



Executive Compensation

A Long Term, Stockholder-Aligned Strategy

Background

Copart, Inc. is filing these supplementary materials to demonstrate the strong link between pay and performance under its executive compensation program. We encourage stockholders to consider this additional information when casting their vote.

In accordance with the contents of this presentation, we ask for your support at the 2020 annual meeting by voting in favor of the recommendations of our Board of Directors on all proposals. In particular, we request your affirmative vote on Proposal Number Two, Advisory Vote on Approval of Executive Compensation (“Say-On-Pay”).

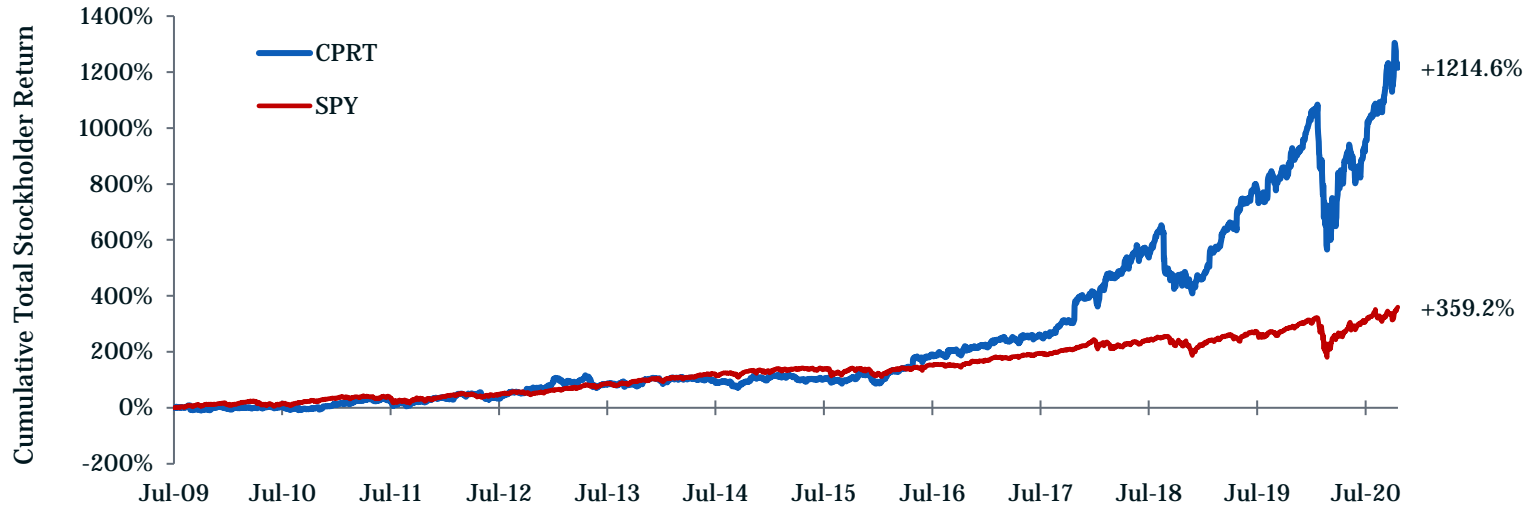
Certain proxy advisors have recently recommended that their clients vote against our Say-On-Pay proposal. We believe that these proxy advisors do not sufficiently account for the pay-for-performance features in our executive compensation program as demonstrated by our performance since we first implemented our current all-equity CEO compensation strategy.

Copart’s executive compensation program was described in the Company’s proxy statement filed with the Securities and Exchange Commission on November 2, 2020 (SEC Accession No. 0001628280-20-015267) and as amended by that certain Amendment No. 1, filed with the SEC on November 6, 2020 (SEC Accession No. 0001628280-20-015982).



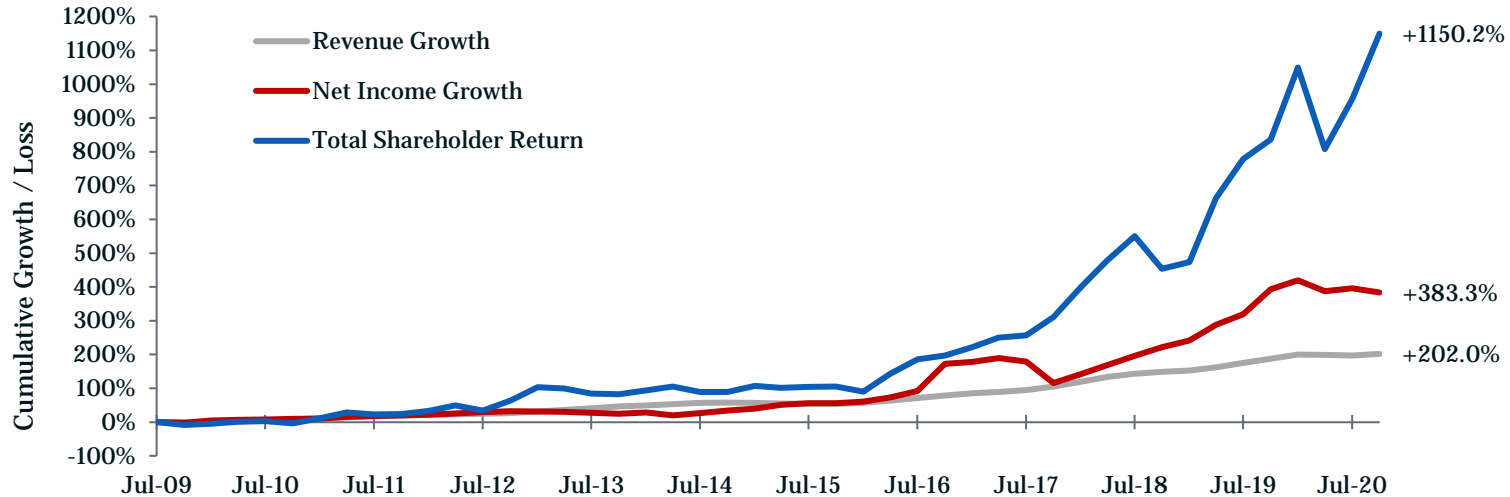
Stockholder Return Between FYE 2009 and November 16, 2020

- Over the last decade, Copart's cumulative total stockholder return has substantially outperformed the S&P 500.



Financial Performance Between FYE 2009 and October 31, 2020

- The key financial metrics on which we measure our performance have reflected sound strategic, operational, and financial management.



Compensation Alignment

- Copart considers stock options to be inherently performance-based. The CEO realizes value only when Copart generates positive returns for its stockholders.
- Since implementation of the current all-equity compensation program in 2009, under Mr. Adair's leadership:
 - Mr. Adair has received eleven dollars (\$11.00) in cash compensation
 - Copart's market capitalization has increased by \$24.4 billion¹
 - Mr. Adair's realized share of the incremental market capitalization based on exercise of stock option grants granted on April 14, 2009 and December 16, 2013: 1.65%²
 - Value of Mr. Adair's current non-option equity ownership stake: \$1.0 billion³



¹ Measured from July 31, 2009 through November 16, 2020.

² Calculated as the difference between the exercise price of the stock options granted on April 14, 2009 and December 16, 2013, and closing price on the date of exercise. The incremental change in stock price is measured from July 31, 2009 through November 16, 2020.

³ Includes 6,129,227 shares held by the A. Jayson Adair and Tammi L. Adair Revocable Trust, 459,828 shares held by JTGJ Investments, LP and 2,000,000 shares held by JTGJ Investments II, LP, as of October 25, 2020, and calculated on Copart's closing price on November 16, 2020.

Chief Executive Officer Compensation

- **Compensation Objective:** To ensure that Copart's CEO earns compensation only when stockholders win and that realized compensation is proportional to those gains.

	FY 2010 – FY 2014	FY 2015 – FY 2019	FY 2010 – Nov. 16, 2020
Total CEO Cash Compensation	Five Dollars	Five Dollars	Eleven Dollars
Total Market Cap Increase (\$)	\$1.25 billion ¹	\$13.60 billion ²	\$24.4 billion ³
Market Cap Increase (%)	42.07% ¹	323.11% ²	824.38% ³
Total Stockholder Return Per Share	89.07% ¹	364.53% ²	1,214.64% ³
Total CEO Realized Equity Compensation	\$0 ⁴	\$144.50 million ⁵	\$402.42 million ⁶

¹ Based on the number of shares outstanding and the closing share price as of July 31, 2009 and July 31, 2014, as adjusted to account for the 2-for-1 stock split on March 29, 2012.

² Based on the number of shares outstanding and the closing share price as of July 31, 2014 and July 31, 2019, as adjusted to account for the 2-for-1 stock split on April 17, 2017.

³ Based on the number of shares outstanding and the closing share price as of July 31, 2009 and November 16, 2020, as adjusted to account for the 2-for-1 stock split on March 29, 2012 and the 2-for-1 stock split on April 17, 2017.

⁴ Based solely on the stock option awards granted on April 14, 2009 and December 16, 2013, neither of which were exercised during the applicable period.

⁵ Based solely on the difference between the exercise price of stock option award granted on April 14, 2009 and closing price on the date of exercise.

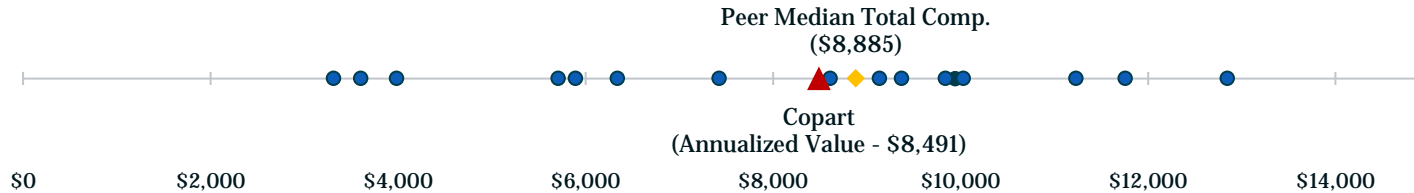
⁶ Based solely on the difference between the exercise price of stock option awards granted on April 14, 2009 and December 16, 2013, which were based on stock price at the time of grant and closing price on the dates of exercise.



Compensation Comparison to Copart's Internal Peer Group

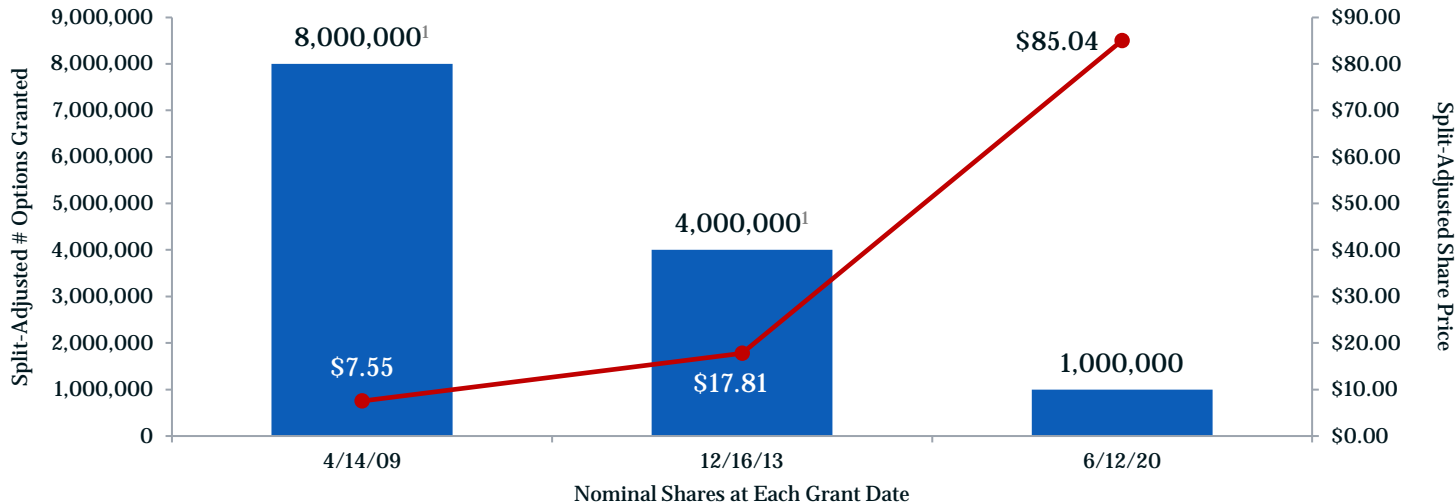
- Copart reviewed its CEO compensation arrangements relative to its executive compensation peer group.
 - Peer group was developed in September 2018 and consists of 20 companies with technology or auction-based platforms that our independent consultant and compensation committee considered comparable to Copart's business. The committee also confirmed comparability based on financial growth metrics.
- As of February 2019, the median annual total direct compensation for peer group CEOs was \$8.9M.
- When annualized over the three years of compensation that it is intended to cover, the 2020 CEO award was valued at \$8.5M.
- In 2020, the reduction in the size of the relevant compensation period (from 5 years to 3 years) ensured consistency with the three year pay-for-performance models of proxy advisors and offers the compensation committee and stockholders the ability to evaluate CEO Compensation on a more regular basis.

CEO Total Compensation vs. Peers (\$000)



Stock Option Compensation Philosophy

- Copart's compensation committee has steadily reduced the nominal number of options granted to the CEO for each award to reflect an increasing per-share value.¹



¹ As adjusted to account for the 2-for-1 stock split on March 29, 2012 and the 2-for-1 stock split on April 11, 2017.



Implementation of Performance-Based Option Features

- Our compensation committee values the perspective of our stockholders and makes its determinations based on its belief concerning the best interests of our stockholders.
 - Following stockholder engagement with respect to his 2013 grant, the compensation committee approved amendments to Mr. Adair's stock option to remove certain change-of-control provisions.
- In 2020, the compensation committee implemented performance-based requirements to the option structure in addition to time-based vesting requirements.
 - The performance-based hurdle requires the average closing price of Copart common stock in Nasdaq trading to exceed 125% of the applicable exercise price for at least twenty (20) consecutive trading days.
- There is no possibility to pay for failure due to the inherent nature of the award as an option grant. Realized compensation will necessarily follow stockholder return. If the stock price does not appreciate, the option has no value.
- The 2020 award also contains a 5-year vesting schedule with no shares eligible to vest before the first anniversary of the grant date (20% of the options vest on the first anniversary of the grant date and the balance vests on a monthly basis over the 48 months succeeding the first anniversary).



Summary of CEO Compensation

- For over a decade, Copart's CEO compensation program has consistently aligned realized compensation and stockholder return.
- When annualized over the three years of compensation that it is intended to cover, the "value" of Mr. Adair's award places him at the median of annual total direct compensation within our peer group.
- In 2020, the reduction in the size of the award (from 4 million to 1 million shares) and the relevant compensation period (from 5 years to 3 years) ensured consistency with the three year pay-for-performance models of proxy advisors and offers the compensation committee and stockholders the ability to evaluate CEO compensation on a more regular basis.





Thank You!

