

1. appointing, compensating, retaining, evaluating, terminating, and overseeing our independent registered public accounting firm;
2. discussing with our independent registered public accounting firm their independence from management;
3. reviewing with our independent registered public accounting firm the scope and results of their audit;
4. approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
5. overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC;
6. reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls, and compliance with legal and regulatory requirements;
7. establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls, or auditing matters; and
8. overseeing our enterprise risk management program.

Our Board has affirmatively determined that Mr. Platt, Mr. Maroone, Ms. Parikh, and Mr. Sullivan meet the definition of “independent director” for purposes of serving on an Audit Committee under Rule 10A-3 of the Exchange Act and the NYSE rules. In addition, our Board has determined that Mr. Platt and Mr. Sullivan each qualify as an “audit committee financial expert,” as such term is defined in Item 407(d)(5) of Regulation S-K. The written charter for our Audit Committee is available at our corporate website at [investors.carvana.com/corporate-governance/governance-documents](http://investors.carvana.com/corporate-governance/governance-documents).

#### *COMPENSATION AND NOMINATING COMMITTEE*

The Compensation and Nominating Committee is responsible for, among other matters,

1. reviewing key employee compensation goals, policies, plans, and programs;
2. reviewing and providing recommendations to the Board regarding the compensation of our directors, CEO, and other executive officers;
3. reviewing and approving employment agreements and other similar arrangements between us and our executive officers;
4. administering stock plans and other incentive compensation plans;
5. identifying individuals qualified to become members of our Board, consistent with criteria approved by our Board;
6. overseeing the organization of our Board to discharge the Board’s duties and responsibilities properly and efficiently;
7. assisting the Board in its oversight of human capital management, including corporate culture, diversity and inclusion, recruiting, retention, attrition, talent management, career development and progression, succession, and employee relations;
8. identifying best practices and recommending corporate governance principles; and
9. developing and recommending to our Board a set of corporate governance guidelines and principles applicable to us.

The Board has adopted a written charter for the Compensation and Nominating Committee, which is available on our corporate website at [investors.carvana.com/corporate-governance/governance-documents](http://investors.carvana.com/corporate-governance/governance-documents). Each member of our Compensation and Nominating Committee is an independent director as defined by NYSE rules.

## **BOARD LEADERSHIP STRUCTURE**

The following section describes our board leadership structure, the reasons why the structure is in place at this time, the roles of various positions, and related key governance practices. The mix of experienced independent and management directors that make up our Board, along with the independent role of our lead director and our independent board-committee composition, benefits Carvana and its stockholders.

### *INDEPENDENCE; BOARD MIX*

Our Board has an effective mix of independent and management directors. It is composed of five independent directors and our current chairman and CEO, Ernest Garcia III.

### *LEAD DIRECTOR*

The Board believes that it is beneficial to Carvana and its stockholders to designate one of the directors as a lead director who is elected by a majority of the Board. The lead director serves a variety of roles, including reviewing and approving Board schedules to confirm the appropriate board and committee topics are reviewed and sufficient time is allocated to each; liaising between our chairman and CEO and non-management directors when necessary and appropriate (that said, each director has direct and regular access to the chairman and CEO) and calling an executive session of independent directors at any time consistent with the bylaws and certificate of incorporation. Michael Maroone, an independent director and member of our Audit Committee, is currently our lead director. Mr. Maroone is an effective lead director for Carvana due to, among other things, his independence, his board leadership experience with AutoNation, Inc., his strong strategic and financial acumen, his commitment to ethics, his extensive knowledge of the automotive retail environment, and his deep understanding of Carvana and its business.

### *CHAIRMAN / CEO*

With respect to the roles of chairman and CEO, the corporate governance guidelines provide that the roles may be separated or combined, and the Board will exercise its discretion in combining or separating these positions as it deems appropriate in light of prevailing circumstances. Mr. Garcia has been our chairman and CEO since our IPO. The Board believes that combining the roles of chairman and CEO, together with the separate, independent role of our lead director, is currently the most effective leadership structure because Mr. Garcia has extensive knowledge and experience in a variety of relevant areas acquired through his professional and other experiences, including automotive retail, e-commerce, consumer finance and strategic planning. This knowledge and experience gives Mr. Garcia the insight necessary to

combine the responsibilities of strategic development and execution along with management of day-to-day operations.

### *SELF EVALUATION*

Our Compensation and Nominating Committee conducts an annual performance evaluation to determine whether the Board, its committees, and the directors are functioning effectively. This includes survey materials as well as conversations between each director and the lead director. The evaluation focuses on the Board's and the committees' contributions to Carvana and has an enhanced focus on areas in which the Board or management believes that the Board could improve.

As part of the annual Board self-evaluation, the Board evaluates whether the current leadership structure continues to be appropriate for Carvana and its stockholders. Our corporate governance guidelines provide the flexibility for our Board to modify our leadership structure in the future as appropriate.

### **RISK OVERSIGHT**

The Board, as a whole and through the Audit Committee, oversees our risk management program, which is designed to identify, evaluate, and respond to our high priority risks and opportunities. The risk management program facilitates constructive dialog at the senior management and board level to proactively realize opportunities and manage risks. Our Audit Committee is primarily responsible for overseeing our risk management processes on behalf of the full board. Our management, including our executive officers, is primarily responsible for managing the risks associated with the operation and business of our Company and provides regular updates to the Audit Committee and the full Board on identified high priority risks and opportunities within the risk management program, and regularly provides a more in depth report on select topics, such as cybersecurity, including response planning and the program's major initiatives.

### *CODE OF ETHICS AND CONDUCT*

We have adopted a code of business conduct and ethics that applies to all of our employees, officers, and directors, including those officers responsible for financial reporting. Our code of business conduct and ethics is available on our website at [investors.carvana.com/corporate-governance/governance-documents](http://investors.carvana.com/corporate-governance/governance-documents). We intend to disclose any amendments to the code or waivers of its requirements on our website.

### **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

No interlocking relationships exist between the members of our Board and the board or compensation committee of any other company.

## **COMMUNICATIONS BY STOCKHOLDERS AND OTHER INTERESTED PARTIES WITH THE BOARD OF DIRECTORS**

Stockholders and other interested parties may contact an individual director, the lead director, the Board as a group, or a specified board committee or group, including the non-management directors as a group, by sending regular mail to

Carvana Co.  
1930 W. Rio Salado Pkwy  
Tempe, AZ 85281  
ATTN: Board of Directors

or by email at [leaddirector@carvana.com](mailto:leaddirector@carvana.com).

Each communication should specify which director or directors the communication is addressed to, as well as the general topic of the communication. Carvana will receive the communications and process them before forwarding them to the addressee. Carvana may also refer communications to other departments within Carvana. Carvana generally will not forward to the directors a communication that is primarily commercial in nature, relates to an improper or irrelevant topic, or requests general information regarding Carvana.

## **DIRECTOR COMPENSATION**

Prior to our IPO, none of our directors received compensation as a director from us. We have designed our non-employee director compensation program to achieve the following objectives:

- a. align directors' interests with the long-term interests of our shareholders;
- b. attract and retain outstanding director candidates with diverse backgrounds and experiences; and
- c. recognize the substantial time commitment required to serve as a Carvana director.

The Compensation and Nominating Committee reviews the Company's director compensation program periodically. Independent directors may not receive, directly or indirectly, any consulting, advisory or other compensatory fees from us. Members of the Board who are employees of Carvana do not receive compensation for their service on the Board. The following

table presents summary information regarding the total compensation awarded to, earned by, and paid to our non-employee directors for the year ended December 31, 2021:

<b>Name</b>	<b>Fees earned or paid in cash (\$)</b>		<b>Stock awards (\$) <sup>(1)</sup></b>	<b>Total (\$)</b>
Ira Platt	\$	150,000	\$ 181,883	\$ 331,883
Gregory Sullivan	\$	150,000	\$ 181,883	\$ 331,883
Dan Quayle	\$	125,000	\$ 181,883	\$ 306,883
Michael Maroone	\$	150,000	\$ 181,883	\$ 331,883
Neha Parikh	\$	140,000	\$ 181,883	\$ 321,883

(1) The amounts reported in the Stock Awards column represent the grant date fair value on March 22, 2021, of the restricted stock units ("RSUs") granted to the non-employee directors during the year ended December 31, 2021 presented as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. As disclosed in the table below, the annual grant of RSUs for each non-employee director, similar to 2020, was calculated at a fair market value of \$180,000 based on the 10-day trailing average closing stock price on March 19, 2021. In 2021, this amount came to 664 RSUs.

#### *NON-EMPLOYEE DIRECTOR COMPENSATION STRUCTURE*

As of December 31, 2021, we compensated our non-employee directors according to the following structure:

<b>Description</b>	<b>Amount</b>
<b>Annual retainer</b>	\$110,000
<b>Annual grant</b>	Grant of 664 restricted stock units having a fair market value of \$180,000, based on the 10-day trailing average closing stock price on March 19, 2021, that vests 100% after approximately one (1) year.
<b>Additional retainer for chair of committee</b>	\$25,000 for Audit Committee; \$25,000 for Compensation and Nominating Committee
<b>Additional retainer for lead director</b>	\$25,000
<b>Additional retainer for non-chair committee members</b>	\$15,000 for Audit Committee; \$15,000 for Compensation and Nominating Committee

Additionally, when Ms. Parikh was appointed to the Board in April 2019, she received a one-time award of RSUs having a fair market value of \$150,000 based on the stock closing price as of April 18, 2019 that vests one-third annually over three (3) years. All non-employee directors are also reimbursed for their reasonable expenses to attend meetings of our Board and related committees and otherwise attend to our business.

#### *DIRECTOR STOCK OWNERSHIP GUIDELINES*

The minimum Company stock ownership guidelines for non-employee directors is five (5) times the amount of the annual retainer paid by the Company, not including retainers paid for serving as the lead director or chair of a committee, within five (5) years of being named a

director. For the CEO, the minimum Company stock ownership guideline is six (6) times base salary within five (5) years of being named in the role. The guidelines serve to align the interests of our directors to those of our stockholders.

Under this formula, the current ownership requirement is \$550,000 (5 x \$110,000) of Company stock for non-employee directors, and \$4,545,000 (6 x \$757,500) of Company stock for our CEO. Under these guidelines, directors elected at our IPO would have until April 2022 to comply with this requirement and Ms. Parikh, who joined the Board in April 2019, would have until April 2024 to meet this requirement. Each director is expected to continue to meet the ownership requirement for as long as he or she serves as a director of the Board. All non-employee directors and our CEO are in compliance with these guidelines as of the date of this proxy statement.

## EXECUTIVE OFFICERS

Below is a list of the names, ages, positions, and a brief account of the business experience of the individuals who serve as executive officers of Carvana Co. as of May 3, 2022:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Ernest Garcia III	39	President, Chief Executive Officer and Chairman
Mark Jenkins	43	Chief Financial Officer
Benjamin Huston	39	Chief Operating Officer
Ryan Keeton	44	Chief Brand Officer
Daniel Gill	39	Chief Product Officer
Paul Breaux	38	Vice President, General Counsel, and Secretary
Tom Taira	51	President, Special Projects

**Ernest Garcia III** is the president and CEO of Carvana and the chairman of our Board. His biography can be found above under “Board of Directors and Corporate Governance – Continuing Directors.”

**Mark Jenkins** has served as our Chief Financial Officer since July 2014. Prior to joining Carvana, Mr. Jenkins was a professor in the finance department at the Wharton School of the University of Pennsylvania from 2009 to 2014, where his teaching and research focused on consumer and corporate credit markets. While at Wharton, Mr. Jenkins was responsible for teaching courses in the undergraduate, MBA, and executive education programs on corporate restructuring, corporate credit, and leveraged finance. Prior to his time at Wharton, Mr. Jenkins worked at the Brattle Group from 2001 to 2004, an economic consulting firm, where he focused on corporate valuation and demand forecasting in technology markets. Mr. Jenkins received a Ph.D. in economics from Stanford University and a B.S.E. from Duke University in mathematics and civil engineering.

**Benjamin Huston** co-founded Carvana and has served as our Chief Operating Officer since our inception in 2012. Prior to joining Carvana, Mr. Huston co-founded Looterang, a card-linking platform that enabled personalized deals to be automatically administered through consumer credit or debit cards, in 2011. Mr. Huston was CEO of Looterang from 2011-2012. From 2008 to 2011, Mr. Huston served as an associate at Latham and Watkins, a full-service global law firm, where he focused on regulatory affairs. Mr. Huston holds a J.D. from Harvard Law School and a B.A. in American studies from Stanford University.

**Ryan Keeton** co-founded Carvana and has served as our Chief Brand Officer since our inception in 2012. Prior to joining Carvana, Mr. Keeton was a principal at the Montero Group, a strategic consultancy firm, from 2010 to 2012, where he advised global public and private companies on strategic and business initiatives. From 2008 to 2010, Mr. Keeton served as Director of Strategic Marketing for George P. Johnson, a global marketing agency. Mr. Keeton holds a B.A. in English and American literature and language from Harvard University.

**Daniel Gill** has served as our Chief Product Officer since March 2015, overseeing all technology functions, as well as strategic partnerships for the business. Prior to joining Carvana, Mr. Gill spent his career in both enterprise software and consumer internet businesses. Mr. Gill served as Head of Strategy and Business Development for Inflection from May 2014 to March 2015. He co-founded and served as CEO of Huddler from 2007 until the company's acquisition by Wikia in May of 2014. Mr. Gill holds a degree in biology from Stanford University.

**Paul Breaux** has served as our General Counsel since August 2015. Prior to joining Carvana, Mr. Breaux practiced law at the Houston, Texas office of the firm Andrews Kurth LLP (now Hunton Andrews Kurth LLP) from 2008 to 2015. While at Andrews Kurth, Mr. Breaux's representative experience encompassed a broad range of general business transactions matters. Mr. Breaux holds a J.D. from Harvard Law School, a B.A. in Plan II Honors from The University of Texas at Austin, and a B.B.A. in finance from The University of Texas at Austin.

**Tom Taira** has served as President, Special Projects since October 2018. Prior to joining Carvana, Mr. Taira was the co-founder and CEO of Propel AI, which was acquired by Carvana in 2018. In 2005, Mr. Taira co-founded TrueCar, Inc. and from 2005 until 2018 he served in various roles at TrueCar, Inc. including Chief Product Officer, Chief Strategy Officer, and President. Between 2009 to 2010, Mr. Taira co-founded and served as CEO of Honk LLC, an automotive social media website, which was acquired by TrueCar. He has also been a Director and founding team member at various automotive startups, including Model E, a vehicle subscription service, and Build-to-Order, a new American automotive manufacturer. Mr. Taira began his automotive career at Toyota Motor Sales, U.S.A. where he served as eBusiness Strategy Manager. Mr. Taira holds a B.A. in Social Sciences from the University of California, Irvine and an M.B.A. from Georgetown University.

## COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (“CD&A”) describes our executive compensation objectives and design, our compensation-setting process, our executive compensation program components, and the decisions made in 2021 with respect to our CEO, chief financial officer, and our three other most highly compensated executive officers for the year ended December 31, 2021, who have been designated as our “named executive officers” under Item 402 of Regulation S-K (each, an “NEO” and collectively, the “NEOs”):

<b>Named Executive Officer</b>	<b>Position</b>
Ernest Garcia III	Chief Executive Officer
Mark Jenkins	Chief Financial Officer
Benjamin Huston	Chief Operating Officer
Daniel Gill	Chief Product Officer
Tom Taira	President, Special Projects

This CD&A may contain statements regarding future individual and Company performance targets and goals. These targets and goals should not be understood to be statements of management’s expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

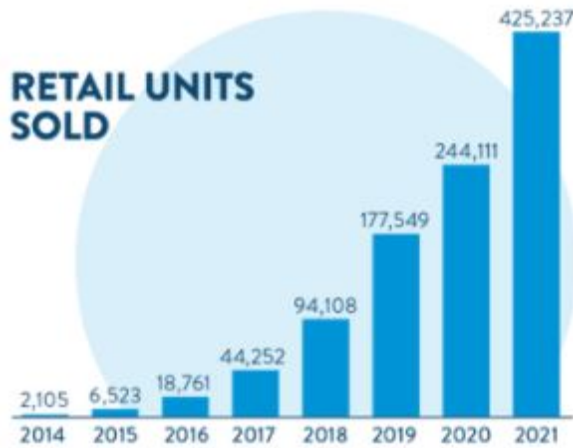
### EXECUTIVE SUMMARY

#### *COMPANY PERFORMANCE HIGHLIGHTS*

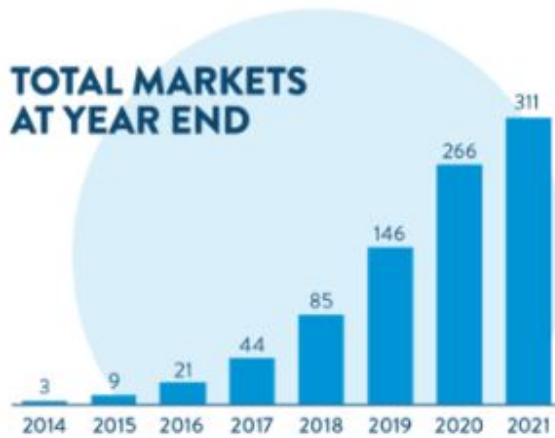
2021 was a successful year for Carvana. We had another year of impressive growth in revenue, retail units sold, and total customers served. We again achieved a record in our gross profit per unit, and for the first time, we reached positive EBITDA for the fiscal year, excluding one-time items, as further described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. Our growth has few historical precedents and continues to make us one of the fastest-growing technology, consumer, or retail companies at our scale.

The highlights of our 2021 performance include:

- Positive EBITDA for the full year, excluding one-time items;
- 74% increase in retail units sold, from 244,111 to 425,237;
- 129% revenue growth, from \$5.6 billion to \$12.8 billion;

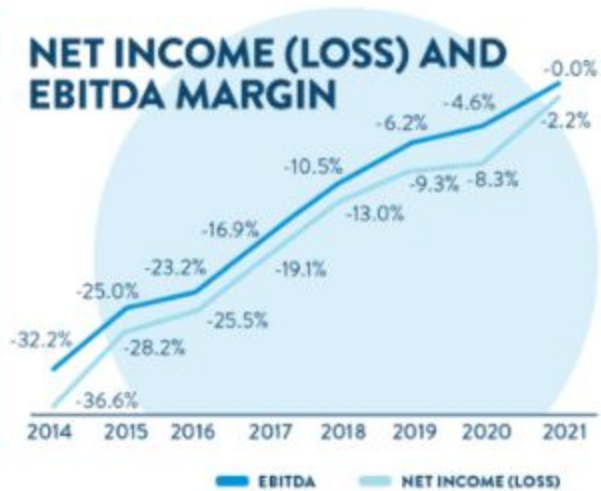


- 81.0% population coverage, up from 73.7%;
- 3 additional car vending machines, bringing our total from 27 to 30;

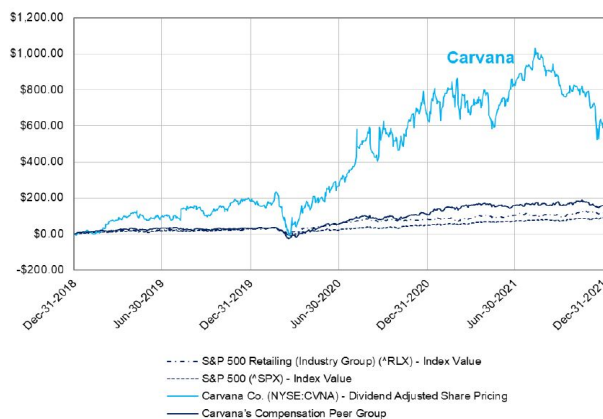


- a \$1,285 increase in gross profit per unit from \$3,252 to \$4,537;
- improvement in net loss margin from (8.3%) to (2.2%);
- improvement in EBITDA margin from (4.6%) to (0.0%); and

*Note that EBITDA and EBITDA margin are non-GAAP measures. A description of these measures and a reconciliation of these measures to the nearest comparable GAAP measure can be found in the annex of this proxy statement.*



- three year shareholder return of 608.6%, significantly outperforming our peer group companies (see “Competitiveness of our Compensation Program” below) as an index as well as the S&P 500 and S&P 500 Retailing Indices.



**CORPORATE GOVERNANCE HIGHLIGHTS REGARDING EXECUTIVE COMPENSATION**

We endeavor to maintain sound executive compensation policies and practices, including compensation-related corporate governance standards, consistent with our executive

compensation philosophy. The following summarizes our executive compensation and related governance policies and practices:

<b>WHAT WE DO</b>	<b>WHAT WE DO NOT DO</b>
A significant portion of compensation is "at risk" and tied to long-term Company performance	No discretionary or guaranteed incentive payments
Market-based executive compensation levels are reviewed by Compensation and Nominating Committee annually	No new or legacy excise-tax gross-up provisions
An independent compensation consultant is retained to evaluate our executive compensation and make recommendations	No option repricing without stockholder consent
	Short term incentives
	Executives are prohibited from hedging

We believe that we have designed executive compensation plans that effectively support our strategic and financial goals, create a culture of teamwork, and are directly tied to the performance of the Company and shareholder outcomes. We will continue to utilize rigorous governance processes to monitor and evaluate the compensation programs as well as implement best practices in compensation governance. We welcome shareholder feedback on our programs.

## **COMPENSATION OBJECTIVES AND PRINCIPLES**

Carvana seeks to create and maintain a culture of teamwork and high performance. Our executive compensation programs are one of the tools we utilize to accomplish this objective. Philosophically, we aim to treat our executives fairly when considering:

- a. the complexity of their jobs,
- b. the market for their executive talent,
- c. their individual performance,
- d. the financial and strategic performance of the Company, and
- e. the need to retain the executives.

Within that framework, it is critical that we meet our objectives to:

- a. attract and retain the best executive talent to support our growth,
- b. align the interests of our executives with those of our shareholders, and
- c. provide incentives that are linked directly to our long-term strategies.

We expect that our executives will in aggregate be paid fairly compared to the compensation peer group approved by the Compensation and Nominating Committee considering Company performance, individual performance, tenure, and experience.

## **COMPENSATION SETTING PROCESS**

### *ROLE OF COMPENSATION AND NOMINATING COMMITTEE AND CHIEF EXECUTIVE OFFICER IN SETTING EXECUTIVE COMPENSATION*

The Compensation and Nominating Committee has responsibility for overseeing the design, development, and implementation of the compensation program for our CEO and other NEOs. The committee evaluates the performance of our CEO and the performance of the other executive officers. Our CEO assists the Compensation and Nominating Committee in evaluating the performance of our other executive officers, including the NEOs other than the CEO. Our CEO does not participate in certain portions of committee meetings or meetings of the Board when his compensation is discussed and determined, and has requested that his total compensation be set significantly below the market median due to his significant ownership interest in our Company.

Based on these assessments, the members of the Compensation and Nominating Committee, each of whom is an independent director, make the final compensation decisions for the NEOs other than the CEO, and make recommendations to the Board for the CEO's compensation. The Board makes the final decision for the CEO's compensation.

### *INDEPENDENT COMPENSATION ADVISOR*

Our Compensation and Nominating Committee believes that independent advice is important in developing Carvana's executive compensation programs. Since September 2017, the Compensation and Nominating Committee has engaged Korn Ferry as its independent compensation consultant to advise on executive compensation matters. All work performed by the independent compensation consultant regarding our executive compensation program is tasked and overseen directly by the Compensation and Nominating Committee. Our management provides information and analyses to the Compensation and Nominating Committee at the Compensation and Nominating Committee's direction.

In addition to advising on our executive compensation program, Korn Ferry, at the request of and in service to the Compensation and Nominating Committee, provided certain other compensation advisory services for 2021 compensation, including assistance with establishing a compensation peer group, benchmarking executive compensation, aggregate broad based equity usage (including run rate and total dilution), outlining peer group short- and long-term incentive practices, and reviewing the narrative disclosure in this Compensation Discussion and Analysis.

Korn Ferry does not provide any other material services to Carvana Co. The Compensation and Nominating Committee has assessed the independence of Korn Ferry pursuant to the NYSE rules and concluded that Korn Ferry's work for the Compensation and Nominating Committee did not raise any conflicts of interest.

## CONSIDERATION OF THE SAY-ON-PAY VOTE

We last held a non-binding, advisory vote to approve the compensation of our NEOs, commonly referred to as the “say-on-pay” vote, at our 2021 Annual Meeting of Shareholders, as required by Section 14A of the Securities Exchange Act of 1934. Our advisory resolution to approve the compensation of our NEOs received substantial majority support from shareholders with over 99.8% “For” votes of votes cast. We take this result as support that our executive compensation program and practices are reasonable and well-aligned with shareholder expectations. Nevertheless, we review our overall approach to executive compensation periodically and we expect that the specific direction, emphasis, and components of our executive compensation program will continue to evolve, as will our process for establishing executive compensation.

## COMPETITIVENESS OF OUR COMPENSATION PROGRAM

Our executive compensation program is designed so that the sum of base pay plus total long-term compensation is competitive with market practices. Market practices—or benchmarks—are based on peer-group data and compensation survey data.

The Compensation and Nominating Committee, with the assistance of its compensation consultant, Korn Ferry, reviewed and selected potential peer companies based on revenue size, industry focus, growth rates, complexity of operations, customer base, and market for talent. Many of our direct industry competitors are either privately held companies or are larger than us in revenue size, although very few have our growth trajectory. With the assistance of its compensation consultant, the Compensation and Nominating Committee approved the following compensation peer group in order to determine market pay levels and pay practices for fiscal year 2021:

- Wayfair Inc.
- Advance Auto Parts, Inc.
- Tractor Supply Company
- Asbury Automotive Group, Inc.
- Ulta Beauty, Inc.
- Williams-Sonoma, Inc.
- Chewy, Inc.
- Knight-Swift Transportation Holdings Inc.
- The Aaron's Company, Inc.
- Lululemon Athletica Inc.
- Zillow Group, Inc.
- Lyft, Inc.
- GoDaddy Inc.
- IAC/InterActiveCorp
- RH
- Floor & Decor Holdings, Inc.

The Compensation and Nominating Committee expects to continue to review our compensation peer group on an annual basis, considering changes in our size and business and the businesses of the companies in the peer group.

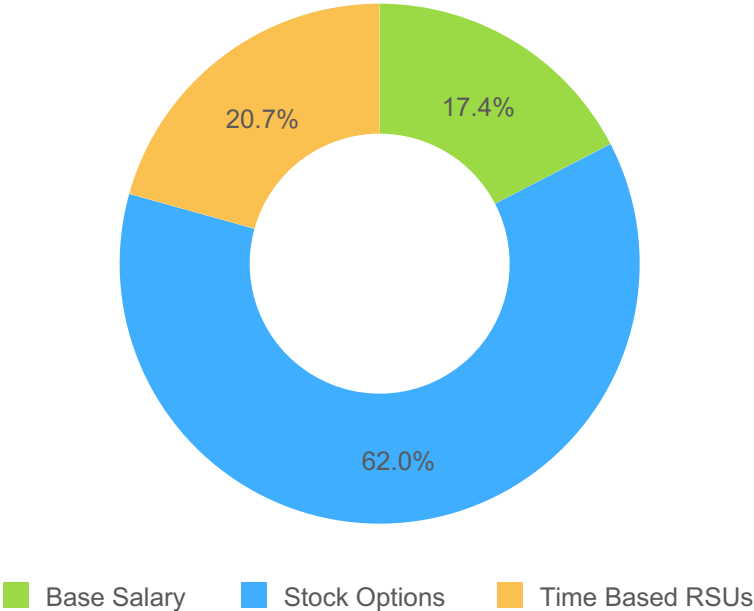
The Compensation and Nominating Committee also uses compensation survey data in its evaluation of executive pay for the NEOs. Survey data provides insight into positions that may not generally be reported in proxy statements and information about the compensation of executives of non-public companies. To assist the Compensation and Nominating Committee in evaluating fiscal year 2021 compensation levels, the Compensation and Nominating Committee

reviewed both peer-group proxy data and information from survey databases, utilizing appropriate subsets based on the size of the company.

**COMPENSATION COMPONENTS**

In accordance with our overall compensation philosophy and program, executives are provided with a mix of base salary, long-term incentives, and employee benefits. Our compensation philosophy places a significant portion of the potential total compensation for each NEO “at risk” such that compensation will vary based on the performance of Carvana. Variable compensation is a component of compensation for most of our employees, but a higher proportion of our NEOs’ compensation is at risk than that of our general employee population. As shown in the pay mix chart below, our compensation program is designed to be highly performance-based. An average of approximately 82.7% of our NEO’s approved compensation is tied to our stock price performance.

CEO and Other NEO Average Compensation by Type



The following table describes the material elements of compensation and the objectives of each element:

<b>PROGRAM</b>	<b>DESCRIPTION</b>	<b>OBJECTIVES</b>
<b>ANNUAL COMPENSATION:</b>		
<i>Base Salary</i>	<ul style="list-style-type: none"> <li>Ongoing cash compensation based on executive officer's role, responsibilities, competitive market positioning, and individual performance.</li> </ul>	<ul style="list-style-type: none"> <li>Attract and retain qualified key managerial talent.</li> <li>Recognize sustained individual performance.</li> </ul>
<b>LONG-TERM COMPENSATION:</b>		
<i>Long Term Incentive Program</i>	<ul style="list-style-type: none"> <li>A long-term incentive program using time-based awards.</li> </ul>	<ul style="list-style-type: none"> <li>Focus executives on long-term Company performance and long-term financial and strategic success.</li> <li>Retention.</li> <li>Align employee and stockholder interests via stock ownership.</li> </ul>

#### *BASE SALARY*

The base salaries for the NEOs are reviewed annually by the Compensation and Nominating Committee. Individual salaries are determined based upon a combination of factors, including the scope of responsibilities, individual preferences, performance, and experience, our Company's performance, an individual's potential for making contributions to future company performance, and competitive pay practices. The committee considers all these factors in determining base salary increases and does not assign a specific weighting to any individual factor.

In February 2021, the Compensation and Nominating Committee reviewed the base salaries of our executive officers, including our NEOs, taking into consideration the factors described above. Following this review, the Compensation and Nominating Committee determined to alter the mix between base salary and equity compensation to put more of the NEO's pay at-risk. The committee also determined to slightly increase the base salary of the chief product officer to maintain the competitiveness of this compensation element.

Ernest Garcia III, our CEO, had a 2019, 2020, and 2021 base salary of \$885,000, \$767,000, and 757,500, respectively. Mark Jenkins, our chief financial officer, had a 2019, 2020, and 2021 base salary of \$735,000, \$745,000, and \$742,500, respectively. Benjamin Huston, our chief operating officer, had a 2019, 2020, and 2021 base salary of \$735,000, \$745,000, and \$742,500, respectively. Daniel Gill, our chief product officer, had a 2019, 2020, and 2021 base salary of \$645,000, \$654,000, and \$667,500, respectively. Tom Taira, our president of special projects, had a 2021 base salary of \$877,500.

As disclosed in our Shareholder Letter dated May 6, 2020, in response to the COVID-19 pandemic, management and the Board recommended and the Compensation and Nominating Committee agreed, to contribute a portion of executive officers' 2020 annual base salaries and each Board member's 2020 annual retainer to our disaster relief program, the "We're All in This Together Fund" (the "Fund"). Approximately 49% of each NEO's annual base salary went to the Fund, and as a result the actual base salary received by each NEO decreased overall in 2020 from the amounts stated above and is reflected in the Summary Compensation Table below.

#### *LONG-TERM INCENTIVE PROGRAM*

The Compensation and Nominating Committee believes that stock-based performance compensation is essential to align the interests of Carvana's management and its shareholders in enhancing the long-term value of our equity and to encourage executives to remain with the Company. Due to the Compensation and Nominating Committee's focus on long-term growth, we do not have short-term incentives in the executive pay mix. This structure is reviewed by the Compensation and Nominating Committee annually and may change in the future. Among the varied types of equity awards the Compensation and Nominating Committee is authorized to use under the equity plan, stock options are the ones that the Compensation and Nominating Committee has determined are preferable for use with NEOs, because their value is more leveraged to future value appreciation and depends upon a future increase in the value of our common stock. The committee also has determined that time-based restricted stock unit grants to NEOs may be used for the purposes of retention or recognition of outstanding performance in part because restricted stock units are less volatile than stock options. During 2021 the Company granted stock options and RSUs under the Company's 2017 Omnibus Incentive Plan (the "Plan").

##### *2021 Stock Option Grant*

For fiscal year 2021, the Compensation and Nominating Committee determined to award time-based stock options to provide an award that has a value dependent upon a future increase in the value of our Class A common stock.

For the 2021 annual grant of stock options, the Compensation and Nominating Committee targeted a grant value equal to approximately 62.0% of each executive's total direct compensation, or 75% of each executive's long-term incentive compensation. The options were granted on February 14, 2021. Mr. Garcia was granted 18,044 options (\$3,219,213 grant date value), Messrs. Jenkins and Huston were each granted 17,687 options (\$3,155,521 grant date value), Mr. Gill was granted 15,900 options (\$2,836,704 grant date value), and Mr. Taira was granted 9,973 options (\$1,779,273 grant date value). All of these grants vest 25% on April 1, 2022 and in 36 equal monthly installments thereafter, subject to each grantee's continued employment.

##### *2021 Time-Based Grant*

For fiscal year 2021, the Compensation and Nominating Committee also granted a time-based RSU award. For the award, the Compensation and Nominating Committee targeted a grant value equal to approximately 20.7% of each NEO's total direct compensation, or 25% of

each NEO's long-term incentive compensation. The RSUs were granted on February 14, 2021. Mr. Garcia was granted 3,625 RSUs (\$1,073,181 grant date value), Messrs. Jenkins and Huston were each granted 3,554 RSUs (\$1,052,162 grant date value), Mr. Gill was granted 3,195 RSUs (\$945,880 grant date value), and Mr. Taira was granted 2,004 RSUs (\$593,284 grant date value). All of these grants vest 25% on April 1, 2022 and in 36 equal monthly installments thereafter.

#### *2019 and 2020 Performance and Time Contingent Grant*

As previously disclosed, for fiscal years 2019 and 2020, the Compensation and Nominating Committee granted blended performance and time contingent RSU awards (the "2019 Award" and the "2020 Award"). Both the 2019 Award and the 2020 Award were subject to continued employment and the Company's achievement of positive EBITDA for a calendar quarter (the "Performance Trigger"). On October 29, 2020, the Company filed its Form 10-Q for the third quarter of 2020 reporting positive EBITDA. Accordingly, the Compensation and Nominating Committee determined that the Performance Trigger for the 2019 Award and the 2020 Award had been achieved. The 2019 Award vested 39.6% on November 1, 2020 and the remaining amount vests in 29 equal installments on the first of the month thereafter. The 2020 Award vested 25% on April 1, 2021 and the remaining amount vests in 36 equal monthly installments on the first of the month thereafter.

#### *PERQUISITES AND BENEFITS*

Currently, we do not view perquisites or other personal benefits as a significant component of our executive compensation program. Accordingly, we did not provide perquisites to our executive officers in 2021, including our NEOs, except that each of the NEOs, along with certain other employees, can use one of the Company inventory vehicles (which generally will be replaced every three years); each, along with many of our employees, may use a company-provided cellular phone; and each, along with all of our employees, may participate in our 401(k) match benefit which is based on salary.

We do not expect that any future perquisites or other personal benefits will be a significant aspect of our executive compensation program. All future practices with respect to perquisites or other personal benefits will be approved and subject to periodic review by the Compensation and Nominating Committee.

#### *TERMINATION, SEVERANCE, AND CHANGE IN CONTROL BENEFITS*

We do not have employment or severance agreements with our executives. In the event of a change in control for either Carvana Co. or Carvana Group, any payment due to the NEOs would be governed by the NEOs' individual equity award agreements made under the Carvana Co. 2017 Omnibus Incentive Plan (the "Plan") and the Carvana Group, LLC Equity Incentive Plan (the "Carvana Group Plan"). The Compensation and Nominating Committee believes that payments to NEOs in the event of a change in control as governed by these agreements benefit stockholders by providing an important incentive to NEOs to remain focused on running the business in the case of a pending or actual change in control event.

In the event of a Change in Control of Carvana Co. (as the term is defined in the Plan) and if an NEO is terminated involuntarily without Cause (as the term is defined in the Plan) within twenty-four months following the Change in Control, then all outstanding unvested stock options and time contingent RSUs of the NEO granted by our 2018, 2019, 2020, and 2021 equity award agreements will become fully exercisable and vested. An NEO whose employment is terminated because of death or disability will have one year from the time of termination to exercise any then-vested options, instead of the usual 90 days, provided that such exercise must occur prior to the expiration date of the options. If an NEO's employment is terminated due to the NEO's disability, and that NEO later dies within a year of such termination, the legal representative of the NEO's estate may exercise the options within the earlier period of the one year anniversary of the date of death and the expiration date of the options.

Each NEO is also required to comply with the restrictive covenants set forth in each individual equity award agreement. All NEOs are subject to confidentiality obligations pursuant to their award agreements. In addition, Messrs. Garcia, Jenkins, and Huston are subject to non-competition provisions during the NEO's employment and for a period of 18 months after termination. Messrs. Garcia, Jenkins, and Huston are also required to comply with non-solicitation and non-interference obligations during the NEO's employment and for a period of 12 months after termination.

In the event of a Change in Control of Carvana Group (as the term is defined in the Carvana Group Plan) all outstanding unvested Class B Unit awards held by participants in the Carvana Group Plan, whose employment has not previously been terminated, will accelerate in full, subject to certain escrow demand rights held by a purchaser of control of Carvana Group.

Except for these arrangements described above, none of our NEOs have entered into any plans, arrangements or agreements with Carvana providing for payments upon termination of employment or change in control of Carvana, other than payments generally available to all salaried employees that do not discriminate in scope, terms, or operation in favor of the executive officers of Carvana.

## COMPENSATION-RELATED POLICIES

### *COMPENSATION RECOVERY (“CLAWBACK”) POLICY*

In 2018, the Compensation and Nominating Committee approved the adoption of a “clawback” policy, which would provide for the clawback or recoupment of any compensation granted, earned, or vested that is tied to performance metrics, in the event of an accounting restatement resulting from material noncompliance with certain financial reporting requirements that reveals that such performance (or level of performance) was not achieved.

### *POLICY REGARDING HEDGING AND PLEDGING OF COMPANY STOCK*

Carvana’s insider trading policy prohibits all employees from buying or selling Carvana securities while aware of material nonpublic information and prohibits the disclosure of material nonpublic information to others who then trade in our securities. As part of this policy, certain other Carvana-securities-related transactions by directors, officers and other employees are also prohibited or subject to specific notice and pre-approval requirements. The policy is premised on the belief that even in those circumstances where the proposed transaction may not constitute a violation of law or applicable regulations, it is nonetheless inappropriate for any director, officer, or other employee to engage in short-term or speculative transactions in our securities which may be viewed as reducing their incentive to improve our performance or inconsistent with the objectives of our stockholders in general. Therefore, it is our policy that directors, officers, and other employees may not engage in any transactions involving our securities which constitute short sales, puts, calls, or other similar derivative securities. The policy also prohibits certain other transactions, including hedging or monetization transactions—e.g., zero-cost collars, forward sale contracts, and arrangements pledging company securities as collateral for a loan (without adequate assurance of other available assets to satisfy the loan).

## COMPENSATION AND RISK

We believe that our compensation programs create appropriate incentives to drive sustained, long-term increases in shareholder value. These programs have been designed and administered in a manner that discourages undue risk-taking by employees. Relevant features of these programs include:

- Focus on weighting compensation toward four-year and greater vesting schedules of equity awards;
- individual NEO pay generally set at market competitive levels against comparable executive roles at an appropriate set of peer companies, except the CEO, who has compensation significantly below market levels due to his significant ownership interest in us;
- no employment agreements with executive officers; and
- restrictions on trading in Carvana Class A common stock to reduce insider trading compliance risk, as well as prohibitions on pledging and hedging Carvana capital stock.

In light of these features, we conclude that the risks arising from our executive and employee compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

## **TAX AND ACCOUNTING IMPLICATIONS**

Carvana considers the tax and accounting aspects of the elements of compensation we offer in determining the most effective method for compensating our executives. This includes, but is not limited to, Section 162(m) of the Internal Revenue Code and the regulations thereunder. Section 162(m) generally limits the tax deduction available to public companies for annual compensation paid to the CEO and certain other NEOs in excess of \$1 million.

Prior to 2017 tax legislation, this \$1 million deduction limit did not apply to compensation that qualified as “performance-based.” However, as of result of 2017 tax legislation, this “performance-based” exemption was eliminated, unless such compensation qualifies for transition relief (relating to written binding contracts in effect on November 2, 2017, which were not subsequently materially modified). Therefore, certain compensation paid under our existing equity plans and certain of our long-term equity awards originally designed with the intent that such amounts qualify as “performance-based” compensation may not be deductible in the future. Although the Compensation and Nominating Committee may consider the effect that Section 162(m) and the potential lack of deduction for amounts paid in excess of the deduction limit may have on Carvana, the Compensation and Nominating Committee continues to retain flexibility to make compensation decisions, in the exercise of its business judgment, that are based on factors that it determines to be appropriate (as determined by the Compensation and Nominating Committee in its sole discretion) to enable Carvana to continue to attract, retain, reward, and motivate its highly-qualified executives. This flexibility may include amending or modifying the design elements of our historical compensation programs.

## **COMPENSATION AND NOMINATING COMMITTEE REPORT**

The Compensation and Nominating Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on this review and discussion, the Committee recommended to the Carvana, Co. Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into Carvana Co.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Respectfully submitted by:

Gregory Sullivan  
Ira Platt  
Dan Quayle  
Neha Parikh

## COMPENSATION TABLES

### SUMMARY COMPENSATION TABLE

The following table presents summary information regarding the total compensation awarded to, earned by, and paid to our NEOs for the past three fiscal years.

Name and Principal Position	Year	Salary (\$) <sup>(3)</sup>	Stock awards (\$) <sup>(1)</sup>	Option awards (\$) <sup>(1)</sup>	All other compensation (\$) <sup>(2)</sup>	Total (\$)
<b>Ernest Garcia III</b>	2021	\$ 757,500	\$ 1,073,181	\$ 3,219,213	\$ 451	\$ 5,050,345
<i>Chief Executive Officer</i>	2020	\$ 411,752	\$ 545,811	\$ 1,636,881	\$ —	\$ 2,594,444
	2019	\$ 885,000	\$ 522,925	\$ 1,549,203	\$ —	\$ 2,957,128
<b>Mark Jenkins</b>	2021	\$ 742,500	\$ 1,052,162	\$ 3,155,521	\$ 22,469	\$ 4,972,652
<i>Chief Financial Officer</i>	2020	\$ 384,395	\$ 530,302	\$ 1,590,544	\$ 24,541	\$ 2,529,782
	2019	\$ 735,000	\$ 434,283	\$ 1,286,618	\$ 23,657	\$ 2,479,558
<b>Benjamin Huston</b>	2021	\$ 742,500	\$ 1,052,162	\$ 3,155,521	\$ 18,886	\$ 4,969,069
<i>Chief Operating Officer</i>	2020	\$ 376,010	\$ 530,302	\$ 1,590,544	\$ 18,294	\$ 2,515,150
	2019	\$ 735,000	\$ 434,283	\$ 1,286,618	\$ 22,921	\$ 2,478,822
<b>Daniel Gill</b>	2021	\$ 667,500	\$ 945,880	\$ 2,836,704	\$ 18,871	\$ 4,468,955
<i>Chief Product Officer</i>	2020	\$ 332,850	\$ 465,432	\$ 1,395,797	\$ 20,819	\$ 2,214,898
	2019	\$ 645,000	\$ 381,128	\$ 1,129,067	\$ 13,819	\$ 2,169,014
<b>Tom Taira</b>	2021	\$ 877,500	\$ 593,284	\$ 1,779,273	\$ 45,883	\$ 3,295,940
<i>President, Special Projects</i>						

(1) The amounts reported in the Stock Awards and Option Awards columns represent the grant date fair value of the RSUs and stock options granted to the NEOs during the years presented as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. A discussion of the assumptions used in computing the grant date fair values may be found in Note 12, “Equity-Based Compensation” included in the audited financial statements contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

(2) The following items were included in “All Other Compensation” for 2019, 2020, and 2021:

Name	Year	401(k) Plan Company Match <sup>(i)</sup>	Incremental Cost of Company Car <sup>(ii)</sup>	Cellphone Expense <sup>(iii)</sup>	Vacation Payout <sup>(iv)</sup>	Total
<b>Ernest Garcia III</b>	2021	\$ —	\$ —	\$ 451	\$ —	\$ 451
	2020	\$ —	\$ —	\$ —	\$ —	\$ —
	2019	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Mark Jenkins</b>	2021	\$ 3,480	\$ 18,500	\$ 489	\$ —	\$ 22,469
	2020	\$ 5,510	\$ 18,500	\$ 531	\$ —	\$ 24,541
	2019	\$ 4,655	\$ 18,500	\$ 502	\$ —	\$ 23,657
<b>Benjamin Huston</b>	2021	\$ 3,480	\$ 14,750	\$ 656	\$ —	\$ 18,886
	2020	\$ 2,865	\$ 14,750	\$ 679	\$ —	\$ 18,294
	2019	\$ 7,280	\$ 14,750	\$ 891	\$ —	\$ 22,921
<b>Daniel Gill</b>	2021	\$ 6,960	\$ 11,250	\$ 661	\$ —	\$ 18,871
	2020	\$ 8,893	\$ 11,250	\$ 676	\$ —	\$ 20,819
	2019	\$ 1,828	\$ 11,250	\$ 741	\$ —	\$ 13,819
<b>Tom Taira</b>	2021	\$ 6,960	\$ —	\$ —	\$ 38,923	\$ 45,883

(i) Represents discretionary matching contributions under our 401(k) Plan.

(ii) The incremental cost of the company car to us has been calculated based on the depreciation value of the vehicle.

(iii) Represents the cost of company-paid cell phone service.

(iv) Represents vacation payout of time accrued and unused at year end, paid out as required by California law.

(3) The amount reported as salaries for the NEOs for 2020 show the base salary for each NEO approved by the Board and the Compensation and Nominating Committee in February 2020 (for Mr. Garcia \$767,000; for Messrs. Jenkins and Huston \$745,000; and for Mr. Gill \$645,000) adjusted for the amount each NEO contributed to the Fund as discussed above under “Compensation Components - Base Salary”. These amounts represent the actual salary each NEO received for 2020 and the actual compensation received by each NEO for 2020.

## GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	All other stock awards: Number of shares of stock or units (#) <sup>(1)</sup>	All other option awards: Number of securities underlying options (#) <sup>(2)</sup>	Exercise or base price of option awards (\$/sh)	Grant date fair value of stock and option awards <sup>(3)</sup>
Ernest Garcia III	2/14/2021	3,625	—	\$ —	\$ 1,073,181
	2/14/2021	—	18,044	\$ 296.05	\$ 3,219,213
Mark Jenkins	2/14/2021	3,554	—	\$ —	\$ 1,052,162
	2/14/2021	—	17,687	\$ 296.05	\$ 3,155,521
Benjamin Huston	2/14/2021	3,554	—	\$ —	\$ 1,052,162
	2/14/2021	—	17,687	\$ 296.05	\$ 3,155,521
Daniel Gill	2/14/2021	3,195	—	\$ —	\$ 945,880
	2/14/2021	—	15,900	\$ 296.05	\$ 2,836,704
Tom Taira	2/14/2021	2,004	—	\$ —	\$ 593,284
	2/14/2021	—	9,973	\$ 296.05	\$ 1,779,273

(1) The amounts in these columns represent the number of shares that would be issued for awards of RSUs which are scheduled to vest 25% on April 1, 2022 and in 36 monthly installments thereafter, subject to the grantee's continued employment, as more fully described above under "Compensation Discussion and Analysis—Long Term Incentive Program."

(2) Represents awards of stock options which are scheduled to vest 25% on April 1, 2022 and in 36 month installments thereafter, subject to the grantee's continued employment, as more fully described above under "Compensation Discussion and Analysis—Long Term Incentive Program."

(3) The amounts reported in this column represent the grant date fair value of the options and RSUs granted to the NEOs as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718.

## OUTSTANDING EQUITY AWARDS AT 2021 FISCAL YEAR END

Name	Option Awards				Equity Awards	
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$) <sup>(1)</sup>
<b>Ernest Garcia III:</b>						
Non-qualified stock options <sup>(2)</sup>		18,044	\$296.05	2/14/2031		
Non-qualified stock options <sup>(3)</sup>	12,188	17,062	\$ 88.62	2/14/2030	—	\$ —
Non-qualified stock options <sup>(4)</sup>	42,951	21,475	\$ 38.00	2/25/2029	—	\$ —
Non-qualified stock options <sup>(5)</sup>	14,656	1,332	\$ 44.21	7/28/2028	—	\$ —
Restricted stock units <sup>(6)</sup>					3,625	\$ 840,239
Restricted stock units <sup>(7)</sup>	—	—	\$ —		1,166	\$ 270,267
Restricted stock units <sup>(9)</sup>	—	—	\$ —		3,593	\$ 832,821
Restricted stock units <sup>(8)</sup>	—	—	\$ —		4,529	\$ 1,049,777
<b>Mark Jenkins:</b>						
Non-qualified stock options <sup>(2)</sup>		17,687	\$296.05	2/14/2031		
Non-qualified stock options <sup>(3)</sup>	11,843	16,579	\$ 88.62	2/14/2030	—	\$ —
Non-qualified stock options <sup>(4)</sup>	35,671	17,835	\$ 38.00	2/25/2029	—	\$ —
Non-qualified stock options <sup>(5)</sup>	13,740	1,249	\$ 44.21	7/28/2028	—	\$ —
Restricted stock units <sup>(6)</sup>					3,554	\$ 823,782
Restricted stock units <sup>(7)</sup>	—	—	\$ —		1,093	\$ 253,346
Restricted stock units <sup>(9)</sup>	—	—	\$ —		3,491	\$ 809,179
Restricted stock units <sup>(8)</sup>	—	—	\$ —		3,761	\$ 871,762
Class B Units <sup>(11)</sup>	—	—	\$ —		6,667	\$ 1,156,271
<b>Benjamin Huston:</b>						
Non-qualified stock options <sup>(2)</sup>		17,687	\$296.05	2/14/2031		
Non-qualified stock options <sup>(3)</sup>	11,843	16,579	\$ 88.62	2/14/2030	—	\$ —
Non-qualified stock options <sup>(4)</sup>	35,671	17,835	\$ 38.00	2/25/2029	—	\$ —
Non-qualified stock options <sup>(5)</sup>	13,740	1,249	\$ 44.21	7/28/2028	—	\$ —
Restricted stock units <sup>(6)</sup>					3,554	\$ 823,782
Restricted stock units <sup>(7)</sup>	—	—	\$ —		1,093	\$ 253,346
Restricted stock units <sup>(9)</sup>	—	—	\$ —		3,491	\$ 809,179
Restricted stock units <sup>(8)</sup>	—	—	\$ —		3,761	\$ 871,762
Class B Units <sup>(11)</sup>	—	—	\$ —		6,667	\$ 1,156,271
<b>Daniel Gill</b>						
Non-qualified stock options <sup>(2)</sup>		15,900	\$296.05	2/14/2031		
Non-qualified stock options <sup>(3)</sup>	10,393	14,549	\$ 88.62	2/14/2030	—	\$ —
Non-qualified stock options <sup>(4)</sup>	31,303	15,651	\$ 38.00	2/25/2029	—	\$ —
Non-qualified stock options <sup>(5)</sup>	12,091	1,099	\$ 44.21	7/28/2028	—	\$ —
Restricted stock units <sup>(6)</sup>					3,195	\$ 740,569

Restricted stock units <sup>(7)</sup>	—	—	\$	—	962	\$	222,982
Restricted stock units <sup>(9)</sup>	—	—	\$	—	3,064	\$	710,205
Restricted stock units <sup>(8)</sup>	—	—	\$	—	3,301	\$	765,139
Class B Units <sup>(11)</sup>	—	—	\$	—	2,500	\$	433,580

**Tom Taira**

Non-qualified stock options <sup>(2)</sup>		9,973	\$296.05	2/14/2031			
Non-qualified stock options <sup>(3)</sup>	6,616	9,262	\$ 88.62	2/14/2030			
Non-qualified stock options <sup>(4)</sup>	17,111	10,556	\$ 38.00	2/25/2029			
Non-qualified stock options <sup>(5)</sup>	9,212	5,714	\$ 52.66	10/9/2028			
Restricted stock units <sup>(6)</sup>					2,004	\$	464,507
Restricted stock units <sup>(10)</sup>					3,081	\$	714,145
Restricted stock units <sup>(9)</sup>					1,950	\$	451,991
Restricted stock units <sup>(8)</sup>					2,226	\$	515,965

(1) Amounts were determined based on the closing price of Carvana Co.'s Class A common stock on December 31, 2021, of \$231.79 and the applicable participation thresholds of our B4 Units (as defined below). These values may not reflect the value actually realized by the NEOs upon vesting.

(2) These stock options vest 25% on April 1, 2022, and the remaining amount vests in 36 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

(3) These stock options vest 25% on April 1, 2021, and the remaining amount vests in 36 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

(4) These stock options vested 25% on April 1, 2020, and the remaining amount vests in 36 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

(5) These stock options vested 25% on April 1, 2019, and the remaining amount vests in 36 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

(6) These RSUs vest 25% on April 1, 2022, and the remaining amount vests in 36 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

(7) These RSUs vested 25% on April 1, 2019, and the remaining amount vests in 36 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

(8) These RSUs met the Performance Trigger on October 29, 2020 when Carvana filed its Form 10-Q for the third quarter of 2020 reflecting positive EBITDA. As a result, these RSUs vested

39.6% on November 1, 2020, and the remaining amount vests in 29 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

(9) These RSUs met the Performance Trigger on October 29, 2020 when Carvana filed its Form 10-Q for the third quarter of 2020 reflecting positive EBITDA. As a result, these RSUs vested 25% on April 1, 2021 and the remaining amount vests in 36 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

(10) These RSUs vested 25% on October 1, 2019, and the remaining amount vests in 36 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

(11) These Class B Units (the "B4 Units") were granted on April 27, 2017, with a participation threshold of \$12.00; 20% vested on February 1, 2018, and the remaining amount vests in 48 equal monthly installments on the first of each month thereafter, subject to the grantee's continued employment.

## OPTION EXERCISES AND STOCK VESTED

Name	Option awards		Stock Awards <sup>(1)</sup>	
	Number of shares acquired on exercise (#)	Value realized on exercise (\$)	Number of shares acquired on vesting (#)	Value realized on vesting (\$)
Ernest Garcia III	—	—	9,458	\$ 2,719,776
Mark Jenkins	—	—	41,913	\$ 11,593,806
Benjamin Huston	—	—	41,913	\$ 10,810,475
Daniel Gill	—	—	19,869	\$ 5,850,301
Tom Taira	12,500	2,359,184	18,786	\$ 5,531,121

(1) Amounts include RSUs and Class B Units. The number of shares and values were determined based on the closing price of Carvana Co.'s Class A common stock on each vesting date and, in the case of Class B Units, the applicable participation thresholds of our B4 Units (as defined above in the "Outstanding Equity Awards at 2021 Fiscal Year End" table) and of our Class B Units with a participation threshold equal to \$0.00 (the "B1 Units"), \$4.878 (the "B2 Units"), and \$5.8114 (the "B3 Units").

## POTENTIAL PAYMENTS UPON A TERMINATION OR CHANGE IN CONTROL

As described in "Compensation Discussion and Analysis – Termination, Severance, and Change in Control Benefits" above, we do not have an employment or severance plan or agreement with any of our NEOs; however, our NEOs would be entitled to accelerated vesting of certain equity awards upon the occurrence of the following scenarios, with values calculated based on the Company's closing stock price on December 31, 2021:

Name	Change in Control (Without Termination) (\$) <sup>(1)</sup>	Involuntary Termination without Cause Within 24 Months of a Change in Control (\$) <sup>(2)</sup>
<b>Ernest Garcia III:</b>	\$ —	\$ 8,687,860
<b>Mark Jenkins:</b>	\$ 1,156,271	\$ 7,685,650
<b>Benjamin Huston:</b>	\$ 1,156,271	\$ 7,685,650
<b>Daniel Gill:</b>	\$ 433,580	\$ 6,739,298
<b>Tom Taira:</b>	\$ —	\$ 5,900,979

(1) Amounts in this column represent the value based on the Company's closing stock price as of December 31, 2021, and include the following:

- On a fully exchanged basis, the Class B Units (as described above under “Outstanding Equity Awards at 2021 Fiscal Year End”), that would vest upon a Change In Control of Carvana Group, as long as the executive's employment had not been previously terminated and subject to certain escrow demand rights held by a purchaser of control of Carvana Group.

(2) Amounts in this column represent the value based on the Company's closing stock price as of December 31, 2021, and include the following:

- All outstanding unvested time-based RSUs granted in 2018, which would become fully vested if the NEO is involuntarily terminated without cause within 24 months of a change in control of Carvana Co.
- All unvested stock options granted in 2018, which would become fully vested if the NEO is involuntarily terminated without cause within 24 months of a change in control of Carvana Co.
- All unvested stock options granted in 2019, which would become fully vested if the NEO is involuntarily terminated without cause within 24 months of a change in control of Carvana Co.
- All outstanding unvested RSUs granted in 2019, which would become fully vested if the NEO is involuntarily terminated without cause within 24 months of a change in control of Carvana Co.
- All unvested stock options granted in 2020, which would become fully vested if the NEO is involuntarily terminated without cause within 24 months of a change in control of Carvana Co.
- All outstanding unvested RSUs granted in 2020, which would become fully vested if the executive is involuntarily terminated without cause within 24 months of a change of control of Carvana Co.
- All unvested stock options granted in 2021, which would become fully vested if the NEO is involuntarily terminated without cause within 24 months of a change in control of Carvana Co.
- All outstanding unvested RSUs granted in 2021, which would become fully vested if the executive is involuntarily terminated without cause within 24 months of a change of control of Carvana Co.

Each NEO is required to comply with the restrictive covenants set forth in each NEO's individual equity award agreement, which includes confidentiality obligations for all NEOs, and non-solicitation, non-competition, and non-interference obligations for Messrs. Garcia, Jenkins, and Huston. Please see “Compensation Discussion and Analysis – Termination, Severance, and

Change in Control Benefits” for a more detailed discussion regarding the acceleration and treatment of such equity awards.

## **CEO PAY RATIO**

The 2021 annual total compensation of our median-compensated employee other than Mr. Garcia was \$36,975. We identified our median-compensated employee by calculating the annual salary of all our employees as of December 31, 2021, annualized for those who joined Carvana during the year. Mr. Garcia’s 2021 annual total compensation was \$5,050,345, as disclosed in the “Summary Compensation Table” above. The ratio of our median-compensated employee to Mr. Garcia is 1-to-137.

## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

### **POLICIES FOR APPROVAL OF RELATED PARTY TRANSACTION**

We have adopted a written policy with respect to the review, approval, and ratification of related party transactions. Under the policy, our Board is responsible for reviewing and approving related party transactions. In the course of its review and approval of related party transactions, our Board will consider the relevant facts and circumstances to decide whether to approve such transactions. In particular, our policy requires our Board to consider, among other factors it deems appropriate:

- a. the related person’s relationship to us and interest in the transaction;
- b. the material facts of the proposed transaction, including the proposed aggregate value of the transaction;
- c. the impact on a director’s independence in the event the related person is a director or an immediate family member of the director;
- d. the benefits to us of the proposed transaction;
- e. if applicable, the availability of other sources of comparable products or services; and
- f. an assessment of whether the proposed transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.

The Board may only approve those transactions that are in or are not inconsistent with our best interests and those of our stockholders, as the Board determines in good faith.

## **AMENDED AND RESTATED OPERATING AGREEMENT**

In connection with the organizational transactions we effected in connection with our IPO, we amended and restated Carvana Group’s existing operating agreement, which we refer to as the “LLC Operating Agreement.” On October 2, 2018, Carvana Group amended the LLC Agreement to create a class of non-convertible preferred units (the “Class A Non-Convertible Preferred Units”), effective September 21, 2018. The Class A Non-Convertible Preferred Units were created in connection with Carvana Co.’s issuance of the 2023 Notes in September 2018 and May 2019 (see Carvana’s Annual Report on Form 10-K for 2021, Item 8 Note 9 — Debt Instruments). On October 2, 2020, Carvana Group amended and restated the LLC Agreement to,

among other things, authorize the issuance of 1,100,000 Class A Non-Convertible Preferred Units to be sold to Carvana Co. in connection with the issuance of its 2025 Notes and 2028 Notes (see Carvana's Annual Report on Form 10-K for 2021, Item 8 Note 10 — Stockholders' Equity) and authorize the issuance of additional Class A Non-Convertible Preferred Units, in each case in consideration for the capital contribution made or deemed to have been made by Carvana Co. of the net proceeds of senior unsecured notes issuances. On March 29, 2021, Carvana Group, LLC issued 0.6 million Class A Non-Convertible Preferred Units in connection with the issuance of its 2027 Notes, and on August 16, 2021, Carvana Group LLC issued approximately 0.8 million Class A Non-Convertible Preferred Units in connection with the issuance of its 2029 Notes (see Carvana's Annual Report on Form 10-K for 2021, Item 8 Note 10 — Stockholders' Equity). Carvana Co. used its net proceeds from the 2023 Notes, the 2025 Notes and 2028 Notes, the 2027 Notes, and the 2029 Notes to purchase 600,000, 1,100,000, 600,000, and 800,000 Class A Non-Convertible Preferred Units, respectively. In the event Carvana Co. makes payments on the 2025 Notes, 2028 Notes, 2027 Notes, and 2029 Notes, Carvana Group will make an equal cash distribution, as necessary, to the Class A Non-Convertible Preferred Units. For each \$1,000 principal amount of 2025 Notes, 2028 Notes, 2027 Notes, and 2029 Notes that Carvana Co. repays or otherwise retires, one Class A Non-Convertible Preferred Unit is canceled and retired.

As discussed further in Carvana's Annual Report on Form 10-K for 2021, Item 8, Note 9 — Debt Instruments, the Company redeemed its 2023 Notes on October 2, 2020 using a portion of its net proceeds from the issuance of its 2025 Notes and 2028 Notes, at which point 600,000 Class A Non-Convertible Preferred Units were canceled and retired.

The operations of Carvana Group, and the rights and obligations of the LLC Unitholders, are set forth in the LLC Operating Agreement.

## **EXCHANGE AGREEMENT**

On April 27, 2017, we entered into an exchange agreement with Carvana Co. Sub LLC (our wholly owned subsidiary) and the LLC Unitholders. Under the exchange agreement, LLC Unitholders (and certain permitted transferees thereof) may exchange at any time their LLC Units for either shares of our Class A common stock or for cash, whichever we decide. To the extent LLC Unitholders also hold Class B common stock, they will be required to deliver to us the same number of shares of Class B common stock as Class A common stock being exchanged for. We will then cancel those shares of Class B common stock. As LLC Unitholders exchange their interest in Carvana Group, our indirect interest in Carvana Group will increase correspondingly.

When an LLC Unitholder makes an exchange, they will receive four shares of Class A common stock for every five Class A Units or, at our option, cash equal to the value of a share of Class A common stock multiplied by 0.8 times the number of Class A Units being exchanged. The value of the Class A common stock is determined by the average of the volume-weighted average prices for a share of Class A common stock for each of the three consecutive full trading days ending on and including the last full trading day immediately prior to the related date of exchange. Class B Units are subject to vesting and a participation threshold, and, as a result, LLC Unitholders exchanging Class B Units will receive a number of shares of Class A common stock

equal to the Class A common stock value (determined the same way as above) less the applicable participation threshold multiplied by 0.8 times the number of Class B Units being exchanged, divided by the same Class A common stock value, subject to adjustment as set forth in the Exchange Agreement.

## **REGISTRATION RIGHTS AGREEMENT**

In connection with the IPO, we entered into a registration rights agreement with certain LLC unitholders. These LLC unitholders are entitled to request that we register their shares on a long-form or short-form registration statement on one or more occasions in the future, which registrations may be “shelf registrations.” All of these LLC unitholders will be entitled to participate in certain of our registered offerings, subject to the restrictions in the registration rights agreement. We will pay expenses in connection with the exercise of these rights. The registration rights described in this paragraph apply to (1) shares of our Class A common stock held by certain LLC unitholders, and (2) any of our capital stock (or that of our subsidiaries) issued or issuable with respect to the Class A common stock described in clause (1) with respect to any dividend, stock split, recapitalization, reorganization, or certain other corporate transactions (“Registrable Securities”). These registration rights are also for the benefit of any subsequent holder of Registrable Securities, provided that any particular securities will cease to be Registrable Securities when they have been sold in a registered public offering, sold in compliance with Rule 144 of the Securities Act or repurchased by us or our subsidiaries. In addition, any Registrable Securities held by a person other than an LLC Unitholder and their affiliates will cease to be Registrable Securities if they can be sold without limitation under Rule 144 of the Securities Act.

## **TAX RECEIVABLE AGREEMENT**

We have entered into a Tax Receivable Agreement with LLC Unitholders that will provide for the payment from time to time by us to such persons of 85% of the amount of the benefits, if any, that we realize or, under certain circumstances, are deemed to realize as a result of

1. the increase in our wholly owned subsidiary’s proportionate share of the existing tax basis of the assets of Carvana Group and an adjustment in the tax basis of the assets of Carvana Group reflected in that proportionate share as a result of any future exchanges of LLC Units held by an LLC Unitholder for shares of our Class A common stock or cash; and
2. certain other tax benefits related to our making payments under the Tax Receivable Agreement.

We expect to benefit from the remaining 15% of any tax benefits that we actually realize and, except in connection with a change of control, we will not make any payments under the Tax Receivable Agreement until after we have directly or indirectly realized (or have been deemed to have realized) benefits in excess of such payments. These payment obligations are obligations of

Carvana Co. and not of Carvana Group. No payments were made during the year ended December 31, 2021.

## **INDEMNIFICATION OF OFFICERS AND DIRECTORS**

We have entered into indemnification agreements with each of our executive officers and directors. The indemnification agreements provide the officers and directors with contractual rights to indemnification, expense advancement, and reimbursement, to the fullest extent permitted under Delaware law. Additionally, we may enter into indemnification agreements with any new directors or officers that may be broader in scope than the specific indemnification provisions contained in Delaware law.

## **RELATED PARTY EMPLOYMENT RELATIONSHIPS**

We employ Laura White, who is the sister-in-law of our Chief Operating Officer Benjamin Huston, as corporate counsel. Ms. White's compensation is based on her education, experience, and the responsibilities of her position. For the year ended December 31, 2021, Ms. White received a salary of \$180,000 and equity awards totaling approximately \$76,000 over four years.

## **CONTRIBUTION AGREEMENT**

On January 5, 2022, our CEO Ernie Garcia III announced to the Company that he will contribute 23 shares (or roughly \$5,000 at the time of the announcement) of Class A common stock from his personal shareholdings for every one of the Company's then-existing employees upon their satisfying certain employment tenure requirements (the "1 Million Unit Milestone Gift"). In connection with this ongoing commitment from Mr. Garcia, the Company and Mr. Garcia entered into a contribution agreement on February 22, 2022, under which Mr. Garcia will contribute to us at the end of each fiscal quarter the number of shares of our Class A common stock, granted pursuant to the 1 Million Unit Milestone Gift, that have vested during such quarter. The shares contributed shall be shares of Class A common stock that he individually owns, at no charge. The contribution is intended to fund restricted stock unit awards to certain employees of the Company upon their satisfying applicable employment tenure requirements. Although the Company does not expect Mr. Garcia to incur any tax obligations related to the contribution, the Company has indemnified Mr. Garcia from any such obligations that may arise.

## **RELATIONSHIP WITH DRIVETIME**

Prior to November 1, 2014, Carvana, LLC was a wholly owned subsidiary of DriveTime. On November 1, 2014, DriveTime distributed the units of Carvana, LLC to the unit holders of DriveTime on a pro rata basis, which we refer to as the "Spinoff." DriveTime is controlled by our controlling stockholder, Ernest Garcia II, who is also the father of our CEO, Ernest Garcia III. Following the Spinoff, the unit holders of DriveTime contributed the Carvana, LLC units to Carvana Group.

Subsequent to the Spinoff, we entered into several agreements with DriveTime and affiliated companies that were intended to facilitate our transition to a standalone company, which are described below, along with subsequent agreements. We will refer to DriveTime and its subsidiaries and affiliates, other than us, as “DriveTime.” In addition to the discussion below, our relationship with DriveTime is further discussed in Note 6 to our Notes to Consolidated Financial Statements of Carvana’s Annual Report on Form 10-K for 2021. There can be no assurances that DriveTime or its affiliated companies will enter into any new agreements or arrangements with us, or extend or renew existing agreements or arrangements, on the same terms, similar terms, or at all.

#### *ATLANTA, GA HUB LOCATION LEASE GUARANTEE*

In May 2013, DriveTime guaranteed our obligations under the lease governing our occupancy of the property on which an Atlanta hub is located. We did not compensate DriveTime for the guarantee. The initial lease term and rent payments commenced December 1, 2013, and the lease expired on November 30, 2021 and was not renewed. Base rent during the initial term was \$9.5 thousand per month, subject to increase by 3% of the then-current base rent during each extension term. Monthly rent payments were \$11.0 thousand per month through November 30, 2020 and \$11.3 thousand per month through November 30, 2021. In addition to base rent, we were responsible for our proportionate share of common area maintenance charges. Total expenses related to this lease agreement were approximately \$0.2 million for the year ended December 31, 2021.

#### *LEASE AGREEMENT*

In connection with the Spinoff, we entered into a lease agreement dated November 1, 2014, with DriveTime that governs our access to and utilization of space at inspection and reconditioning centers (“IRCs”) in Blue Mound, Texas, and Delanco, New Jersey, and previously in Winder, Georgia, which previously were DriveTime IRCs. The lease agreement was most recently amended in December 2018. The agreement also governs utilization of office space and parking spaces at various DriveTime IRCs and retail facilities that we use as hubs.

Under the amended lease agreement, hubs generally have cancellable two-year terms subject to certain two consecutive one-year renewal options and subject to the terms of any master lease under which we are subleasing. At both of these locations, we make monthly lease payments based on DriveTime's actual rent expense. In addition, we are responsible for the actual insurance costs and real estate taxes. Total expenses related to this lease agreement were approximately \$2.2 million for the year ended December 31, 2021.

#### *HOUSTON, TX VENDING MACHINE LEASE GUARANTEE*

On July 14, 2015, DriveTime guaranteed our obligations under the lease governing our occupancy of the property on which our Houston vending machine is located. We do not compensate DriveTime for the guarantee. The initial lease term commenced January 8, 2016, and we began paying base rent on May 7, 2016. Base rent during the initial term is \$23.0 thousand per month, and the initial term expires on April 6, 2026. We have the option to extend the initial

term for four additional consecutive five-year periods. Base rent during each extension term will increase 10% of the then-current base rent for each subsequent extension. Total expenses related to this lease agreement were approximately \$0.3 million for the year ended December 31, 2021.

#### *TEMPE, AZ OFFICE SPACE*

In September 2016, the Company entered into a lease for the second floor of its corporate headquarters in Tempe, Arizona. DriveTime guaranteed up to \$0.5 million of the Company's rent payments under that lease through September 2019. In connection with that lease, the Company entered into a sublease with DriveTime for the use of the first floor of the same building. The lease and sublease each have a term of 83 months, subject to the right to exercise three five-year extension options. Pursuant to the sublease, the Company will pay the rent equal to the amounts due under DriveTime's master lease directly to DriveTime's landlord. Total expenses related to this lease agreement were approximately \$1.2 million for the year ended December 31, 2021.

In addition to the Company's corporate headquarters, in December 2019 an affiliate of DriveTime ("Verde RE") purchased an office building in Tempe, Arizona that we leased from an unrelated party. In connection with the purchase, Verde RE assumed that lease. The lease has an initial term of 10 years, subject to the right to exercise two five-year extension options. During the year ended December 31, 2021, the rent paid to Verde RE was approximately \$0.8 million.

#### *WINDER, GA INSPECTION AND RECONDITIONING CENTER LEASE*

In February 2017, we entered into a lease with DriveTime for an IRC in Winder, Georgia where we previously maintained partial occupancy under the DriveTime lease agreement described above and we are now the sole occupant. The lease has an 8-year term, subject to our ability to exercise three renewal option terms of five years each. We began paying base rent of \$83.3 thousand per month as of March 1, 2017. The monthly rent is subject to adjustment each year beginning January 1, 2018, increasing in an amount equal to the percentage increase in the Consumer Price Index, with a maximum of 5% and a minimum of 2%. The monthly rent increased on January 1, 2021, to \$90.5 thousand. Our total expenses related to this lease agreement were approximately \$1.1 million for the year ended December 31, 2021.

#### *HUB LEASE AGREEMENT*

In March 2017, we entered into a lease with DriveTime that governs our utilization of office space and parking spaces at DriveTime facilities that we use as hubs. The lease was most recently amended in July 2021. Under the lease agreement, we pay a monthly rental fee related to our pro rata utilization of space at such facilities plus a pro rata share of each facility's actual insurance costs and real estate taxes. Each hub has an initial cancellable term of two years, subject to certain two consecutive one-year renewal options. Our total expenses related to this lease agreement were approximately \$1.2 million for the year ended December 31, 2021.

### *CLEVELAND, OH AREA INSPECTION AND RECONDITIONING CENTER SUBLEASE*

In November 2018, Carvana entered into a sublease agreement with DriveTime for an inspection and reconditioning center near Cleveland, Ohio. We pay a base rent of \$35.0 thousand per month which increases in each extension term. The sublease has an initial term of three years. We have the ability to exercise three renewal options of five years each. In July 2021, we exercised the first renewal option to extend through October 2026 and agreed to assume the lease from DriveTime, effective October 1, 2021. Our total expenses related to this lease agreement were approximately \$0.5 million for the year ended December 31, 2021.

### *NASHVILLE, TN AREA INSPECTION AND RECONDITIONING CENTER LEASE*

On February 28, 2019, Carvana assumed a lease from DriveTime of an IRC near Nashville, Tennessee, though DriveTime was not fully released from lease obligations by the landlord. The term expires on October 31, 2023, subject to our ability to exercise three renewal options of five years each. Monthly base rent in 2021 was \$31 thousand. The rent will further increase during each extension term over the then-current base rent by an amount equal to the percentage increase in the Consumer Price Index, with a maximum of 15% and a minimum of 10%. During the year ended December 31, 2021, the total rent expense to the landlord was approximately \$0.7 million.

### *SERVICING AGREEMENTS WITH DRIVETIME*

In December 2015, we entered into a servicing agreement with DriveTime, wherein DriveTime agreed to perform certain servicing and administrative functions with respect to automotive finance receivables we own after origination and before sale. In the year ended December 31, 2021, DriveTime had aggregate earnings of approximately \$2.3 million for performing servicing functions for such receivables.

In addition, DriveTime services loans that we have sold to third parties. For the year ended December 31, 2021, DriveTime had aggregate earnings of approximately \$9.7 million related to the servicing of such loans.

Further, DriveTime performs certain servicing and administrative functions with respect to automotive finance receivables we sell or pledge under the following agreements:

#### *Master Purchase and Sale Agreement*

In December 2016, we entered into a master purchase and sale agreement pursuant to which we sell finance receivables meeting certain underwriting criteria to certain financing partners, including Ally Bank and Ally Financial. Throughout 2020 and 2021, the Company and the Ally Parties have amended the MPSA to, among other things and subject to the terms of the agreement, broaden the set of finance receivables covered by the MPSA and provide additional flexibility in the timing of sales of finance receivables. In March 2021, the Ally Parties committed to purchase up to a maximum of \$4.0 billion of principal balances of finance receivables through March 2022. During the year ended December 31, 2021, we sold approximately \$2.1 billion in principal balances of finance receivables under the purchase and

sale agreement. DriveTime had aggregate earnings of approximately \$26.7 million pursuant to the agreement for performing servicing functions for the year ended December 31, 2021.

### Transfer Agreements

In March, June, September, and December 2019 and March and December 2020, we entered into transfer agreements pursuant to which we sold finance receivables meeting certain underwriting criteria to certain purchaser trusts in connection with the securitization of those finance receivables. Under these agreements, the purchaser trusts purchased an aggregate of approximately \$2.8 billion in principal balances of finance receivables. In March, June, September, and December 2021, we entered into additional transfer agreements in connection with the securitization of finance receivables. Under these 2021 agreements, the purchaser trusts purchased an aggregate of approximately \$5.0 billion in principal balances of finance receivables.

The purchaser trusts of these securitizations engaged Carvana as the administrator of such trusts and DriveTime as servicer of the receivables. In the year ended December 31, 2021, DriveTime had aggregate earnings of approximately \$38.9 million for performing servicing functions under these agreements.

### 2020 and 2021 Credit Facilities

In January and February 2020, we entered into two revolving credit facilities (the "2020 Credit Facilities") and in April and October 2021, we entered into two additional credit facilities (the "2021 Credit Facilities") with certain lenders to fund automotive finance receivables originated by the Company. The 2020 Credit Facilities may be drawn upon through January 24, 2023 and December 8, 2023, respectively, and the 2021 Credit Facilities may be drawn upon through October 30, 2022 and April 15, 2023, respectively. As of the date hereof, the lenders have committed an aggregate amount of \$2.1 billion under these facilities. The lenders and the Company engaged DriveTime as servicer of the receivables. In the year ended December 31, 2021, DriveTime had aggregate earnings of approximately \$4.1 million for performing these servicing functions.

### *GAP WAIVER INSURANCE POLICY*

In 2020, we purchased insurance policies from BlueShore Insurance Company ("BlueShore"), an affiliate of DriveTime, for approximately \$27,000 that reimburses the lienholder of finance receivables with GAP waiver coverage for any GAP waiver claims on a defined set of finance receivables that we sold in our securitization transactions. This insurance is transferred with the underlying finance receivable. In March 2019, we entered into a retrospective profit sharing agreement with BlueShore under which we share in the profits generated from the insurance policies by receiving a portion of the excess of the premium we paid to BlueShore, net of a fee, compared to the amount BlueShore pays out related to the GAP waiver claims. In the future we may partner with BlueShore on additional ancillary products, which could include products customarily sold by automotive retailers or other insurance products customarily sold by traditional insurance companies. As of December 31, 2021, we held a receivable of approximately \$0.1 million.

## *MASTER DEALER AGREEMENT*

In December 2016, we entered into a master dealer agreement with DriveTime. Pursuant to this agreement, we may sell vehicle service contracts (“VSCs”) to customers purchasing a vehicle from us. We earn a commission on each VSC sold to our customers and DriveTime is obligated by and subsequently administers the VSCs. We collect the retail purchase price of the VSCs from our customers and remit the purchase price net of commission to DriveTime. During the year ended December 31, 2021, we recognized approximately \$186.0 million of commissions earned on VSCs sold to our customers and administered by DriveTime, net of a reserve for estimated contract cancellations. In November 2018, we amended the master dealer agreement to allow Carvana to receive payments for excess reserves based on the performance of the VSCs versus the reserves held by the VSC administrator, once a required claims period for such VSCs has passed. In August 2020 and April 2021, the agreement was further amended to adjust excess reserve payment calculations and timing and the scope of DriveTime’s after-sale administration services, respectively. During the year ended December 31, 2021, Carvana recognized approximately \$20.5 million related to payments for excess reserves to which it expects to be entitled.

Beginning in 2017, DriveTime also administers the limited warranty provided to all customers. We pay a per-contract fee to DriveTime to administer the limited warranty included with every purchase. We incurred costs of approximately \$15.3 million during the year ended December 31, 2021, related to the administration of the limited warranty.

## *AIRCRAFT TIME SHARING AGREEMENT*

On October 22, 2015, we entered into an agreement to share usage of two aircraft operated by DriveTime. Pursuant to the agreement, as amended, we agreed to reimburse DriveTime for actual expenses for each of our flights. The original term of the agreement was for 12 months, with perpetual 12-month automatic renewals. Either the lessors or the lessees can terminate the lease with 30 days’ prior written notice. We reimbursed DriveTime approximately \$0.5 million under this agreement during the year ended December 31, 2021.

## *WHOLESALE REVENUE*

In 2020, DriveTime began purchasing wholesale vehicles from us through competitive online auctions that are managed by an unrelated third party. As a result, we recognized approximately \$54 million of wholesale revenue from DriveTime during the year ended December 31, 2021.

## *RETAIL VEHICLE ACQUISITION AGREEMENTS*

Effective September 29, 2021, we entered into Wholesale Vehicle Purchase Agreements with DriveTime, pursuant to which we purchase reconditioned vehicles from DriveTime. In certain instances our purchase price is the wholesale price of the vehicle plus a fee, which encompasses, among other things, transportation and reconditioning costs, and in other instances our purchase price is the list price on Carvana.com after a customer has placed an order on the

vehicle. Our total expenses related to the Wholesale Vehicle Purchase Agreement were approximately \$168 million for the year ended December 31, 2021.

#### *SHARED SERVICES AGREEMENT*

Prior to the Spinoff, we relied on DriveTime for its administrative functions. In connection with the Spinoff, we entered into a shared services agreement under which DriveTime provided certain accounting and tax, legal and compliance, information technology, telecommunications, benefits, insurance, real estate, equipment, corporate communications, software and production, and other services to primarily facilitate our transition of these functions to us on a standalone basis. The shared services agreement operates on a year-to-year basis, with Carvana having the right to terminate any or all services with 30 days' prior written notice and DriveTime having the right to terminate certain services with 90 days' prior written notice. In February 2021 the Shared Services Agreement was amended to add additional administrative services including but not limited to certain account remediation services. Our total expenses related to the Share Services Agreement were approximately \$30 thousand for the year ended December 31, 2021.

### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information regarding beneficial ownership of our common stock as of March 3, 2022, by:

- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all of our current executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Unless otherwise indicated below, it is our understanding that the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially own, subject to community property laws where applicable. In computing the number of shares of our common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of our common stock subject to options, Class B Units, or restricted stock units held by that person that are currently exercisable or exercisable within 60 days of March 3, 2022. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. We have based the percentage ownership of our Class A common stock on 90,128,686 shares of our common stock outstanding as of March 3, 2022, and have based the percentage ownership of our Class B common stock on 82,900,275 shares as of the same date. Unless otherwise indicated, the address of each beneficial owner listed on the table below is c/o Carvana Co., 1930 W Rio Salado Pkwy, Tempe, AZ 85281.

Name of Beneficial Owner	Shares Beneficially Owned					
	Class A Common Stock <sup>(1)</sup>			Class B Common Stock <sup>(1)</sup>		
	Shares	%	Shares	%	Voting	
Ernest C. Garcia II	655,556 (2)	*	70,723,479 (3)	85 %	84 %	
CVAN Holdings, LLC	9,345,376 (4)	10 %	8,495,376 (4)	10 %	2 %	
T. Rowe Price Associates, Inc.	13,439,264 (5)	15 %	—	— %	*	
FMR LLC	9,290,614 (6)	10 %	—	— %	*	
Morgan Stanley ; Morgan Stanley Investment	5,303,437 (7)	6 %	—	— %	*	
Tiger Global Investments, L.P.; Tiger Global	7,262,905 (8)	8 %	—	— %	*	
The Vanguard Group	4,971,881 (9)	6 %	—	— %	*	
Baillie Gifford & Co (Scottish Partnership)	9,655,855 (10)	11 %	—	— %	*	
Spruce House Investment Management LLC;	4,592,100 (11)	5 %	—	— %	*	
<b>Management and Directors</b>						
Ernest C. Garcia, III	768,394 (12)	*	27,450,547 (13)	33 %	17 %	
Mark Jenkins	654,395 (14)	*	—	— %	*	
Benjamin Huston	654,396 (15)	*	—	— %	*	
Daniel Gill	246,922 (16)	*	—	— %	*	
Tom Taira	83,188 (17)	*	—	— %	*	
Ira Platt	114,165 (18)	*	—	— %	*	
Gregory Sullivan	34,316 (19)	*	—	— %	*	
Dan Quayle	36,816 (19)	*	—	— %	*	
Michael Maroone	77,816 (20)	*	—	— %	*	
Neha Parikh	9,864 (21)	*	—	— %	*	
All management and directors (12 individuals)	3,124,195 (22)	3 %	27,450,547 (22)	33 %	17 %	

(1) Each share of Class A common stock entitles the registered holder thereof to one vote on all matters presented to stockholders for a vote generally, including the election of directors. Each share of our Class B common stock held by the Garcia Parties entitles its holder to ten votes on all matters to be voted on by stockholders generally, including the election of directors, for so long as the Garcia Parties maintain, in the aggregate, direct or indirect beneficial ownership of at least 25% of the outstanding shares of Class A common stock (determined on an as-exchanged basis assuming that all of the LLC Units were exchanged for Class A common stock). Each other share of our Class B common stock entitles its holder to one vote on all matters to be voted on by stockholders generally, including the election of directors. The Class A common stock and Class B common stock vote as a single class on all matters except as required by law or the certificate of incorporation. A “\*” indicates percentages of less than 1%.

(2) This number includes 555,556 shares of our Class A common stock owned by Verde Investments, Inc., which Mr. Garcia II wholly owns and controls. This number also includes 100,000 shares of our Class A common stock owned by the Ernest C. Garcia III Multi-Generational Trust III. While Ernest Garcia II and Ernest Garcia III are joint investment trustees over the Ernest C. Garcia III Multi-Generational Trust III, the trust is irrevocable and Mr. Garcia II is not a beneficiary. Mr. Garcia III and his children are the beneficiaries of the Ernest C.

Garcia III Multi-Generational Trust III. This information is based on the Form 4 filed with the SEC by Mr. Garcia II on August 25, 2021. Mr. Garcia II's address is 100 Crescent Court, Suite 1100, Dallas, TX 75201.

(3) This number includes 38,937,458 shares of Class B common stock owned directly by Mr. Garcia II; and 8,000,000 shares of Class B common stock owned by ECG II SPE, of which Mr. Garcia II is the 100% owner. This number also includes 11,834,021 shares of Class B common stock owned by the Ernest Irrevocable 2004 Trust III, of which Mr. Garcia III is the sole beneficiary, and 11,952,000 shares of Class B common stock owned by the Ernest C. Garcia III Multi-Generational Trust III, of which Mr. Garcia III is a beneficiary together with his children. While Ernest Garcia II and Ernest Garcia III are joint investment trustees over the Ernest Irrevocable 2004 Trust III and the Ernest C. Garcia III Multi-Generational Trust III, the trusts are irrevocable and Mr. Garcia II is not a beneficiary. These shares of Class B common stock together with the corresponding LLC Units may be exchanged for 70,723,479 shares of Class A common stock. These shares of Class A common stock represent approximately 40% of the shares of Class A common stock that would be outstanding if all outstanding LLC Units were exchanged and all outstanding shares of Class B common stock were converted at that time. This information is based on the Form 4 filed with the SEC by Mr. Garcia II on August 25, 2021. The address for each of these reporting persons is 100 Crescent Court, Suite 1100, Dallas, TX 75201.

(4) CVAN Holdings, LLC; CVAN Holding Company, LLC, Delaware Life Holdings Parent, LLC; Delaware Life Holdings Parent II, LLC; Delaware Life Holdings Manager, LLC; and Mark Walter report shared voting and dispositive power of 9,345,376 shares of Class A common stock and 8,495,376 shares of Class B common stock. CVAN Holdings, LLC directly holds the Class A common stock and Class B common stock. CVAN Holdings, LLC is a wholly-owned subsidiary of CVAN Holding Company, LLC ("CVAN HC"). CVAN HC is a wholly-owned subsidiary of Delaware Life Holdings Parent, LLC ("Parent I"). Parent I is a wholly-owned subsidiary of Delaware Life Holdings Parent II, LLC ("Parent II"). Each of Parent I and Parent II is managed by Delaware Life Holdings Manager, LLC ("Manager") and each of Parent II and Manager is controlled by Mr. Mark Walter ("Mr. Walter"). Each of CVAN HC, Parent I, Parent II, Manager, and Mr. Walter may be deemed to indirectly share voting and dispositive power over the securities held directly by CVAN Holdings, LLC, and as a result, may be deemed to have or share beneficial ownership of the securities held directly by CVAN Holdings, LLC. These shares of Class B common stock together with the corresponding LLC Units may be exchanged for 8,495,376 shares of Class A common stock. These shares of Class A common stock represent approximately 5% of the shares of Class A common stock that would be outstanding if all outstanding LLC Units were exchanged and all outstanding shares of Class B common stock were converted at that time. CVAN Holdings, LLC has pledged an aggregate of 6,875,000 of the LLC Units and 5,500,000 shares of Class B common stock to secure its obligations under a prepaid variable forward sale contract with an unaffiliated third party, including its obligation to deliver to such third party up to 5,500,000 shares of Class A common stock on the maturity date of the contract. The pledged securities are exchangeable for 5,500,000 shares of Class A common stock pursuant to the Exchange Agreement. This information is based on the Schedule 13G/A filed with the SEC on February 14, 2022. The address for each of these reporting persons is 227 W. Monroe Suite 5000, Chicago, IL 60606.

(5) T. Rowe Price Associates, Inc. reports sole dispositive power of 13,439,264 shares of Class A common stock and sole voting power of 5,181,082 shares of Class A common stock. This information is based on the Schedule 13G/A filed with the SEC on February 14, 2022. The address for T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, MD 21202.

(6) FMR LLC reports sole power to dispose or direct the disposition of 9,290,614 shares of Class A common stock and sole power to vote or direct the vote of 1,436,955 shares of Class A common stock. This information is based on the Schedule 13G/A filed with the SEC on January 10, 2022. FMR LLC's address is 245 Summer Street, Boston, MA 02210.

(7) Morgan Stanley reports shared voting power of 4,917,348 and shared dispositive power of 5,303,437 shares of Class A common stock. Morgan Stanley Investment Management Inc. reports shared voting power of 4,793,949 and shared dispositive power of 5,179,912. This information is based on the Schedule 13G/A filed with the SEC on February 10, 2022. The address for Morgan Stanley is 1585 Broadway New York, NY 10036 and the address for Morgan Stanley Investment Management Inc. is 522 5th Avenue 6th Floor New York, NY 10036.

(8) Tiger Global Performance, LLC, Tiger Global Management, LLC, Charles P. Coleman III, and Scott Shleifer each report shared voting and dispositive power of 7,262,905 shares of Class A common stock. Tiger Global Investments, L.P. reports shared voting and dispositive power of 5,102,888 shares of Class A common stock. This information is based on the Schedule 13G/A filed with the SEC on February 14, 2022. The address for Tiger Global Investments, L.P. is P.O. Box 31106, 89 Nexus Way, Camana Bay, Grand Cayman KY1-1205, Cayman Islands. The address for each of the other reporting persons herein is 9 West 57th Street, 35th Floor, New York, NY 10019.

(9) The Vanguard Group reports sole dispositive power of 4,798,963 shares of Class A common stock. The Vanguard Group reports shared power to dispose or direct the disposition of 172,918 of these shares of Class A common stock and shared power to vote or direct the vote of 75,936 of these shares of Class A common stock. This information is based on the Schedule 13G/A filed with the SEC on February 9, 2022. The Vanguard Group's address is 100 Vanguard Blvd., Malvern, PA 19355.

(10) Baillie Gifford & Co. (Scottish partnership) reports sole dispositive power of 9,655,855 shares of Class A common stock and sole voting power of 6,677,200 shares of Class A common stock. This information is based on the Schedule 13G filed with the SEC on January 12, 2022. The address for Baillie Gifford & Co. is Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, Scotland, UK.

(11) Spruce House Investment Management LLC; Spruce House Capital LLC; The Spruce House Partnership LLC; The Spruce House Partnership (AI) LP; The Spruce House Partnership (GP) LP; Zachary Sternberg and Benjamin Stein report shared voting and dispositive power of 4,500,000 shares of Class A common stock. Zachary Sternberg reports sole voting and dispositive power of 50,000 shares of Class A common stock. Benjamin Stein reports sole voting and dispositive power of 42,100 shares of Class A common stock. The Spruce House Partnership LLC holds the 4,500,000 shares with shared voting and dispositive power and its sole members are The Spruce House Partnership (AI) LP and The Spruce House Partnership (QP) LP, each a

private investment fund managed by Spruce House Investment Management LLC. Spruce House Capital LLC serves as the general partner and Spruce House Investment Management LLC serves as the investment manager. Zachary Sternberg and Benjamin Stein each serve as managing members of Spruce House Capital LLC and Spruce House Investment Management LLC. This information is based on the Schedule 13G/A filed with the SEC on February 4, 2022. The address for each of these reporting persons is 435 Hudson Street, 8th Floor New York, NY 10014.

(12) This number includes 681,350 shares of Class A common stock owned directly by Ernest Garcia III and 100,000 shares of Class A common stock owned by the Ernest C. Garcia III Multi-Generational Trust III. While Ernest Garcia II and Ernest Garcia III are joint investment trustees over the Ernest C. Garcia III Multi-Generational Trust III, the trust is irrevocable and Mr. Garcia II is not a beneficiary. Mr. Garcia III and his children are the beneficiaries of the Ernest C. Garcia III Multi-Generational Trust III. This number also includes 85,771 shares of Class A common stock issuable upon the exercise of options that will have vested within 60 days of March 3, 2022, and 1,273 shares of Class A common stock issuable upon vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022, inclusive of shares to be withheld for tax purposes.

(13) This number includes 3,664,526 shares of Class B common stock owned directly by Mr. Garcia III, 11,834,021 shares of Class B common stock owned by the Ernest Irrevocable 2004 Trust III, of which Mr. Garcia III is the sole beneficiary, and 11,952,000 shares of Class B common stock owned by the Ernest C. Garcia III Multi-Generational Trust III., of which Mr. Garcia III is a beneficiary together with his children. While Ernest Garcia II and Ernest Garcia III are joint investment trustees over the Ernest Irrevocable 2004 Trust III and the Ernest C. Garcia III Multi-Generational Trust III, the trusts are irrevocable and Mr. Garcia II is not a beneficiary. These shares of Class B common stock together with the corresponding LLC Units may be exchanged for 27,450,547 shares of Class A common stock. These shares of Class A common stock represent approximately 16% of the shares of Class A common stock that would be outstanding if all outstanding LLC Units were exchanged and all outstanding shares of Class B common stock were converted at that time.

(14) This number includes 8,792 shares of Class A common stock owned directly by Mr. Jenkins; 568,541 shares of Class A common stock issuable in exchange for vested Class B Units including those that will be vested within 60 days of March 3, 2022, based on an assumed price of \$123.33 share (the closing price of our Class A common stock on the NYSE on March 3, 2022); 75,826 shares of Class A common stock issuable upon the exercise of options that will have vested within 60 days of March 3, 2022; and 1,236 shares of Class A common stock issuable upon the vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022, inclusive of shares to be withheld for tax purposes.

(15) This number includes 8,792 shares of Class A common stock owned directly by Mr. Huston; 568,542 shares of Class A common stock issuable in exchange for vested Class B Units including those that will be vested within 60 days of March 3, 2022, based on an assumed price of \$123.33 per share (the closing price of our Class A common stock on the NYSE on March 3, 2022); 75,826 shares of Class A common stock issuable upon the exercise of options that will have vested within 60 days of March 3, 2022; and 1,236 shares of Class A common stock

issuable upon the vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022, inclusive of shares to be withheld for tax purposes.

(16) This number includes 19,694 shares of Class A common stock owned directly by Mr. Gill; 159,442 shares of Class A common stock issuable in exchange for vested Class B Units including those that will be vested within 60 days of March 3, 2022, based on an assumed price of \$123.33 per share (the closing price of our Class A common stock on the NYSE on March 3, 2022); 66,681 shares of Class A common stock issuable upon the exercise of options that will have vested within 60 days of March 3, 2022; and 1,105 shares of Class A common stock issuable upon the vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022, inclusive of shares to be withheld for tax purposes.

(17) This number includes 22,079 shares of Class A common stock owned directly by Mr. Taira; 59,950 shares of Class A common stock issuable upon the exercise of options that will have vested within 60 days of March 3, 2022; and 1,159 shares of Class A common stock issuable upon the vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022, inclusive of shares to be withheld for tax purposes.

(18) This number includes 5,224 shares of Class A common stock owned directly by Mr. Platt, 850 shares of Class A common stock held directly and jointly by Mr. Platt's parents, and 14,999 shares of Class A common stock owned by the Ira J. Platt Revocable Trust. Mr. Platt is co-trustee, and Mr. Platt's spouse is the primary beneficiary of the Ira J. Platt Revocable Trust. This number also includes 61,500 shares of Class A common stock issuable in exchange for vested Class B Units including those that will be vested within 60 days of March 3, 2022, based on an assumed price of \$123.33 per share (the closing price of our Class A common stock on the NYSE on March 3, 2022) and 664 shares of Class A common stock issuable upon the vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022, inclusive of shares to be withheld for tax purposes.

(19) This number includes 664 shares of Class A common stock issuable upon the vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022, inclusive of shares to be withheld for tax purposes.

(20) This number includes 25,224 shares of Class A common stock owned directly by Mr. Maroone, 1,000 shares of Class A common stock held directly by the Maroone Family Partnership, LP, an entity controlled by Mr. Maroone that Mr. Maroone disclaims beneficial ownership of except to the extent of his pecuniary interest therein, and 20,000 shares of Class A common stock held directly by the Michael Maroone Family Partnership, LP, an entity controlled by Mr. Maroone. This number also includes 664 shares of Class A common stock issuable upon the vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022.

(21) This number includes 8,406 shares of Class A common stock owned directly by Ms. Parikh. This number also includes 1,458 shares of Class A common stock issuable upon the vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022.

(22) This number includes 1,646,487 shares of Class A common stock issuable in exchange for vested Class B Units including those that will be vested within 60 days of March 3, 2022, based on an assumed price of \$123.33 per share (the closing price of our Class A common stock on the NYSE on March 3, 2022); 472,056 shares of Class A common stock issuable upon the exercise of options that will have vested within 60 days of March 3, 2022; 11,589 shares of Class A common stock issuable upon the vesting and settlement of restricted stock units that will have vested within 60 days of March 3, 2022, inclusive of shares to be withheld for tax purposes. This number excludes 27,450,547 shares of Class A common stock issuable in exchange for LLC Units held by our executive officers and directors, based on an assumed price of \$123.33 per share (the closing price of our Class A common stock on the NYSE on March 3, 2022). These shares of Class A common stock issuable in exchange for vested Class B Units and other LLC Units represent approximately 17% of the shares of Class A common stock that would be outstanding if all outstanding LLC Units were exchanged and all outstanding shares of Class B common stock were converted at that time.

## ITEM 2 - RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022. Services provided to Carvana and its subsidiaries by Grant Thornton LLP for the year ended December 31, 2021 are described below and under “Audit Committee Report.”

### FEES AND SERVICES

The following table summarizes the aggregate fees for professional audit services and other services rendered by Grant Thornton LLP for the years ended December 31, 2021 and 2020:

Services	2021	2020
<b>Audit Fees</b>	\$ 2,065,280 <sup>(1)</sup>	\$ 1,653,994 <sup>(1)</sup>
<b>Audit-Related Fees</b>	\$ 77,730 <sup>(2)</sup>	\$ 21,200 <sup>(2)</sup>
<b>Tax Fees</b>	\$ 646,402 <sup>(3)</sup>	\$ 443,200 <sup>(3)</sup>
<b>All Other Fees</b>	\$ —	\$ —

(1) Includes the aggregate fees for the audit of our annual consolidated financial statements and internal controls, and the reviews of each of our quarterly consolidated financial statements. These fees also include procedures performed related to our follow on offerings completed in April 2020 and May 2020, and the issuance of our senior notes in October 2020, March 2021, and August 2021.

(2) Includes the aggregate fees for the audit of the annual financial statements of the Carvana, LLC 401k plan and examination of management's assertion of compliance with certain servicing criteria in accordance with Regulation AB.

(3) Includes the aggregate fees for tax return preparation and other tax compliance services.

In considering the nature of the services provided by the independent auditor, the Audit Committee determined that such services are compatible with the provision of independent audit services. The Audit Committee discussed these services with the independent auditor and Carvana management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the SEC to implement the Sarbanes–Oxley Act of 2002, as well as the American Institute of Certified Public Accountants.

The Audit Committee has adopted a policy that requires advance approval of all audit services as well as non-audit services to the extent required by the Exchange Act and the Sarbanes–Oxley Act of 2002. Unless the specific service has been previously pre-approved with respect to that year, the Audit Committee must approve the permitted service before the independent auditor is engaged to perform it.

The Audit Committee approved all services provided by Grant Thornton LLP. Representatives of Grant Thornton LLP are expected to be present at the annual meeting. They will have the opportunity to make a statement if they desire to do so, and we expect that they will be available to respond to questions.

Ratification of the appointment of Grant Thornton LLP requires affirmative votes from the holders of a majority of the shares present in person or represented by proxy at the virtual annual meeting and entitled to vote. If Carvana's stockholders do not ratify the appointment of Grant Thornton LLP, the Audit Committee will reconsider the appointment and may affirm the appointment or retain another independent accounting firm. Even if the appointment is ratified, the Audit Committee may in the future replace Grant Thornton LLP as our independent registered public accounting firm if it is determined that it is in Carvana's best interests to do so.

**The Audit Committee and the Board recommend that you vote "FOR" the ratification of the appointment of Grant Thornton LLP as the independent registered public accounting firm of Carvana for the year ending December 31, 2022.**

## AUDIT COMMITTEE REPORT

The Audit Committee oversees our financial reporting process on behalf of the Board. The Audit Committee is composed of four independent directors (as defined by the New York Stock Exchange Listing Standards), met seven times in 2021, and operates under a written charter, which is posted on our website at [investors.carvana.com/corporate-governance/governance-documents](https://investors.carvana.com/corporate-governance/governance-documents). As provided in the charter, the Audit Committee's oversight responsibilities include monitoring the integrity of our financial statements (including reviewing financial information, the systems of internal controls, the audit process, and the independence and performance of our internal audit function and independent registered public accounting firm) and our compliance with legal and regulatory requirements. However, management has the primary responsibility for the financial statements and the reporting process, including our systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee:

- reviewed and discussed the audited financial statements for the year ended December 31, 2021, with our management;
- discussed with our independent auditors, Grant Thornton LLP, the matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") Auditing Standard No. 1301 (Communications with Audit Committees); and
- received the written disclosures and the letter from Grant Thornton LLP required by applicable requirements of the PCAOB regarding Grant Thornton LLP's communications with the audit committee concerning independence, and has discussed with Grant Thornton LLP the independence of Grant Thornton LLP.

Based on the Audit Committee's review and discussions noted above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2021.

Respectfully submitted by:

Ira Platt  
Gregory Sullivan  
Michael Maroone  
Neha Parikh

## ITEM 3 - SAY ON PAY

We are asking stockholders to approve, on an advisory basis, the compensation of our named executive officers as disclosed in the “Compensation Discussion and Analysis,” the “Summary Compensation Table,” and the related compensation tables and narrative. This item is being presented pursuant to Section 14A of the Securities Exchange Act of 1934. Although this advisory vote is not binding, the Compensation and Nominating Committee will consider the voting results when evaluating our executive compensation program.

Our executive compensation programs are designed to support our long-term success and reflect our pay-for-performance culture. Our Company has grown dramatically over the years. Our growth has few historical precedents and makes us one of the fastest-growing technology, consumer, or retail companies at our scale, and in 2021 we continued to grow rapidly, with another year of impressive revenue growth while simultaneously making significant progress in gross profit per unit and improving our operating leverage. We have a strong belief in promoting a pay-for-performance culture, and, accordingly, as described in the “Compensation Discussion and Analysis” of this proxy statement, the Compensation and Nominating Committee has structured our executive compensation program to tie total compensation to long-term stockholder value, as reflected primarily in our stock price. We believe that our executive compensation plans effectively support our strategic and financial goals, create a culture of teamwork, and are directly tied to the performance of the Company and shareholder outcomes.

**The Board recommends a vote “FOR” approval, on an advisory basis, of our executive compensation as described in this proxy statement.**

## OTHER MATTERS

We are not aware of any matters other than those discussed in the foregoing materials contemplated for action at the annual meeting. The persons named in the proxy card will vote in accordance with the recommendation of the Board on any other matters incidental to the conduct of, or otherwise properly brought before, the annual meeting. The proxy card contains discretionary authority for them to do so.

## INCORPORATION BY REFERENCE

The “Audit Committee Report” included in this proxy statement shall not be deemed soliciting material or filed with the SEC and shall not be deemed incorporated by reference into any prior or future filings made by us under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate such information by reference. In addition, this document includes website addresses, which are intended to provide inactive, textual references only. The information on these websites is not part of this document.

## **AVAILABILITY OF SEC FILINGS, CODE OF CONDUCT, AND COMMITTEE CHARTERS**

Copies of our reports on Forms 10-K, 10-Q, 8-K, all amendments to those reports filed with the SEC, our code of business conduct, corporate governance guidelines, the charters of the Audit Committee and Compensation and Nominating Committee, and any reports of beneficial ownership of our common stock filed by executive officers, directors and beneficial owners of more than 10% of our outstanding common stock are posted on and may be obtained through our website, [investors.carvana.com](http://investors.carvana.com), or may be requested in print, at no cost, by email at [investors@carvana.com](mailto:investors@carvana.com) or by mail to Carvana Co., 1930 W. Rio Salado Pkwy, Tempe, AZ 85281, Attention: Investor Relations.

## **WHERE TO FIND ADDITIONAL INFORMATION**

We are subject to the informational requirements of the Exchange Act and in accordance therewith, we file annual, quarterly, and current reports and other information with the SEC. This information can be inspected and copied at the Public Reference Room at the SEC's office at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Such information may also be accessed electronically by means of the SEC's home page on the internet at [www.sec.gov](http://www.sec.gov). We are an electronic filer, and the SEC maintains an internet site at [www.sec.gov](http://www.sec.gov) that contains the reports and other information we file electronically. Our website address is [investors.carvana.com](http://investors.carvana.com). Please note that our website address is provided as an inactive textual reference only. We make available free of charge, through our website, our annual report on Form 10-K, as amended, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. The information provided on or accessible through our website is not part of this proxy statement.

## **COST OF PROXY SOLICITATION**

Carvana is paying the expenses of this solicitation. Carvana will also make arrangements with brokerage houses and other custodians, nominees and fiduciaries to forward proxy materials to beneficial owners of stock held as of the record date by such persons, and Carvana will reimburse such persons for their reasonable out-of-pocket expenses in forwarding such proxy materials. In addition to solicitation by mail, directors, officers, and other employees of Carvana may solicit proxies in person or by telephone, facsimile, email, or other similar means.

## ANNEX

### NON-GAAP FINANCIAL MEASURES

To supplement the consolidated financial statements, which are prepared and presented in accordance with GAAP, we also present the following non-GAAP measures: EBITDA and EBITDA margin. We believe the presentation of both GAAP and non-GAAP financial measures provides investors with increased transparency into financial measures used by our management team, and it also improves investors' understanding of our underlying operating performance and their ability to analyze our ongoing operating trends. All historic non-GAAP financial measures have been reconciled with the most directly comparable GAAP financial measures.

#### *EBITDA AND EBITDA MARGIN*

EBITDA and EBITDA Margin are supplemental measures of operating performance that do not represent and should not be considered an alternative to net loss or cash flow from operations, as determined by GAAP. EBITDA is defined as net loss before interest expense, income tax expense, and depreciation and amortization expense. EBITDA Margin is EBITDA as a percentage of total revenues. We use EBITDA to measure the operating performance of our business and EBITDA Margin to measure our operating performance relative to our total revenues. We believe that EBITDA and EBITDA Margin are useful measures to us and to our investors because they exclude certain financial and capital structure items that we do not believe directly reflect our core operations and may not be indicative of our recurring operations, in part because they may vary widely across time and within our industry independent of the performance of our core operations. We believe that excluding these items enables us to more effectively evaluate our performance period-over-period and relative to our competitors. EBITDA and EBITDA Margin may not be comparable to similarly titled measures provided by other companies due to potential differences in methods of calculations. A reconciliation of EBITDA to net loss, which is the most directly comparable GAAP measure, and calculation of EBITDA Margin is as follows:

	<b>Years Ended December 31,</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>(dollars in millions)</b>				
Net loss	\$ (287)	\$ (462)	\$ (365)	\$ (255)	\$ (164)
Depreciation and amortization expense	105	74	41	24	12
Interest expense	176	131	81	25	7
Income Tax Provision	\$ 1	\$ —	\$ —	\$ —	\$ —
<b>EBITDA</b>	<b>\$ (5)</b>	<b>\$ (257)</b>	<b>\$ (243)</b>	<b>\$ (206)</b>	<b>\$ (145)</b>
Total revenues	\$ 12,814	\$ 5,587	\$ 3,940	\$ 1,955	\$ 859
Net Loss Margin	(2.2)%	(8.3)%	(9.3)%	(13.0)%	(19.1)%
EBITDA Margin	— %	(4.6)%	(6.2)%	(10.5)%	(16.9)%



P.O. BOX 8016, CARY, NC 27512-9903

**YOUR VOTE IS IMPORTANT! PLEASE VOTE BY:**

	<p><b>INTERNET</b></p> <p>Go To: <a href="http://www.proxypush.com/CVNA">www.proxypush.com/CVNA</a></p> <ul style="list-style-type: none"> <li>• Cast your vote online</li> <li>• <b>Have your Proxy Card ready</b></li> <li>• Follow the simple instructions to record your vote</li> </ul>
	<p><b>PHONE</b> Call 1-866-509-2149</p> <ul style="list-style-type: none"> <li>• Use any touch-tone telephone</li> <li>• <b>Have your Proxy Card ready</b></li> <li>• Follow the simple recorded instructions</li> </ul>
	<p><b>MAIL</b></p> <ul style="list-style-type: none"> <li>• Mark, sign and date your Proxy Card</li> <li>• Fold and return your Proxy Card in the postage-paid envelope provided</li> </ul>
	<p><b>"ALEXA, VOTE MY PROXY"</b></p> <ul style="list-style-type: none"> <li>• Open Alexa app and browse skills</li> <li>• Search "Vote my Proxy"</li> <li>• Enable skill</li> </ul>

## Carvana Co.

### Annual Meeting of Stockholders

For Stockholders of record as of March 03, 2022

**TIME:** Monday, May 2, 2022 2:00 PM, Pacific Time  
**PLACE:** Annual Meeting to be held live via the Internet - please visit [www.proxydocs.com/CVNA](http://www.proxydocs.com/CVNA) for virtual meeting registration details.

#### This proxy is being solicited on behalf of the Board of Directors

The undersigned hereby appoints Paul Breau and Kevin Hogan (the "Named Proxies"), and each or either of them, as the true and lawful attorneys of the undersigned, with full power of substitution and revocation, and authorizes them, and each of them, to vote all the shares of capital stock of Carvana Co. which the undersigned is entitled to vote at said meeting and any adjournment thereof upon the matters specified and upon such other matters as may be properly brought before the meeting or any adjournment thereof, conferring authority upon such true and lawful attorneys to vote in their discretion on such other matters as may properly come before the meeting and revoking any proxy heretofore given.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, SHARES WILL BE VOTED IDENTICAL TO THE BOARD OF DIRECTORS RECOMMENDATION. This proxy, when properly executed, will be voted in the manner directed herein. In their discretion, the Named Proxies are authorized to vote upon such other matters that may properly come before the meeting or any adjournment or postponement thereof.

You are encouraged to specify your choice by marking the appropriate box (SEE REVERSE SIDE) but you need not mark any box if you wish to vote in accordance with the Board of Directors' recommendation. The Named Proxies cannot vote your shares unless you sign (on the reverse side) and return this card.

PLEASE BE SURE TO SIGN AND DATE THIS PROXY CARD AND MARK ON THE REVERSE SIDE

## Carvana Co. Annual Meeting of Stockholders

Please make your marks like this:

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE DIRECTORS IN PROPOSAL 1, AND "FOR" PROPOSALS 2 AND 3.

PROPOSAL	YOUR VOTE			BOARD OF DIRECTORS RECOMMENDS
1. Election of Directors:				↓
1.01 Dan Quayle	FOR <input type="checkbox"/>		WITHHOLD <input type="checkbox"/>	FOR
1.02 Gregory Sullivan	<input type="checkbox"/>		<input type="checkbox"/>	FOR
2. Ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022.	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>	ABSTAIN <input type="checkbox"/>	FOR
3. Approval, by an advisory vote, of Carvana's executive compensation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOR
4. Other business as may properly come before the meeting or any adjournment of the meeting.				

**You must pre-register to attend the meeting online.**

Authorized Signatures - Must be completed for your instructions to be executed.

Please sign exactly as your name(s) appears on your account. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the Proxy/Vote Form.

\_\_\_\_\_  
Signature (and Title if applicable)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature (if held jointly)

\_\_\_\_\_  
Date