

COPART INC  
Form DEF 14A  
October 15, 2009

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549  
**SCHEDULE 14A**

OMB APPROVAL  
OMB Number: 3235-0059

Expires: January 31, 2008  
Estimated average burden  
hours per response... 14

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.     )**

Filed by the Registrant   **x**  
Filed by a Party other than the Registrant   **o**

Check the appropriate box:

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

**Copart, Inc.**

---

(Name of Registrant as Specified In Its Charter)

---

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

Payment of Filing Fee (Check the appropriate box):

- x** No fee required.
- o** Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

---

2. Aggregate number of securities to which transaction applies:

---

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

---

4. Proposed maximum aggregate value of transaction:

---

5. Total fee paid:

---

SEC 1913 (04-05)

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

---

2. Form, Schedule or Registration Statement No.:

---

3. Filing Party:

---

4. Date Filed:

---

---

---

**COPART, INC.**

October 15, 2009

Dear Shareholder:

You are cordially invited to attend the 2009 Annual Meeting of Shareholders of Copart, Inc. (the 2009 Annual Meeting ) to be held on Thursday, December 3, 2009, at 9:00 a.m., Pacific Time, at our corporate headquarters located at 4665 Business Center Drive, Fairfield, CA 94534 (see directions included in this proxy statement). The formal Notice of Annual Meeting of Shareholders and Proxy Statement accompanying this letter describe the business to be acted upon at the meeting.

Please use this opportunity to take part in our business by voting on the matters to come before the 2009 Annual Meeting. You can vote your shares via the Internet, by telephone, by requesting a paper proxy card to complete and return by mail or by attending the meeting and voting in person. Voting instructions for each of these methods are included in the accompanying proxy statement. Returning the proxy card or voting electronically does not deprive you of your right to attend the meeting and to vote your shares in person for the matters acted upon at the meeting.

Thank you for your ongoing support of Copart. We look forward to seeing you at our 2009 Annual Meeting.

Sincerely,

WILLIS J. JOHNSON  
*Chief Executive Officer*

**YOUR VOTE IS IMPORTANT**

**IN ORDER TO ENSURE THAT YOUR SHARES WILL BE REPRESENTED AT THE 2009 ANNUAL MEETING, IN THE EVENT YOU ARE NOT PERSONALLY PRESENT, PLEASE COMPLETE, SIGN AND DATE THE PROXY CARD AND RETURN IT VIA MAIL, OR SUBMIT YOUR PROXY ELECTRONICALLY OVER THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS ENCLOSED WITH THE PROXY CARD.**

**COPART, INC.  
NOTICE OF 2009 ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 3, 2009**

To the Shareholders of Copart, Inc.:

NOTICE IS HEREBY GIVEN that the 2009 Annual Meeting will be held on Thursday, December 3, 2009, at 9:00 a.m. Pacific Time, at Copart's corporate headquarters located at 4665 Business Center Drive, Fairfield, California 94534, for the following purposes:

1. To re-elect the following directors to serve until the 2010 Annual Meeting of Shareholders or in each case until their successors are duly elected and qualified: Willis J. Johnson; A. Jayson Adair; Matt Blunt; Steven D. Cohan; Daniel J. Englander; James E. Meeks; and Thomas W. Smith;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending July 31, 2010; and
3. To transact such other business as may properly come before the meeting or any postponement(s) or adjournment(s) thereof.

The board of directors has fixed the close of business on October 5, 2009 as the record date for determining shareholders entitled to notice of, and to vote at, the 2009 Annual Meeting. Only shareholders of record at the close of business on the record date are entitled to notice of, and to vote at, the 2009 Annual Meeting. The stock transfer books will not be closed between the record date and the date of the 2009 Annual Meeting. A list of shareholders entitled to vote at the 2009 Annual Meeting will be available for inspection at our corporate headquarters.

## Edgar Filing: COPART INC - Form DEF 14A

Please read carefully the following proxy statement, which describes the matters to be voted upon at the 2009 Annual Meeting, and then submit your proxy as promptly as possible according to the instructions. Should you receive more than one Notice of Internet Availability of Proxy Materials because your shares are registered in different names and addresses, you should submit a separate proxy card or individually vote via the Internet or by telephone to ensure that all your shares will be voted. Shareholders may revoke previously delivered proxies at any time prior to the meeting. Any shareholder who has previously submitted a proxy may attend the meeting and, if the shareholder so chooses, vote in person by ballot, which will result in the revocation of the prior proxy.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on Thursday, December 3, 2009: The Proxy Statement and Annual Report to Shareholders for the fiscal year ended July 31, 2009 are available free of charge at <https://materials.proxyvote.com/217204>.**

For the Board of Directors  
COPART, INC.

Paul A. Styer,  
Secretary

Fairfield, California  
October 15, 2009

### TABLE OF CONTENTS

	Page
VOTING AND SOLICITATION	1
PROPOSAL ONE ELECTION OF DIRECTORS	7
Nominees	7
Vote Required	7
Recommendation of the Board of Directors	8
CORPORATE GOVERNANCE	8
Director Compensation	12
Compensation Committee Interlocks and Insider Participation	13
Shareholder Communications with the Board of Directors	13
Executive Officers	14
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	15
Section 16(a) Beneficial Ownership Reporting Compliance	17
EQUITY COMPENSATION PLAN INFORMATION	18
CERTAIN TRANSACTIONS	19
Related Person Transactions	19
PROPOSAL TWO RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	20
Auditor Fees and Services	20
Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm	21
Vote Required	21
Recommendation of the Board of Directors	21
AUDIT COMMITTEE REPORT	21
FORWARD-LOOKING STATEMENTS	22
EXECUTIVE COMPENSATION	22
Compensation Discussion and Analysis	22
Compensation Committee Report	32

Fiscal 2009 Summary Compensation Table	32
Grants of Plan-Based Awards in Fiscal 2009	34
Outstanding Equity Awards at 2009 Fiscal Year End	35
Option Exercises in Fiscal Year 2009	36
Pension Benefits	36
Potential Post-Employment Payments Upon Termination or Change in Control	36
OTHER MATTERS	38
ADJOURNMENT OF THE 2009 ANNUAL MEETING	38
ANNUAL REPORT	38

(i)

**COPART, INC.**  
**4665 Business Center Drive**  
**Fairfield, California 94534**

**PROXY STATEMENT**

**FOR THE 2009 ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON DECEMBER 3, 2009**

**VOTING AND SOLICITATION**

***General***

The proxy is solicited on behalf of the Board of Directors of Copart, Inc., a California corporation (which is referred to as Copart, the Company, us, we or our in this proxy statement), for use at our 2009 Annual Meeting to be held on Thursday, December 3, 2009, at 9:00 a.m., Pacific Time, at our corporate headquarters located at 4665 Business Center Drive, Fairfield, California 94534. The telephone number at our headquarters is (707) 639-5000. Only shareholders of record at the close of business on October 5, 2009 will be entitled to notice of, and to vote at, the 2009 Annual Meeting.

We use several abbreviations in this proxy statement. The term proxy materials includes this proxy statement as well as the proxy card and our 2009 Annual Report to Shareholders. References to our fiscal year refer to our fiscal year beginning on August 1 of the prior year and ending on July 31 of the year stated.

This proxy statement and the accompanying proxy materials were first provided to our shareholders, either by mail or electronically where permitted, on or about October 15, 2009. Proxies may be solicited on our behalf by directors, officers or employees in person or by telephone, electronic transmission and facsimile transmission.

On October 5, 2009, the record date for determination of shareholders entitled to vote at our 2009 Annual Meeting, there were 84,083,113 shares of common stock outstanding which were held by approximately 1,634 shareholders of record. No shares of our authorized preferred stock were outstanding.

***Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?***

Pursuant to rules adopted by the Securities and Exchange Commission (the SEC), we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Notice) to our shareholders of record and beneficial owners. All shareholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, shareholders may request to receive proxy materials in printed form by mail or electronically by email on an

ongoing basis.

***How can I get electronic access to the proxy materials?***

The Notice will provide you with instructions regarding how to:

view our proxy materials for the 2009 Annual Meeting on the Internet; and

instruct us to send future proxy materials to you electronically by email.

Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and

---

a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

***Who is entitled to vote at the 2009 Annual Meeting?***

Only shareholders of record at the close of business on the record date (October 5, 2009) are entitled to notice of, and to vote at, the 2009 Annual Meeting. If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and the Notice is being forwarded to you by your broker or nominee (the record holder) along with a voting instruction card. As the beneficial owner, you have the right to direct your record holder how to vote your shares, and the record holder is required to vote your shares according to your instructions.

***What items will be voted on at the 2009 Annual Meeting?***

Shareholders will vote on two items at the 2009 Annual Meeting:

the re-election to the board of directors of the seven nominees named in this Proxy Statement (Proposal 1);

the ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for the fiscal year ending July 31, 2010 (Proposal 2);

***What are the Board's voting recommendations?***

The Board recommends that you vote your shares:

**FOR** each of the nominees to the board of directors (Proposal 1);

**FOR** the ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for the fiscal year ending July 31, 2010 (Proposal 2);

***How many votes do I have?***

Each share of our common stock outstanding on the record date is entitled to one vote on each matter submitted for shareholder approval.

***Am I entitled to cumulate my votes at the 2009 Annual Meeting?***

## Edgar Filing: COPART INC - Form DEF 14A

Under California law and our bylaws in connection with the election of directors, each shareholder may cumulate such shareholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of shares held by such shareholder as of the record date, or such shareholder may distribute such number of votes on the same principle among as many candidates as the shareholder chooses. Votes cannot be cast for more than the number of candidates to be elected. No shareholder will be entitled to cumulate votes for a candidate unless such candidate's name has been placed in nomination prior to the voting and the shareholder has given notice at the meeting prior to the commencement of voting of the shareholder's intention to cumulate votes. If any one shareholder has given such notice, all shareholders may cumulate their votes for candidates who have been properly nominated.

### ***What is the difference between holding shares as a shareholder of record and as a beneficial owner of shares held in street name?***

***Shareholder of Record.*** If your shares are registered directly in your name with our transfer agent, you are considered the shareholder of record with respect to those shares, and we sent the Notice directly to you. If you request printed copies of the proxy materials by mail, you will receive a proxy card.

***Beneficial Owner of Shares Held in Street Name.*** If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar nominee, then you are the beneficial owner of shares held in street name, and the Notice was forwarded to you by that nominee. The nominee holding your account is considered the shareholder of record for purposes of voting at the 2009 Annual Meeting. As a beneficial owner, you have the right

2

---

to direct that nominee on how to vote the shares held in your account. If you request printed copies of the proxy materials by mail, you will receive a vote instruction form.

### ***How many shares must be present or represented to conduct business at the 2009 Annual Meeting?***

A quorum comprising the holders of a majority of our outstanding shares of common stock on the record date must be present or represented for the transaction of business at the 2009 Annual Meeting.

Your shares will be counted as being present at the meeting if you appear in person or if you submit your proxy either over the Internet, by telephone, or by a properly executed proxy card.

If a quorum is not present, the 2009 Annual Meeting will be adjourned until a quorum is obtained.

### ***What happens if I do not give specific voting instructions?***

If you submit a proxy but do not indicate your voting instructions, your shares will be voted as follows:

**FOR** the re-election of the following directors to serve until the 2010 Annual Meeting of Shareholders or in each case until their successors are duly elected and qualified: Willis J. Johnson; A. Jayson Adair; Matt Blunt; Steven D. Cohan; Daniel J. Englander; James E. Meeks; and Thomas W. Smith;

**FOR** the ratification of our appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending July 31, 2010; and

**FOR or AGAINST**, at the discretion of the proxy holders, upon such other business as may properly come before the 2009 Annual Meeting or any adjournment or postponement thereof.

***Shareholders of Record.*** If you are a shareholder of record and you:

Indicate when voting on the Internet or by telephone that you wish to vote as recommended by our board of directors; or

## Edgar Filing: COPART INC - Form DEF 14A

Sign and return a proxy card without giving specific voting instructions, then the proxy holders will vote your shares in the manner recommended by our board of directors on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the meeting.

**Beneficial Owners of Shares Held in Street Name.** If you are a beneficial owner of shares held in street name and do not provide your broker or other nominee who holds your shares with specific voting instructions, under the rules of various national and regional securities exchanges, the broker or other nominee who holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the broker or other nominee who holds your shares will inform our Inspector of Elections that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a broker non-vote. We encourage you to provide voting instructions to the broker or other nominee who holds your shares by carefully following the instructions provided in the Notice.

### ***Which ballot measures are considered routine or non-routine ?***

Both Proposal 1 (election of directors) and Proposal 2 (ratification of auditors) involve matters we believe will be considered routine.

### ***How are broker non-votes treated?***

Broker non-votes are counted for purposes of determining whether a quorum is present. For the purpose of determining whether the shareholders have approved all matters other than the election of directors (Proposal 1), broker non-votes have the same effect as an against vote. The Company encourages you to provide voting instructions to the nominee that holds your shares by carefully following the instructions provided in the Notice.

3

---

### ***How are abstentions treated?***

Abstentions are counted for purposes of determining whether a quorum is present. Shares not present at the meeting and shares voting abstain have no effect on the election of directors. For the purpose of determining whether the shareholders have approved all other matters, abstentions have the same effect as an against vote.

### ***Who will tabulate the votes at the 2009 Annual Meeting?***

Votes will be tabulated by the Inspector of Elections appointed for the meeting, who will separately tabulate affirmative and negative votes and abstentions.

### ***How can I vote my shares in person at the 2009 Annual Meeting?***

If you plan to attend the 2009 Annual Meeting and vote in person, we will provide you with a ballot at the meeting. If your shares are registered directly in your name, you are considered the shareholder of record and you have the right to vote in person at the meeting. If your shares are held in the name of your broker or other nominee, you are considered the beneficial owner of shares held in your name. In that case, and if you wish to vote at the meeting, you will need to bring with you to the meeting a legal proxy from your broker or other nominee authorizing you to vote these shares.

### ***How can I vote my shares without attending the 2009 Annual Meeting?***

**Voting by Telephone or Internet.** If you are a shareholder of record To vote by telephone (within the U.S., Canada and Puerto Rico), call toll-free 1-800-652-VOTE (8683) any time on a touch tone telephone. There is no charge to you for the call. Follow the instructions on the recorded message. To vote over the Internet, go to the following website: [www.INVESTORVOTE.com/CPRT](http://www.INVESTORVOTE.com/CPRT). Follow the steps outlined on the secured website. If you vote by telephone or over the Internet, you do not need to complete and mail your proxy card. Proxies submitted by telephone or the Internet must be received by 1:00 a.m., Central Time, on December 3, 2009.

*If you are a beneficial owner of shares held in street name To vote by telephone or the internet refer to the proxy materials provided to you by your broker or other nominee.*



## Edgar Filing: COPART INC - Form DEF 14A

**Voting by Mail.** Request a paper proxy card to vote by mail, mark, sign and date your proxy card and return it in the pre-addressed, postage-paid envelope included with the proxy card or return it to Copart, Inc. c/o Paul A. Styer, 4665 Business Center Drive, Fairfield, California 94534. By signing and returning the proxy card according to the instructions provided, you are enabling the individuals named on the proxy card, known as proxies, to vote your shares at the meeting in the manner you indicate. We encourage you to sign and return the proxy card even if you plan to attend the meeting. In this way your shares will be voted even if you are unable to attend the meeting. The proxy card must be received prior to the meeting in order for your vote to be counted.

### ***Can I change my vote?***

If you are a shareholder of record, you may revoke your proxy at any time before it is voted at the 2009 Annual Meeting. In order to revoke your proxy, you may either:

Make a timely and valid later Internet or telephone vote no later than 1:00 a.m., Central Time, on December 3, 2009;

Submit another proxy bearing a later date before the beginning of the 2009 Annual Meeting;

Provide written notice of the revocation to our Secretary, Paul A. Styer, c/o Copart, Inc., 4665 Business Center Drive, Fairfield, California 94534, prior to the time we take the vote at the 2009 Annual Meeting; or

Attend the meeting and vote in person and ask that your proxy be revoked. Please note that attendance at the meeting will not by itself revoke your previously granted proxy.

4

---

### ***What are the voting requirements to approve the proposals?***

With respect to Proposal 1 (the election of directors), the seven director nominees receiving the highest number of affirmative votes of the holders of outstanding shares of our common stock entitled to vote and present at the 2009 Annual Meeting, either in person or by proxy, will be elected as directors at the 2009 Annual Meeting. Proposal 2 (ratification of auditors) requires the affirmative vote of a majority of the shares present at the 2009 Annual Meeting, either in person or by proxy.

### ***Who will bear the cost of soliciting votes for the 2009 Annual Meeting?***

We will bear the entire cost of solicitation, including the preparation, assembly, printing and mailing of proxy materials. In addition, we may reimburse brokerage firms and other custodians for their reasonable out-of-pocket costs in forwarding these proxy materials to you. The original solicitation of proxies by mail may be supplemented by solicitation by telephone, telegram, facsimile or other means by our directors, officers, or employees. No additional compensation will be paid to these individuals for any such services.

### ***What is the deadline for submission of shareholder proposals for consideration at the 2010 Annual Meeting of Shareholders?***

**Requirements for Shareholder Proposals to be Considered for Inclusion in Copart's Proxy Materials.** Our shareholders may submit proposals on matters appropriate for shareholder action at our annual shareholder meetings in accordance with Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). For such proposals to be included in our proxy materials relating to our 2010 Annual Meeting of Shareholders, all applicable requirements under Rule 14a-8 must be satisfied and such proposals must be received by us no later than June 17, 2010. Such proposals should be delivered to Copart, Inc., Attn: Paul A. Styer, Secretary, 4665 Business Center Drive, Fairfield, California 94534. The submission of a shareholder proposal does not guarantee that it will be included in Copart's proxy statement or proxy.

**Requirements for Shareholder Proposals to be Brought Before the 2010 Annual Meeting.** Our bylaws establish an advance notice procedure for shareholders who wish to present certain matters before an annual meeting of shareholders where the proposal is not intended to be included in the proxy statement relating to that meeting. For shareholder nominations to our board of directors or other proposals to be considered at an annual meeting, the shareholder must have given timely notice thereof in writing to the secretary of Copart (at the address noted above) such that the shareholder notice has been received by Copart not less than ninety (90) nor more than one hundred twenty (120) days prior to the anniversary of the date on which we first mailed our proxy materials for our immediately preceding annual meeting of shareholders. To be timely for the 2010 Annual Meeting, a shareholder's notice must be delivered to or mailed and received by the secretary at our principal executive offices between June 17, 2010 and July 17, 2010. A shareholder's notice to the secretary must set forth, with respect to each matter the

shareholder proposes to bring before the annual meeting, the information required by our bylaws. If a shareholder fails to comply with the advance notice provision set forth in the bylaws, the shareholder will not be permitted to present the proposal at the meeting. A copy of our bylaws may be obtained free of charge by written request to the Company's Investor Relations department c/o Copart, Inc., 4665 Business Center Drive, Fairfield, California 94534.

In addition, the proxy solicited by our board of directors for the 2010 Annual Meeting of Shareholders will confer discretionary authority on management's proxy holders to vote on (i) any proposal presented by a shareholder at that meeting for which we have not been provided with notice on or prior to the July 17, 2010 deadline and (ii) on any proposal made in accordance with the bylaw provisions, if the 2010 proxy statement briefly describes the matter and how management's proxy holders intend to vote on it, provided that the shareholder has not complied with the requirements of Rule 14a-4(c)(2) under the Exchange Act.

***How may I obtain a separate set of proxy materials for the 2009 Annual Meeting?***

We have adopted a procedure called householding, which has been approved by the SEC. Under this procedure, we deliver only one copy of the annual report and proxy statement to multiple shareholders who share the same address and have the same last name, unless we have received contrary instructions from an affected shareholder. This procedure reduces our printing costs, mailing costs, and fees. Shareholders who participate in householding will continue to receive separate proxy cards.

We will deliver, promptly upon written or oral request, a separate copy of the 2009 annual report and the proxy statement to any shareholder at a shared address to which a single copy of either of those documents was delivered. To receive a separate copy of the 2009 annual report and/or proxy statement, you may write to or call Copart's Investor Relations Department at 4665 Business Center Drive, Fairfield, California 94534, telephone (707) 639-5000. Any such request should be made promptly in order to ensure timely delivery. Any shareholders of record who (i) share the same address and currently receive multiple copies of our annual report and proxy statement and (ii) wish to receive only one copy of these materials per household in the future may contact our Investor Relations Department at the address or telephone number listed above to participate in the householding program.

A number of brokerage firms have instituted householding. If you hold your shares in street name, please contact your bank, broker, or other holder of record to request information about householding.

***What if I have questions about lost stock certificates or need to change my mailing address?***

You may contact our transfer agent, Computershare Trust Company, NA, by telephone at (877) 282-1618 or by facsimile at (781) 575-3605 if you have lost your stock certificate or need to change your mailing address. You may also access instructions with respect to these matters via the Internet at [www.computershare.com](http://www.computershare.com).

**PROPOSAL ONE**

**ELECTION OF DIRECTORS**

**General**

One of the purposes of our 2009 Annual Meeting is to elect directors to hold office until the 2010 Annual Meeting of Shareholders or until their respective successors are elected and have been qualified. At each annual meeting of shareholders, the terms of each of our incumbent directors expire and all members of our board of directors are elected. Our bylaws permit our board to establish the authorized number of directors within a range from five to nine members. Eight directors are currently authorized. Effective as of the date of the 2009 Annual Meeting, the authorized number of directors constituting the board of directors of the Company will be set at seven. Mr. Rosenstein has notified us that he will not be standing for re-election as a director at the 2009 Annual Meeting.

**Nominees**

## Edgar Filing: COPART INC - Form DEF 14A

Our nominating and governance committee has nominated the seven individuals listed below for election as directors. All of the nominees for election at the 2009 Annual Meeting are currently our directors and, other than Mr. Blunt who was appointed to the board in January 2009, were elected by our shareholders at our last annual meeting of shareholders. All of the nominees were approved by our nominating and governance committee of the board of directors. Each person nominated for election has agreed to serve if elected, and we have no reason to believe that any nominee will be unavailable to serve. Unless otherwise instructed, the proxy holders will vote all submitted proxies FOR the seven nominees named below. In the event that additional persons are nominated for election as directors, the proxy holders intend to vote all proxies received by them in such a manner (in accordance with cumulative voting) as will ensure the election of as many of the nominees listed below as possible. In such event, the specific nominees to be voted for will be determined by the proxy holders. Directors must be elected by a plurality of the votes cast at the 2009 Annual Meeting. Accordingly, the seven candidates receiving the highest number of affirmative votes of the shares entitled to vote at the 2009 Annual Meeting will be elected to our board of directors.

Mr. Blunt was appointed to our board of directors upon the recommendation of the nominating and governance committee, effective January 13, 2009. He was brought to the attention of our nominating and governance committee by A. Jayson Adair, our president.

Each of the following nominees is currently a director of the Company. Please see *Biographical Information* on page 8 of this proxy statement for information concerning each of the following incumbent directors standing for re-election.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Director Since</u>
Willis J. Johnson	62	Chief Executive Officer and Chairman of the Board	1982
A. Jayson Adair	39	President and Director	1992
Matt Blunt	39	Director	2009
Steven D. Cohan	48	Director	2004
Daniel J. Englander	40	Director	2006
James E. Meeks	60	Director	1996
Thomas W. Smith	81	Director	2007

### Vote Required

The seven director nominees receiving the highest number of affirmative votes of the holders of outstanding shares of our common stock entitled to vote and present at the 2009 Annual Meeting, either in person or by proxy, will be elected as directors at the 2009 Annual Meeting.

7

### Recommendation of the Board of Directors

Our board of directors unanimously recommends that shareholders vote **FOR** the election of the nominees listed above.

### BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

#### *Biographical Information*

Set forth below is biographical information, as of October 5, 2009, the record date for our 2009 Annual Meeting, for all individuals who are currently serving as our directors:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Director Since</u>
Willis J. Johnson	62	Chief Executive Officer and Chairman of the Board	1982
A. Jayson Adair	39	President and Director	1992
Matt Blunt	39	Director	2009
Steven D. Cohan	48	Director	2004

Edgar Filing: COPART INC - Form DEF 14A

Name	Age	Position	Director Since
Daniel J. Englander	40	Director	2006
James E. Meeks	60	Director	1996
Barry Rosenstein*	50	Director	2007
Thomas W. Smith	81	Director	2007

\* Mr. Rosenstein has notified the Company that he will not be standing for re-election at the 2009 Annual Meeting.

**Willis J. Johnson**, founder of Copart, has served as our chief executive officer since 1986 and chairman of the board since January 2004. Mr. Johnson also served as our president from 1986 until 1995. Mr. Johnson was an officer and director of U-Pull-It, Inc. (UPI), a self-service auto dismantler which he co-founded, from 1982 through September 1994. Mr. Johnson sold his entire interest in UPI in September 1994. Mr. Johnson has over 30 years of experience in owning and operating auto dismantling companies.

**A. Jayson Adair** has served as our president since 1996. From 1995 until 1996, Mr. Adair served as our executive vice president. From 1990 until 1995, Mr. Adair served as our vice president of sales and operations, and from 1989 to 1990, Mr. Adair served as our manager of operations.

**Matt Blunt** served as the governor of the State of Missouri from 2005 to 2009. Prior to serving as governor of Missouri, Mr. Blunt served as a member of the Missouri General Assembly from 1999 through 2001 and as Missouri's Secretary of State from 2001 through his inauguration as governor in 2005. He is a 1993 graduate of the United States Naval Academy and received four Navy and Marine Corps Achievement Medals during his military service, as well as numerous other awards.

**Steven D. Cohan** has served as the chief executive officer and president of Loco Ventures, Inc., a privately held manufacturer of food products in Northern California, since 1999. From 1992 to 1994, he served as our vice president of finance and principle accounting officer and, from 1994 to 1996, he served as our vice president of corporate development. He holds an M.B.A. from the University of San Francisco, a B.A. in Economics from University of California-Los Angeles (UCLA) and is a certified public accountant.

**Daniel J. Englander** is managing partner and founder of Ursula Investors, an investment management firm, founded in May 2004. From October 1994 until January 2004, Mr. Englander was employed as an investment banker with Allen & Company, a privately held, New York-based merchant bank, serving as a Managing Director from September 2002 until his departure. He holds a B.A. from Yale University. Since February 2007, Mr. Englander has been a director of America's Car-Mart Inc., a publicly traded automotive retailer based in Bentonville, Arkansas.

**James E. Meeks** served as our chief operating officer from 1992, when he joined the Company concurrent with our purchase of South Bay Salvage Pool, until 2007. Mr. Meeks also served as executive vice president from 1996 until 2007 and as senior vice president from 1995 to 1996. From 1986 to 1992, Mr. Meeks, together with his family, owned and operated the South Bay Salvage Pool. Mr. Meeks was also an officer, director and part owner

of CAS & Meeks, Inc., a towing and subhauling service company, which he operated from 1991 to 2001. Mr. Meeks has over 30 years of experience in the vehicle dismantling business. On August 1, 2007, Mr. Meeks relinquished the titles and responsibilities of executive vice president and chief operating officer and retired from his employment with the company on December 31, 2007.

**Barry Rosenstein** is the founder and has served as the managing partner of JANA Partners, LLC, an investment management firm, since 2001. Prior to founding JANA Partners, Mr. Rosenstein held executive, management, and investment banking positions with Sagaponack Partners L.P., Genesis Merchant Group Securities, Reatta Partners, Asher Edelman's Plaza Securities Corporation, and Merrill Lynch. Mr. Rosenstein received his undergraduate degree from Lehigh University and his M.B.A. from the Wharton School of the University of Pennsylvania.

## Edgar Filing: COPART INC - Form DEF 14A

**Thomas W. Smith** is the managing partner of Prescott Investors, a private investment firm he founded in 1973. Mr. Smith received his undergraduate degree from Miami University in Oxford, Ohio and his masters degree in economics from the University of California at Berkeley. Since October 2004, Mr. Smith has served on the board of directors of Prepaid Legal Services, Inc., a publicly traded company, and has served on the board of directors of SEI Investments Co., a publicly traded company, since May 2004.

There are no family relationships among any of our directors or executive officers, except that A. Jayson Adair is the son-in-law of Willis J. Johnson.

### *Board of Directors Composition, Meetings and Board Committees*

Our board of directors currently consists of eight members. Our bylaws permit our board to establish the authorized number of directors within a range from five to nine members and eight directors are currently authorized. Effective as of the date of the 2009 Annual Meeting, the authorized number of directors constituting the board of directors of the Company will be set at seven. Mr. Rosenstein has notified the Company that he will not stand for re-election as a director at the 2009 Annual Meeting.

All directors elected at an annual meeting are elected to serve from the time of election and qualification until the earlier of the next annual meeting of shareholders following such election or their resignation or removal. At each annual meeting of shareholders, the terms of each of our incumbent directors expire and all members of our board of directors are elected.

During the fiscal year ended July 31, 2009, our board of directors held four meetings. Each of our directors attended at least 75% of the meetings held during fiscal 2009 of our board or any committee on which such director served during his tenure. Although we do not have a formal policy regarding attendance at shareholder meetings, our directors are encouraged to attend the annual meeting of shareholders. Two of our directors attended the Company's 2008 Annual Meeting of Shareholders.

During fiscal 2009, the board of directors maintained standing audit, compensation and nominating and governance committees. Each committee has a written charter, approved by our board of directors, outlining the principal responsibilities of the committee. Copies of the current committee charters are available in the Corporate Governance section of the Investor Relations page on our corporate website at [www.copart.com](http://www.copart.com).

As of October 5, 2009, the record date for our 2009 Annual Meeting, our board committees were comprised as follows:

Director Name	Audit Committee	Compensation Committee	Nominating and Governance Committee
Matt Blunt (1)			x
Steven D. Cohan	Chair	x	x
Daniel J. Englander	x	Chair	Chair
Barry Rosenstein (2)			x
Thomas W. Smith	x	x	x

(1) Mr. Blunt became a member of the nominating and governance committee effective January 13, 2009, the effective date of his appointment to the board of directors of the Company.

(2) Mr. Rosenstein will no longer be a member of the nominating and governance committee effective as of the date of the 2009 Annual Meeting.

Only directors deemed to be independent (see below) serve on the audit, compensation or nominating and governance committees. However, the board may create special committees from time to time and our current employee directors or those deemed not to be independent under

## Edgar Filing: COPART INC - Form DEF 14A

applicable rules and guidelines may be appointed to serve on those special committees, as the board may determine.

### *Director Independence*

Of the Company's incumbent directors standing for re-election, Messrs. Blunt, Cohan, Englander and Smith each have been determined by the board to be an independent director as that term is defined under the Financial Industry Regulatory Authority (or FINRA) rules.

The board of directors has not established categorical standards or guidelines to make director independence determinations, but considers all relevant facts and circumstances. The board based its determinations primarily on a review of the responses of the directors to questions regarding employment and compensation history, affiliations, family and other relationships, and on discussions with our directors. In making its independence determinations, the board considered transactions between the Company and entities associated with the directors or members of their immediate family. All identified transactions that appear to relate to the Company and a person or entity with a known connection to a director are presented to the board of directors for consideration. In making its determination that certain directors are independent, the board of directors considered the transactions in the context of the FINRA rules, the standards established by the SEC for members of audit committees, and the SEC and Internal Revenue Service standards for compensation committee members.

### *Audit Committee*

Our audit committee is primarily responsible for (i) reviewing and approving the services performed by our independent registered public accounting firm, (ii) reviewing our financial statements, and (iii) reviewing reports concerning our accounting practices and systems of internal accounting procedures and controls. The purposes of the audit committee are, among other things, to:

oversee our accounting and financial reporting processes and audits of our financial statements;

assist the board in overseeing and monitoring: (i) the integrity of our financial statements; (ii) our accounting policies and procedures; (iii) our compliance with legal and regulatory requirements; (iv) our independent auditor's qualifications, independence, and performance; (v) our disclosure controls and procedures; and (vi) our internal controls;

provide the board with the result of its monitoring and any recommendations derived from such monitoring;

provide the board with additional information and materials as the audit committee may determine to be necessary to make the board aware of significant financial matters requiring board attention; and

function as our qualified legal compliance committee for the purposes of reviewing and discussing any reports concerning material violations submitted to it by our attorneys or our outside counsel.

The current members of our audit committee are Messrs. Cohan (chairman), Englander and Smith, all of whom served on the audit committee at all times during fiscal 2009. The audit committee held four meetings in fiscal year 2009.

We believe that all current and former members of the audit committee were and are independent directors as contemplated by the FINRA rules and the rules of the SEC relating to audit committee independence. The board of directors has designated Mr. Cohan, the chairman of the committee, as an audit committee financial expert

as defined in Item 401(h) of Regulation S-K promulgated by the SEC. This designation is a disclosure requirement of the SEC and does not impose upon Mr. Cohan any duties, obligations, or liabilities greater than that which would otherwise be imposed by virtue of his membership on the board or audit committee. In addition, this designation does not affect the duties, obligations, or liabilities of any other director or audit committee member. The board of directors has determined that each audit committee member has sufficient knowledge in reading and understanding financial statements to serve on the audit committee.

### *Compensation Committee*

## Edgar Filing: COPART INC - Form DEF 14A

Our compensation committee is generally responsible for, among other things, (i) reviewing and approving the Company's compensation policies, and (ii) setting the compensation levels for those executive officers and senior managers who report directly to our president and whose compensation is not otherwise established pursuant to employment agreements reviewed or approved by the board of directors. The compensation committee acts under a written charter adopted and approved by our board of directors.

The current members of our compensation committee are Messrs. Englander (chairman), Cohan and Smith, all of whom served on the committee at all times during fiscal year 2009. The compensation committee held five meetings in fiscal year 2009.

We believe that all current and former members of the compensation committee were and are (i) independent directors as contemplated by FINRA rules, (ii) outside directors as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), and (iii) non-employee directors for purposes of Rule 16b-3 under the Exchange Act.

### *Nominating and Governance Committee*

Our board of directors established the nominating and governance committee to ensure that our board is properly constituted to meet its fiduciary obligations to shareholders and that we have and follow appropriate governance standards. The committee is authorized to assist the board by identifying prospective director nominees, to select the director nominees for the next annual meeting of shareholders and to develop and recommend to the board governance principles applicable to Copart.

The current members of our nominating and governance committee are Messrs. Englander (chairman), Cohan, Rosenstein and Smith, all of whom served as members of the committee at all times during fiscal year 2009, and Mr. Blunt who was appointed to the committee in January 2009. Mr. Rosenstein will no longer serve on the committee effective as of the date of the 2009 Annual Meeting. The nominating and governance committee held two meetings in fiscal year 2009.

We believe that all current and former members of the nominating and governance committee were and are (i) independent directors as contemplated by FINRA rules, (ii) outside directors as defined in Section 162(m) of the Code, and (iii) non-employee directors for purposes of Rule 16b-3 under the Exchange Act.

### *Director Nomination Process*

In recommending candidates for election to the board of directors, the nominating and governance committee considers nominees recommended by directors, officers, employees, shareholders and others, using the same criteria to evaluate all candidates. The nominating and governance committee reviews each candidate's qualifications, including whether a candidate possesses any of the specific qualities and skills desirable in certain members of the board of directors. Evaluations of candidates generally involve a review of the background materials, internal discussions and interviews with selected candidates as appropriate. Upon selection of a qualified candidate, the nominating and governance committee recommends the candidate for consideration by the full board of directors. To recommend a prospective nominee for the nominating and governance committee's consideration, submit the candidate's name and qualifications to our secretary in writing to the following address: Copart, Inc., Attn: Paul A. Styer, Secretary, 4665 Business Center Drive, Fairfield, CA 94534. When submitting candidates for nomination to be elected at our annual meeting of shareholders, shareholders must also follow the advance notice procedures for shareholder nominees and provide the information required by our bylaws.

The nominating and governance committee believes the following minimum qualifications must be met by a nominee for a position on the board:

the highest personal and professional ethics and integrity;

proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;

skills complementary to those of the existing board of directors;

the ability to assist and support management and make significant contributions to Copart's success; and

## Edgar Filing: COPART INC - Form DEF 14A

an understanding of the fiduciary responsibilities required of a member of the board and the commitment of time and energy necessary to diligently carry out those responsibilities.

### Director Compensation

Our directors play a critical role in guiding the Company's strategic direction and overseeing management of the Company. In connection therewith, our non-employee directors are eligible to receive both cash and equity compensation. Each non-employee director receives an annual director's fee of \$50,000, payable in quarterly installments. Mr. Cohan, who serves as chairman of the audit committee, receives an additional annual fee of \$10,000, pro-rated quarterly. The cash compensation paid to our non-employee directors has remained the same since August 1, 2006. In addition to cash compensation, each non-employee director is eligible to receive an annual option grant of shares under the Company's 2007 Equity Incentive Plan, which grant generally takes place immediately following the annual meeting of shareholders each year. Newly appointed directors are awarded an initial grant of shares at the time of appointment and are not eligible for an additional grant until the fiscal year following their appointment. The directors are also eligible for reimbursement of reasonable and necessary expenses incurred in connection with their attendance at board and committee meetings.

The following table presents information relating to total compensation paid or accrued for services rendered to the Company in all capacities by our non-employee directors for the fiscal year ended July 31, 2009.

#### DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Option Awards \$(1)(2)	Total (\$)
Matt Blunt*	25,000	46,841	71,841
Steven D. Cohan	60,000	229,399	289,399
Daniel J. Englander	50,000	229,399	279,399
James E. Meeks	50,000	235,444	285,444
Barry Rosenstein	50,000	156,421	206,421
Thomas W. Smith	50,000	156,421	206,421

\* Mr. Blunt was appointed to the board of directors effective January 13, 2009.

- (1) Amounts in this column do not reflect compensation actually received by our non-employee directors. The amounts presented are the dollar amounts of compensation expense recognized by the Company for financial statement reporting purposes for fiscal year 2009. The amounts include compensation expense as reflected in our financial statements and calculated in accordance with SFAS No. 123(R) for awards granted through the end of the applicable fiscal year, except that the compensation expense amounts have not been reduced by the Company's estimated forfeiture rate. See Note 1, Summary of Significant Accounting Policies - Shares-Based Compensation to the Company's financial statements in its Annual Report on Form 10-K for the fiscal year ended July 31, 2009 for additional information about the Company's accounting for share-based compensation arrangements, including the assumptions used in the Black-Scholes option-pricing model. This methodology requires the use of subjective assumptions in implementing SFAS 123(R), including expected stock price

volatility and the estimated life of each award. The amounts reported in the Option Awards column reflect the dollar amounts recognized as stock-based compensation expense in fiscal 2009 for financial accounting purposes (excluding the effect of any estimate of future forfeitures, and reflecting the effect of any actual forfeitures) determined in accordance with SFAS 123(R).

- (2) As of July 31, 2009, the end of the Company's 2009 fiscal year, the aggregate number of stock options outstanding for each non-employee director was as follows:



Name	Aggregate Number of Shares Underlying Options
Matt Blunt	20,000
Steven D. Cohan	100,000
Daniel J. Englander	60,000
James E. Meeks	102,084
Barry Rosenstein	40,000
Thomas W. Smith	40,000

On December 11, 2008, the board of directors approved the grant of stock options to purchase 20,000 shares of the Company's common stock under the 2007 Equity Incentive Plan to each of Messrs. Cohan, Englander, Meeks, Rosenstein and Smith as part of their annual board compensation for fiscal 2009, at an exercise price of \$26.15 per share which was the closing price of the Company's common stock on the NASDAQ Global Select Market on the date of grant. Upon Mr. Blunt's appointment to the board of directors on January 13, 2009, Mr. Blunt was granted stock options to purchase 20,000 shares of the Company's common stock under the 2007 Equity Incentive Plan at an exercise price of \$26.40 per share which was the closing price of the Company's common stock on the NASDAQ Global Select Market on the date of grant. Fifty percent (50%) of the shares subject to each option vest 12 months from the date of grant with the remaining shares vesting 1/24th each month thereafter, such that the options shall be fully vested two years from the date of grant. Vesting of the options may accelerate if any successor corporation does not assume the options in the event of a change in control.

#### Compensation Committee Interlocks and Insider Participation

No member of the compensation committee was, at any time during fiscal 2009, an officer or employee of Copart or any of its subsidiaries, and no member of the compensation committee had any relationship requiring disclosure under Item 404 of Regulation S-K (Certain Relationships and Related Transactions) promulgated by the SEC. No interlocking relationship, as described by the SEC, currently exists or existed during fiscal 2009 between any member of our compensation committee and any member of any other company's board of directors or compensation committee.

#### Shareholder Communications with the Board of Directors

The board of directors recommends that shareholders who wish to communicate directly with the board should do so in writing. The board of directors has approved the following procedure for shareholders to communicate with our directors. Mail can be addressed to directors in care of Copart, Inc., 4665 Business Center Drive, Fairfield, California 94534, attention General Counsel. All mail received will be logged in, opened and screened for security purposes. All mail, other than trivial or obscene items, will be forwarded. Trivial items will be delivered to the directors at the next scheduled board meeting. Mail addressed to a particular director will be forwarded or delivered to that director. Mail addressed to Outside Directors or Non-Management Directors will be forwarded or delivered to the chairman of the nominating and governance committee. Mail addressed to the Board of Directors will be forwarded or delivered to the chairman of the board and chief executive officer. Our General Counsel may decide in the exercise of his or her judgment whether a response to any shareholder communication is necessary.

This procedure does not apply to shareholder proposals submitted pursuant to our bylaws and Rule 14a-8 of the Exchange Act, as discussed in this proxy statement under the caption Deadline for Receipt of Shareholder Proposals for 2010 Annual Meeting.

#### Executive Officers

Our executive officers and their ages as of October 15, 2009 were as follows:

Name	Age	Position
Willis J. Johnson	62	Chairman of the Board, Chief Executive Officer and Director
A. Jayson Adair	39	President and Director
Vincent W. Mitz	46	Executive Vice President

## Edgar Filing: COPART INC - Form DEF 14A

Name	Age	Position
William E. Franklin	53	Senior Vice President and Chief Financial Officer
Paul A. Styer	53	Senior Vice President, General Counsel and Secretary
Robert H. Vannuccini	43	Senior Vice President of Marketing
David L. Bauer	49	Senior Vice President of Information Technology and Chief Information Officer
Russell D. Lowy	50	Chief Operating Officer
Thomas E. Wylie	58	Senior Vice President of Human Resources
Greg A. Tucker	52	Senior Vice President of Process Improvement
Simon E. Rote	37	Vice President of Finance

**Willis J. Johnson**, our founder, has served as our Chairman of the Board since 2004, Chief Executive Officer since 1986 and as a director since 1982. Mr. Johnson served as our President from 1986 until May 1995. Mr. Johnson was an officer and director of U-Pull-It, Inc., or UPI, a self-service auto dismantler which he co-founded in 1982, from 1982 through September 1994. Mr. Johnson sold his entire interest in UPI in September 1994. Mr. Johnson has over 30 years of experience in owning and operating auto dismantling companies.

**A. Jayson Adair** has served as our President since November 1996 and as a director since September 1992. From April 1995 until October 1996, Mr. Adair served as our Executive Vice President. From August 1990 until April 1995, Mr. Adair served as our Vice President of Sales and Operations and from June 1989 to August 1990, Mr. Adair served as our Manager of Operations.

**Vincent W. Mitz** has served as our Executive Vice President since August 2007. From May 1995 until July 2007, Mr. Mitz served as our Senior Vice President of Marketing. Prior thereto, Mr. Mitz was employed by NER Auction Systems from 1981 until its acquisition by Copart in 1995. At NER, Mr. Mitz held numerous positions culminating as Vice President of Sales and Operations for NER's New York region from 1990 to 1993 and Vice President of Sales & Marketing from 1993 to 1995.

**William E. Franklin** has served as our Senior Vice President and Chief Financial Officer since March 2004. Mr. Franklin has over 20 years of international finance and executive management experience. From October 2001 to March 2004, he served as the Chief Financial Officer of Ptek Holdings, Inc., an international telecommunications company. Prior to that he was the President and CEO of Clifford Electronics, an international consumer electronics company. Mr. Franklin received a Master's degree in Business Administration from the University of Southern California and his Bachelor's of Science degree in Finance from California State University, Bakersfield. Mr. Franklin is a Certified Public Accountant.

**Paul A. Styer** has served as our General Counsel since September 1992, served as our Senior Vice President since April 1995 and as our Vice President from September 1992 until April 1995. Mr. Styer served as one of our directors from September 1992 until October 1993. Mr. Styer has served as our Secretary since October 1993. From August 1990 to September 1992, Mr. Styer conducted an independent law practice. Mr. Styer received a B.A. from the University of California, Davis and a J.D. from the University of the Pacific. Mr. Styer is a member of the State Bar of California.

**Robert H. Vannuccini** has served as our Senior Vice President of Marketing since August 2007. Prior thereto, Mr. Vannuccini served as our Vice President of National Accounts from 1999 to 2007 and our Midwest regional Account Manager from 1995 to 1999. Prior to that, Mr. Vannuccini was employed by NER as the Midwest Regional Account Manager from 1994 until its acquisition by Copart in 1995. Prior to his experience at NER, Mr. Vannuccini was an Assistant Vice President with Fleet Financial Group from 1991 to 1994. Mr. Vannuccini received his Bachelor of Business Administration degree in Banking and Finance from Hofstra University, Hempstead, New York in 1988.

**David L. Bauer** has served as our Senior Vice President of Information Technology and Chief Information Officer since joining Copart in December 1995. Prior thereto, Mr. Bauer was an independent systems consultant from 1987 to 1995. Prior to working independently, Mr. Bauer spent 1983 to 1987 working in Arthur Andersen & Company's Management Information Consulting Division, leaving in 1987 as a Consulting Manager. Mr. Bauer earned a B.A. in Economics from the University of California, San Diego in 1981 and an MBA from University of California, Davis in 1983.

**Russell D. Lowy** has served as our Chief Operating Officer since August 2007. From July 2002 to July 2007, Mr. Lowy served as our Senior Vice President of Operations. Mr. Lowy served as Vice President of Operations, Eastern Division from December 1999 to July 2002. From

## Edgar Filing: COPART INC - Form DEF 14A

December 1998 to December 1999, Mr. Lowy served as Director of Training and Auditing. Mr. Lowy served as Assistant Vice President of Operations from 1996 to 1997, Regional Manager of Northern California from 1995 to 1996 and Marketing Manager from 1993 to 1994. Prior to joining us, Mr. Lowy spent nine years with ADP Claims Solutions Group. Mr. Lowy received a B.S. in Business Administration from California State University, Chico in 1982.

**Thomas E. Wylie** has served as our Senior Vice President of Human Resources since September 2003. Mr. Wylie has over 25 years of human resources and organizational change management experience. From January 2001 to November 2003 he served as Vice President, Human Resources, Systems and Administration for the California Division of Kaiser Permanente, a health care organization headquartered in Oakland, California. Prior to that he was the Vice President of Human Resources for Global Business Services, a division of Honeywell International in Morristown, New Jersey. He held several other positions with Honeywell starting in 1979. Mr. Wylie received a bachelor's degree from Hamline University in St. Paul, Minnesota.

**Greg A. Tucker** has served as our Senior Vice President of Process Improvement since September 2008. Mr. Tucker has over 25 years of process improvement, business strategy and business transformation experience. From 2002 to 2008 he served as Vice President of Business Transformation & Process Excellence at CSAA (AAA of Northern California) and The Clorox Company. Prior to that he was the Vice President/Partner at Computer Sciences Corp. Management Consulting and Mercer Management Consulting in San Francisco, CA and Washington DC respectively. Mr. Tucker received a bachelor's degree from Kansas State University in Manhattan, KS where he is a trustee and his MBA from the Graduate School of Business at Stanford University in Palo Alto, California.

**Simon E. Rote** has served as our Vice President of Finance since March 2003. Prior thereto, Mr. Rote served as our Controller from December 1998 to March 2003, and as our Assistant Controller from December 1997 to December 1998. Mr. Rote was an auditor with KPMG LLP from 1994 to 1997. Mr. Rote received a B.S. in Accounting from St. Mary's College in 1994.

Our executive officers are elected by our board of directors and serve at the discretion of the board. There are no family relationships among any of our directors or executive officers, except that A. Jayson Adair is the son-in-law of Willis J. Johnson.

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information known to us regarding the ownership of our common stock as the record date (October 5, 2009) by (i) all persons known by us to be beneficial owners of five percent or more of our common stock; (ii) each of our current directors and nominees for director; (iii) any other named executive officers (as defined in the section of this Proxy Statement entitled "Executive Compensation Summary Compensation Table"); and (iv) all of our executive officers and directors as a group. Beneficial ownership is determined based on SEC rules and includes certain stock options exercisable within 60 days of October 5, 2009. Unless otherwise indicated, each of the shareholders has sole voting and investment power with respect to the shares beneficially owned, subject to community property laws where applicable.

15

Name and Address of Beneficial Owner (1)	Number of Shares Beneficially Owned	Percent of Total Shares Outstanding (2)
Baron Capital Group, Inc. (3) 767 Fifth Avenue New York, NY 10153	4,532,443	5.4%
<i>Named executive officers and directors:</i>		
Willis J. Johnson (4)	9,548,796	11.4%
Thomas W. Smith (5)	1,677,818	2.0%
A. Jayson Adair (6)	924,675	1.1%
Barry Rosenstein (7)	624,897	*
David L. Bauer (8)	216,756	*
Daniel J. Englander (9)	168,117	*
Vincent W. Mitz (10)	159,378	*
Steven D. Cohan (11)	79,173	*

Edgar Filing: COPART INC - Form DEF 14A

Name and Address of Beneficial Owner (1)	Number of Shares Beneficially Owned	Percent of Total Shares Outstanding (2)
James E. Meeks (12)	68,334	*
William E. Franklin (13)	60,373	*
Matt Blunt		*
<i>All directors and executive officers as a group (16 persons)(14)</i>	14,097,725	16.8%

\* Represents less than 1% of our outstanding common stock.

- (1) Unless otherwise set forth, the mailing address for each of the persons listed in this table is: c/o Copart, Inc., 4665 Business Center Drive, Fairfield, California 94534.
- (2) Based on 83,938,814 shares outstanding as of July 31, 2009, the end of the Company's 2009 fiscal year.
- (3) Information based on Schedule 13G as filed with the SEC on February 12, 2009, by Baron Capital Group, Inc. Includes 4,532,443 shares beneficially and jointly owned by Baron Capital Group, Inc., BAMCO, Inc., Baron Capital Management, Inc., and Ronald Baron. Baron Capital Group, Inc. has shared power to vote or direct the voting of 4,253,343 shares and shared dispositive power with respect to 4,532,443 shares; BAMCO, Inc. has shared power to vote or direct the voting of 4,091,180 shares and shared dispositive power with respect to 4,370,280 shares; Baron Capital Management, Inc. has shared power to vote or direct the voting of and shared dispositive power with respect to 162,163 shares; and Ronald Baron has shared power to vote or direct the voting of 4,253,343 shares and shared dispositive power with respect to 4,532,443 shares. BAMCO and Baron Capital Management, Inc. are subsidiaries of Baron Capital Group, Inc. Ronald Baron owns a controlling interest in Baron Capital Group, Inc. Baron Capital Group, Inc. and Ronald Baron disclaim beneficial ownership of shares held by their controlled entities (or the investment advisory clients thereof) to the extent such shares are held by persons other than Baron Capital Group, Inc. and Ronald Baron. BAMCO and Baron Capital Management, Inc. disclaim beneficial ownership of shares held by their investment advisory clients to the extent such shares are held by persons other than BAMCO, Baron Capital Management, Inc. and their affiliates.
- (4) Includes 5,082,497 shares of common stock held by the Willis J. Johnson and Reba J. Johnson Revocable Trust DTD 1/16/1997, of which Mr. Johnson and his wife are trustees, 2,202,585 shares of common stock held by the Reba Family Limited Partnership II, of which Mr. Johnson and his wife are the general partners, 1,147,410 shares of common stock held by the Willis Johnson and Joyce Johnson Family Limited Partnership, of which Mr. Johnson and his wife are the general partners, 595,859 shares of common stock held by the Lequeita Family Limited Partnership II, of which Mr. Johnson and his wife are the general partners, and 4,632 shares of common stock held in IRA accounts for Mr. Johnson and his wife. Also includes options to acquire 515,813 shares of common stock held by Mr. Johnson that are exercisable within 60 days after October 5, 2009.
- (5) Information based on Form 4 as filed with the SEC on July 14, 2009 by Mr. Smith. Includes 153,905 shares owned directly by Idoya Partners L.P. a private investment partnership, and indirectly by Mr. Smith as a

general partner thereof; 1,428,396 shares owned directly by Prescott Associates L.P., a private investment limited partnership, and indirectly by Mr. Smith as a general partner thereof; and 75,517 shares owned directly by Prescott International Partners L.P., a private investment limited partners, and indirectly by Mr. Smith as a general partner thereof. Also includes options to acquire 20,000 shares of common stock held by Mr. Smith that are exercisable within 60 days after October 5, 2009. The mailing address for Mr. Smith and the private investment partnerships is c/o Prescott Investors, 323 Railroad Avenue, Greenwich, CT 06830.

- (6) Includes 528,484 shares held directly, 54,468 shares of common stock held by the A. Jayson Adair and Tammi L. Adair Revocable Trust, for which Mr. Adair and his wife are trustees, and 12,348 shares of common stock held by irrevocable trusts for the benefit of members of Mr. Adair's immediate family. Also includes options to acquire 329,375 shares of common stock held by Mr. Adair that are exercisable within 60 days after October 5, 2009.

## Edgar Filing: COPART INC - Form DEF 14A

- (7) Includes 604,897 shares held by Jana Partners LLC as reported on Form 4 filed by Barry Rosenstein and Jana Partners LLC with the SEC on March 17, 2009 and reflects shares held beneficially by Jana Partners LLC through various entities and accounts under its management and control. Mr. Rosenstein is the Managing Partner of Jana Partners LLC and Mr. Rosenstein and Jana Partners disclaim any beneficial ownership of any of the shares held by Jana Partners LLC except to the extent of their pecuniary interest therein. Also includes options to acquire 20,000 shares of common stock held by Mr. Rosenstein that are exercisable within 60 days of October 5, 2009. Such options were issued to Mr. Rosenstein in connection with his service as a non-employee director of the Company and Mr. Rosenstein has granted all of his beneficial ownership of the shares underlying the options to Jana Partners LLC, including the economic benefit, voting power and dispositive power over such shares.
- (8) Includes 12,026 shares held by the Bauer Family Trust for which Mr. Bauer and his spouse act as trustees, and options to acquire 204,730 shares of common stock held by Mr. Bauer that are exercisable within 60 days after October 5, 2009.
- (9) Includes 119,950 shares of common stock held by Ursula Capital Partners and 9,000 shares of common stock held directly by Mr. Englander. Ursula Capital Partners is an investment partnership for which Mr. Englander serves as the sole general partner. Mr. Englander disclaims beneficial ownership of the shares held by Ursula Capital Partners except to the extent of his pecuniary interest therein. Also includes options to acquire 39,167 shares of common stock held by Mr. Englander that are exercisable within 60 days after October 5, 2009.
- (10) Includes 3 shares held directly and options to acquire 159,375 shares of common stock held by Mr. Mitz that are exercisable within 60 days after October 5, 2009.
- (11) Includes 6 shares owned directly and options to acquire 79,167 shares of common stock held by Mr. Cohan that are exercisable within 60 days after October 5, 2009.
- (12) Includes options to acquire 68,334 shares of common stock held by Mr. Meeks that are exercisable within 60 days after October 5, 2009.
- (13) Includes 3,449 shares held directly and options to acquire 56,924 shares of common stock held by Mr. Franklin that are exercisable within 60 days after October 5, 2009.
- (14) Includes options to acquire 2,042,162 shares of common stock held by all executive officers and directors as a group that are exercisable within 60 days after October 5, 2009.

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and officers and persons who beneficially own more than ten percent of a registered class of the Company's equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and our other equity securities. Officers, directors and greater-than-ten percent shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file.

17

---

Based solely upon a review of the copies of such reports furnished to us and written representations from such officers, directors and greater-than-ten percent shareholders that no other reports were required to be made, we believe that there was full compliance for the fiscal year ended July 31, 2009 with all Section 16(a) filing requirements applicable to our officers, directors and greater-than-ten percent shareholders.

### EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of July 31, 2009 with respect to shares of our common stock that may be issued upon the exercise of options and similar rights under all of our existing equity compensation plans, including our 2007 Equity Incentive Plan, our 2001 Stock Option Plan, our 1994 Employee Stock Purchase Plan, the 1994 Director Option Plan, the 1992 Stock Option Plan, the Copart, Inc. stand alone stock option award agreement dated April 14, 2009 between Copart, Inc. and Willis J. Johnson, and the Copart, Inc. stand alone stock option award agreement dated April 14, 2009 between Copart, Inc. and A. Jayson Adair. Our 2001 Stock Option Plan was terminated in 2007; our 1992 Stock Option Plan was terminated in 2001; and our 1994 Director Option Plan was terminated in August 2003. No additional grants will be made under these plans but options granted prior to the termination of each plan remain outstanding and are subject to the terms of the applicable plan.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by security holders	8,005,151(2)	\$ 26.97(3)	4,418,359(4)
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>8,005,151</b>	<b>\$ 26.97</b>	<b>4,418,359</b>

- (1) We are unable to ascertain with specificity the number of securities to be issued upon exercise of outstanding rights under the 1994 Employee Stock Purchase Plan or the weighted average exercise price of outstanding rights under that plan. The 1994 Employee Stock Purchase Plan provides that shares of our common stock may be purchased at a per share price equal to 85% of the fair market value of the common stock on the beginning of the offering period or a purchase date applicable to such offering period, whichever is lower.
- (2) Reflects the number of shares of common stock to be issued upon exercise of outstanding options under the 1992 Stock Option Plan, the 1994 Director Option Plan, the 2001 Stock Option Plan, the 2007 Equity Incentive Plan, the Copart, Inc. stand alone stock option award agreement dated April 14, 2009 between Copart, Inc. and Willis J. Johnson, and the Copart, Inc. stand alone stock option award agreement dated April 14, 2009 between Copart, Inc. and A. Jayson Adair.
- (3) Reflects weighted average exercise price of outstanding options under the 1992 Stock Option Plan, the 1994 Director Option Plan, the 2001 Stock Option Plan, the 2007 Equity Incentive Plan, the Copart, Inc. stand alone stock option award agreement dated April 14, 2009 between Copart, Inc. and Willis J. Johnson, and the Copart, Inc. stand alone stock option award agreement dated April 14, 2009 between Copart, Inc. and A. Jayson Adair.
- (4) Includes securities available for future issuance under the 1994 Employee Stock Purchase Plan and the 2007 Equity Incentive Plan. No securities are available for future issuance under the 2001 Stock Option Plan, 1992 Stock Option Plan and 1994 Director Option Plan.

## CERTAIN TRANSACTIONS

### Related Person Transactions

Our audit committee is responsible for the review, approval or ratification of related-person transactions between Copart and related persons. Under SEC rules, a related person is a director, officer, nominee for director or 5% shareholder of the Company since the beginning of the last fiscal year and his or her immediate family members.

In June 2007, our audit committee adopted a written policy with respect to related person transactions. We recognize that related person transactions can present potential or actual conflicts of interest or create the appearance of a conflict of interest. Accordingly, we prefer to avoid related person transactions. This written policy governs the review and approval process of any transaction, arrangement or relationship in which we are a participant, the amount involved exceeds \$120,000, and a related person has a direct or indirect material interest. If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a related person transaction, he or she must report the proposed related person transaction to our General Counsel. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by our audit committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction. If advance review is not practicable, our audit committee may ratify the related person transaction. The audit committee will review ongoing related person transactions previously reviewed. As required, under rules issued by the SEC, transactions that are determined to be directly or indirectly material to us or a related person are or will be disclosed in our proxy statements.

## Edgar Filing: COPART INC - Form DEF 14A

In fiscal 2009, there were the following related-person transactions:

- (1) Willis J. and Reba J. Johnson are the owners of the real property and improvements of the Fresno, California facility and lease said premises to us for current monthly lease payments of \$14,958 under a lease dated August 1, 1992, which expires, with inclusion of all extension options, in July 2019 and contains a provision whereby we have an option exercisable in 2014 to purchase the real property and improvements at fair market value. The option to purchase the property (which is exercisable in 2014) expires in 2019. Total payments under this lease aggregated \$179,500 in fiscal 2009. We believe that the terms of this lease are no less favorable to us than could be obtained from unaffiliated third parties. Mr. Johnson is our chief executive officer and chairman.
- (2) Beginning in October 2007, we retained Brett Adair, the brother of A. Jayson Adair, our president, in a non-executive position as an independent contractor who was paid on commission for his services to us. Beginning May 2008, we entered into an employment relationship with Brett Adair in a non-executive position, at a base salary of \$125,000 per year. In fiscal 2009, Mr. Adair received a total of \$325,000 in cash compensation which included \$125,000 in salary and \$200,000 in bonus compensation.

19

---

### PROPOSAL TWO RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

#### General

Our audit committee has appointed Ernst & Young LLP as our independent registered public accounting firm to audit our financial statements for the current fiscal year ending July 31, 2010. A representative of Ernst & Young LLP is expected to be present at the 2009 Annual Meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions. Shareholder ratification of the selection of Ernst & Young LLP is not required by our bylaws or otherwise. Our audit committee is submitting the appointment of Ernst & Young LLP to the shareholders for ratification as a matter of good corporate practice.

In the event the shareholders fail to ratify the appointment of Ernst & Young LLP, the audit committee will reconsider its selection. Even if the selection of the independent registered public accounting firm is ratified by our shareholders, the audit committee may, in its discretion, direct the appointment of a different independent accounting firm at any time during the year if it feels that such a change would be in the best interests of Copart and its shareholders.

#### Auditor Fees and Services

The following table presents fees for professional services rendered for the audit of our consolidated annual financial statements by our independent registered public accounting firm, Ernst & Young LLP, for fiscal years ended July 31, 2009 and 2008. The table also includes fees billed for audit services, audit-related services, tax services and all other services rendered by Ernst & Young LLP for fiscal years ended July 31, 2009 and July 31, 2008:

Nature of Service	Fiscal Year 2009	Fiscal Year 2008
Audit Fees(1)	\$2,383,179	\$2,365,193
Audit-Related Fees(2)	83,000	196,523
Tax Fees(3)	382,379	93,758
All Other Fees(4)	0	0
Total Fees	\$2,848,558	\$2,655,474

- 
- (1) Audit fees consists of fees billed for professional services rendered for the audit of our consolidated financial statements and review of our interim consolidated financial statements included in quarterly reports and services that are normally provided in connection with statutory and regulatory filings or engagements.

## Edgar Filing: COPART INC - Form DEF 14A

- (2) Audit related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and that are not reported under Audit Fees. These services include employee benefit plan audits, accounting consultations in connection with acquisitions, attest services that are not required by statute or regulation, and consultations concerning financial accounting and reporting standards.
- (3) Tax fees consist of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state, and international tax compliance, tax audit defense, customs and duties, mergers and acquisitions, and international tax planning.
- (4) Consists of fees for products and services other than the services reported above. We did not retain Ernst & Young LLP for any other services in fiscal 2009 or 2008.

20

---

### **Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

The audit committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year. The independent registered public accounting firm and management are required to periodically report to the audit committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval. The audit committee may also pre-approve particular services on a case-by-case basis. In addition, the charter of the audit committee provides that the committee may delegate to one or more designated members the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the audit committee at its scheduled meetings.

### **Vote Required**

Ratification of the appointment of Ernst & Young LLP requires the affirmative vote of a majority of the shares present at the 2009 Annual Meeting, either in person or by proxy.

### **Recommendation of the Board of Directors**

Our board of directors unanimously recommends that shareholders vote **FOR** the ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for the fiscal year ending July 31, 2010.

### **AUDIT COMMITTEE REPORT**

*The following report of the audit committee shall not be deemed to be soliciting material or to be filed with the SEC, nor shall this information be incorporated by reference by any general statement incorporating by reference this proxy into any filing under the Securities Act of 1933, as amended, or the Securities and Exchange Act of 1934, as amended, except to the extent that we specifically incorporate this information by reference in such filing.*

The audit committee of our board of directors consisted at all times during fiscal 2009 of directors Cohan (chairman), Englander and Smith for all audit committee meetings held during fiscal year 2009 at which our quarterly and fiscal 2009 results were reviewed. None of the directors serving at any time as audit committee members is or were our officers or employees. Our audit committee believes that all of its current members are and were independent directors as defined by applicable NASDAQ Global Select Market rules and listing standards and the rules and regulations of the SEC. The board of directors has adopted a written charter for the audit committee.

The audit committee has reviewed and discussed with management and Ernst & Young LLP our audited consolidated financial statements and financial reporting processes. Our management has the primary responsibility for our financial statements and financial reporting processes, including the system of internal controls. Ernst & Young LLP, our current independent registered public accounting firm, is responsible for performing an independent audit of our consolidated financial statements and for expressing an opinion on the conformity of those financial statements with generally accepted accounting principles. The audit committee reviews and monitors these processes and receives reports from Ernst & Young LLP and management. The audit committee also discusses with Ernst & Young LLP the overall scope and plans of their audits, their evaluation of our internal controls, and the overall quality of our financial reporting processes.



The audit committee has discussed with Ernst & Young LLP those matters required to be discussed by Statement of Auditing Standards No. 61 (Communication with Audit Committees) and has also discussed with the audit committee that firm's independence from management and the Company. The audit committee has also received and reviewed the written disclosures and the letter from Ernst & Young LLP required by Independence Standard Board Standard No. 1 (Independence Discussions with Audit Committee). The audit committee has also considered whether Ernst & Young LLP's provision to us of non-audit services (such as tax-related services, due diligence procedures, and services and advice related to acquisitions) that are not otherwise prohibited by applicable

21

---

law is compatible with maintaining the independence of Ernst & Young LLP with respect to the Company and management.

Based upon the reviews, discussions and considerations referred to above, the audit committee has recommended to the board of directors that our audited financial statements be included in our Annual Report on Form 10-K for fiscal year 2009, and that Ernst & Young LLP be appointed as the independent registered public accounting firm for the Company for fiscal year 2009.

Respectfully submitted by:

The audit committee of the board of directors

Steven D. Cohan (chairman)  
Daniel J. Englander  
Thomas W. Smith

#### **FORWARD-LOOKING STATEMENTS**

This proxy statement, including the section entitled "Compensation Discussion and Analysis" set forth below, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These statements are based on our current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding actions to be taken by us in the future. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Forward-looking statements should be evaluated together with the many uncertainties that affect our business, particularly those mentioned in the section on forward-looking statements and in the risk factors in Item 1A of our Annual Report on Form 10-K for the fiscal year ended July 31, 2009, and in our periodic reports on Form 10-Q and current reports on Form 8-K as filed with the SEC.

#### **EXECUTIVE COMPENSATION**

##### **Compensation Discussion and Analysis**

##### ***Overview of Executive Compensation Programs***

This section of our proxy statement provides an overview of our executive compensation programs, the material decisions we have made with respect to each element of our executive compensation program and the material factors we considered when making those decisions. Following this discussion, you will find further information in the executive compensation tables about the compensation earned by or paid to each of our named executive officers. Our named executive officers consist of (i) our chief executive officer, (ii) our chief financial officer, and (iii) our three most highly compensated executive officers other than our chief executive officer and chief financial officer who were serving as executive officers as of July 31, 2009, the end of our 2009 fiscal year. For fiscal 2009, our named executive officers were Willis J. Johnson, our chairman and chief executive officer; William E. Franklin, our chief financial officer; A. Jayson Adair, our president; Vincent W. Mitz, our executive vice president; and David L. Bauer, our senior vice president of information technology and chief information officer.

##### ***Role of Our Compensation Committee***

The compensation committee of our board of directors administers our executive compensation programs. In carrying out its responsibilities, the committee:

communicates our executive compensation philosophies and policies to our executive officers;

participates in the continuing development of, and approves changes in, our compensation policies;

22

---

conducts an annual review to approve each element of executive compensation, taking into consideration management recommendations; and

administers our equity incentive plans, for which it retains sole authority to approve grants of awards to any of our executive officers.

The compensation committee currently consists of directors Daniel J. Englander (chairman), Steven D. Cohan and Thomas W. Smith, who were members of the committee during the entire 2009 fiscal year and who were each an independent director under the rules of the NASDAQ Global Select Market, an outside director for purposes of Section 162(m) of the Internal Revenue Code, and a non-employee director for purposes of Rule 16b-3 under the Exchange Act.

The compensation committee operates according to a charter that details its specific duties and responsibilities. A copy of the charter is available in the Investor Relations section of our corporate website at [http://www.copart.com/c2/pdf/compensation\\_cc.pdf](http://www.copart.com/c2/pdf/compensation_cc.pdf).

#### ***Role of Management in Compensation Process***

Our chief executive officer, president, chief financial officer, executive vice president and senior vice president of human resources support the compensation committee's work by providing the compensation committee with information related to our financial plans, performance assessments of our executive officers and other personnel-related data.

Each executive officer participates in our annual goal-setting and performance measurement process applicable to all employees. As part of this annual process, each executive officer proposes qualitative, individual goals and objectives for the coming fiscal year that are intended to (i) promote continuing organizational and process improvements, and (ii) contribute to our financial strength. These proposed goals are then reviewed with each executive officer, and are subsequently approved following that review, by our chief executive officer, president and executive vice president. The compensation committee does not participate in the setting of qualitative goals and objectives for our executive officers. Each officer's goals are specifically tailored to his or her function and may vary from year to year. Our chief executive officer, as the person to whom our other officers directly report, is responsible for evaluating individual officers' contributions to corporate objectives as well as their performance relative to individual objectives. Assessment of individual performance may include objective criteria, such as the execution of projects in a timely manner, but is largely subjective.

Following the end of each fiscal year and after the completion of the performance measurement process described above, our chief executive officer and president make recommendations to the compensation committee with respect to all elements of compensation for each of our executive officers other than themselves. Our compensation committee then discusses these recommendations, first with the chief executive officer and president present and then in executive session without members of management present. Members of management do not participate in final determinations of their own compensation. Our compensation committee is solely responsible for the final approval of all forms of executive compensation and, while the committee considers the recommendations of management, it does not always follow those recommendations.

Our compensation committee has the authority under its charter to engage the services of outside advisors for assistance. The compensation committee has neither relied on nor has it retained outside advisors for purposes of making determinations with respect to executive compensation.

#### ***Compensation Philosophy and Program Design***

The principal objectives of our compensation and benefits programs for executive officers are to:

attract and retain senior executive management;

motivate their performance toward corporate objectives; and

align their long-term interests with those of our shareholders.

Our compensation committee believes that maintaining and improving the quality and skills of our management team and appropriately providing incentives for their performance are critical factors that will affect the long-term value realized by our shareholders.

As further described below, compensation for our executive officers has historically consisted of four main elements: (i) base salary, (ii) cash bonus, (iii) equity-based incentive awards, and (iv) benefits and perquisites. Prior to compensation committee and subsequent shareholder approval of the equity compensation proposal for our chief executive officer and president submitted for shareholder approval in April 2009 (see Compensation of Chief Executive Officer and President below), our compensation committee had not adopted any formal or informal policies or guidelines for allocating compensation between cash and equity compensation or among different forms of non-equity compensation. The compensation committee believes that a substantial portion of an executive officer's compensation should be performance-based, whether in the form of cash bonus or equity compensation. We consider performance-based compensation to be the portion of an executive's total compensation that is determined based on (i) the executive's individual contribution to our strategic goals and operating results, as in the case of discretionary cash bonuses and equity awarded in recognition of individual performance, or (ii) our degree of success in meeting certain performance targets as established under the Executive Bonus Plan. In other words, performance-based compensation is at risk to the executive and may not be earned. Cash bonuses payable based on achievement of performance targets and stock options, where value depends in part on our future operating performance, are examples of performance-based compensation. The compensation committee believes that performance-based compensation drives business performance and aligns the interests of our executives with those of our shareholders. For instance, equity awards in the form of stock options align executive officer financial interests directly with our shareholders via stock price appreciation over the vesting period of the options. In addition, our cash bonus program helps translate our overall strategic initiatives (which are geared toward improvement in our financial strength) into daily actions, with rewards provided to employees who accomplish their goals.

Historically, we have not determined our compensation levels based on specific peer company benchmarks or analyses prepared by outside compensation consultants. Rather, our compensation committee has based its determinations on the committee's collective assessment of quantitative as well as subjective factors relating to corporate and individual performance and on the committee's experience and view of appropriate levels of compensation in light of (i) our size and operating budgets, (ii) the historically increasing geographic scope of our operations, and (iii) the responsibilities and performance of the individual officer.

Our compensation committee traditionally makes its determinations concerning base salary, cash bonuses and additional equity incentive awards annually after the end of each fiscal year, based on a review of (i) our financial performance during the prior fiscal year as measured against the operating plan approved by the board of directors for the applicable fiscal year, (ii) each individual officer's contribution toward that performance, and (iii) the recommendations of our chief executive officer and president. Although the committee has historically not identified specific financial performance targets (except in connection with the Executive Bonus Plan, as discussed below), its annual analysis has focused on quantitative factors such as trends in our revenues and earnings per share. Our compensation committee does not take a formulaic approach to setting compensation for our executive officers but does take into consideration whether or not we have met or exceeded our operating plan for a particular fiscal year when making its determinations of appropriate levels of compensation for our executive officers. The committee has also reviewed subjective factors such as the growth in the scope of our operations, our performance in effectively integrating important acquisitions and our performance in implementing key corporate strategic initiatives such as the conversion of all our North American salvage yards to a proprietary Internet-based auction service in fiscal 2004, our expansion to the United Kingdom in 2007 and our extension of our auction services to members of the general public in fiscal 2009.

Our compensation committee believes that our historic levels of executive compensation have been reasonable and appropriate in light of (i) the size of our business, both financially and operationally, (ii) the substantial contribution of our long-tenured executive team in contributing to our historical growth, and (iii) the need to retain our key executive officers who have substantial levels of industry and Copart-specific experience. With the exception of our chief financial officer, each of our named executive officers has been employed with us for over a decade and with either us or a company we acquired for tenures ranging from 17 to over 25 years. In particular,

our chief executive officer founded Copart more than 25 years ago and has overseen our growth from a single salvage yard facility in California

to 147 salvage facilities in the United States, the United Kingdom and Canada as of October 5, 2009.

**Compensation of our Chairman/Chief Executive Officer and President**

In late 2008, Willis J. Johnson, our chairman and chief executive officer, and A. Jayson Adair, our president, presented our compensation committee with a proposal for a unique compensation arrangement in which they would forego all salary and bonus compensation other than \$1.00 per year in exchange for a sizable stock option grant. In addition, they would agree to forego any additional equity incentives until the options were fully vested. The committee believed the proposal demonstrated an extraordinary senior management commitment to Copart and its shareholders and offered strong evidence of management's conviction concerning Copart's strategy and prospects.

Over the course of the next several months, members of the compensation committee, individually among themselves and in periodic meetings, further discussed management's proposal concerning equity in lieu of cash and other equity compensation. Mr. Johnson and Mr. Adair participated in several, but not all, of these discussions. Among the factors discussed and considered by the compensation committee in making its final determination were the following:

the extent to which the proposal achieved the compensation committee's objective of aligning management interests with shareholder interests;

the accounting implications and associated non-cash compensation expense of the equity proposal as compared to the cash and non-cash compensation expense that would result from continuing current compensation arrangements;

the impact of the equity proposal on our cash position relative to the anticipated impact of continuing current compensation arrangements; and

the terms and conditions of the equity incentive, including whether it consisted of stock options or restricted stock and the vesting terms and conditions of the proposed equity issuance.

Following further consideration of these and other factors, the compensation committee met and approved a stock option in lieu of cash or additional equity compensation program on March 4, 2009. Specifically, subject to shareholder approval, the compensation committee and board of directors, excluding Mr. Johnson and Mr. Adair, approved the grant of a non-qualified stock option to each of Mr. Johnson and Mr. Adair on the following terms:

<b>Number of Shares Subject to Option</b>	2,000,000 shares of Common Stock for each of Mr. Johnson and Mr. Adair
<b>Exercise Price</b>	Equal to the closing price of Copart Common Stock in trading on the Nasdaq Global Select Market on the date of grant
<b>Vesting</b>	20% of the shares become exercisable on the first anniversary of the date of grant; the balance of the shares become exercisable on a monthly basis over 48 months at the rate of 33,333 shares per month
<b>Vesting Acceleration Triggers</b>	Upon a termination of the officer's employment by Copart without Cause (as defined) before or following a change in control or resignation for Good Reason (as defined) following a change in control, the option would become fully vested
<b>Option Term</b>	10 years; provided that in the event of a voluntary termination (other than for good reason following a change-in-control) or involuntary termination for Cause at any time, to the extent vested, within twelve (12) months of the date of termination

On April 14, 2009, our shareholders (with Messrs. Johnson and Adair abstaining from the vote) approved the equity grants for our chief executive officer and president described above, and each was granted an option to purchase 2,000,000 shares of the Company's common stock

## Edgar Filing: COPART INC - Form DEF 14A

on the terms and conditions set forth, above with an exercise price of \$30.21 per share which equaled the fair market value of the Company's common stock on the date of grant. As a result, Messrs. Johnson and Adair are not eligible to be considered for any additional compensation other than their salaries of \$1 per year and appropriate benefits and perquisites during the five-year vesting term of the stock options.

### *Determination of Type of Award, Size of Award, and Exercise Price*

The compensation committee considered whether to issue the award in the form of a stock option grant as compared to restricted stock or restricted stock units, or RSUs. Restricted stock and RSUs are considered full value awards in that the shares are issued directly to the executive and, assuming the shares become vested, will result in a compensatory benefit to the executive equal to the value of the shares at the time of vesting. Even if the stock price decreases between the issuance date and the vesting date, restricted stock or RSUs will still result in a compensatory benefit to the executive. In contrast, an executive will not realize any value from a stock option grant unless the price of the underlying stock appreciates above the exercise price. Because of this feature, the compensation committee determined that a stock option grant was more appropriate to achieve the committee's objective of ensuring management incentives to increase shareholder value.

In evaluating the size of the award, the compensation committee reviewed the size of the grant relative to our outstanding common stock and also considered the accounting consequences of the grant to Copart. The compensation committee noted that, as of March 4, 2009, we had issued and outstanding approximately 83.7 million shares of our common stock and that each two million share option grant represented approximately two and four-tenths percent (2.4%) of our outstanding common stock and our fully diluted outstanding common stock, which includes our outstanding options and available option reserves. The compensation committee determined that the size of the grants was fair and reasonable given Mr. Johnson's and Mr. Adair's substantial level of experience with Copart and their unique understanding of our business model. In addition, the compensation committee determined that a sizable grant was necessary and appropriate in order to ensure the grant created appropriate incentives for the executives.

In considering the accounting consequences of the grant, the compensation committee reviewed the estimated fair value of the option grants under the Black-Scholes option pricing model, which amount would be amortized as a non-cash stock option compensation expense over the vesting term of the options. Although the fair value determined by the Black-Scholes option pricing model is subject to numerous assumptions, it is a recognized valuation methodology for valuing stock options and is the basis on which we will recognize stock option compensation expenses relating to the grants under applicable accounting rules.

The compensation committee acknowledged that Copart would incur estimated non-cash stock compensation expenses of approximately \$4,245,480 per year, per executive, over the vesting term of the options and that this amount exceeded the total compensation expense reflected in our financial statements for Mr. Johnson and Mr. Adair in recent years. Nevertheless, the committee determined that the incentive aspects of the stock options substantially outweighed any adverse accounting consequences of the option grants. In determining that the number of shares and option structure were appropriate and reasonable, notwithstanding the accounting consequences, the compensation committee considered the following factors, among others:

Accepting stock option grants in lieu of all cash compensation requires Mr. Johnson and Mr. Adair to accept substantial compensation risks relating to the price of our common stock, including systemic market risks that are unrelated to our actual operating performance. It is possible that Mr. Johnson and Mr. Adair could realize no value in connection with the stock option grants;

We will not incur the substantial cash expenses associated with base salary and cash bonuses that we have paid in recent years;

The compensation expense associated with the stock option grants does not involve the payment of cash, thus conserving cash resources in an uncertain economic climate; and

---

By obtaining shareholder approval of the grant in accordance with Section 162(m) of the Internal Revenue Code of 1986, as amended, and granting non-qualified stock options, we expect to preserve the tax deductibility of any associated income at the time of exercise.

In determining whether to grant the stock options, it was important that we would be able to fully deduct for income tax purposes any income realized by the executives in connection with the exercise of the stock options. Special rules limit the deductibility of compensation paid to our chief executive officer, Mr. Johnson, and to each of our three most highly compensated executive officers for the taxable year (other than the principal executive officer or principal financial officer), which includes Mr. Adair. Under Section 162(m) of the Internal Revenue Code, the annual compensation paid to any of these specified executives will be deductible only to the extent that it does not exceed \$1,000,000. We

## Edgar Filing: COPART INC - Form DEF 14A

structured the stock option grants so that they qualify as performance-based for purposes of Section 162(m), thereby permitting us to receive a federal income tax deduction in connection with such grants.

### *Principal Components of Executive Compensation*

Our executive compensation program consists of four principal components: (i) base salary, (ii) cash bonus, (iii) equity-based incentives, and (iv) benefits and perquisites, as further described below. As noted above, Messrs. Johnson and Adair have been granted stock options in lieu of base salary (other than \$1 per year), cash bonuses and equity-based incentives for the five-year vesting period of the stock options. However, they remain eligible to receive appropriate benefits and perquisites, as described below.

#### *(i) Base Salary*

Base salary for our executive officers reflects the scope of their respective responsibilities, seniority and competitive market factors. Salary adjustments are determined by the compensation committee, generally following its review of recommendations from the chief executive officer and president. Any adjustments are made following consideration of competitive factors, our overall financial results, our budget requirements and the committee's assessment of individual performance.

*2009 Base Salary Actions.* In August 2008, and prior to the equity grant proposal made by Messrs. Johnson and Adair described above, the committee met to review base salaries for the 2009 fiscal year and made the following base salary determinations for our named executive officers, as follows:

<u>Named Executive Officer</u>	<u>Fiscal 2008 Base Salary</u>	<u>Fiscal 2009 Base Salary</u>	<u>2008 2009 % Change</u>
Willis J. Johnson	\$750,000	\$750,000(1)	0%
William E. Franklin	\$270,000	\$300,000	11%
A. Jayson Adair	\$600,000	\$750,000(1)	25%
Vincent W. Mitz	\$375,000	\$400,000	6.67%
David L. Bauer	\$270,000	\$270,000	0%

- (1) Following shareholder approval of the equity grants to Messrs. Johnson and Adair at the special meeting of shareholders in April 2009, the compensation committee reduced the base salaries for Messrs. Johnson and Adair to \$1 per year during the five-year vesting term of the stock options.

The increase in Mr. Adair's base salary reflected his increased responsibilities with respect to our international operations, the development of new products and services, and the development and execution of our strategic plan. As noted above, his base salary was subsequently reduced to \$1 per year for the five-year vesting term of the stock options granted on April 14, 2009. The increases approved for Messrs. Franklin and Mitz of 11% and 6.67%, respectively, reflected their increased responsibilities with respect to our international operations. In particular, with our acquisition of Universal Salvage plc in the United Kingdom (UK), the geographic scope and complexity of our business has expanded substantially and our executive officers are required to continue to manage and grow our business in North America while at the same time integrating our recent UK acquisitions into our existing businesses, including our Internet auction business. The committee determined that the base salaries of Messrs. Johnson and Bauer remained competitive and appropriate and therefore no changes were warranted for fiscal year 2009.

*2010 Base Salary Actions.* In August 2009, the compensation committee met to review base salaries for the named executive officers (other than Messrs. Johnson and Adair whose base salaries have been set at \$1 per year for the five-year vesting term of their stock option grants) and determined that the base salaries of Messrs. Franklin, Mitz and Bauer remained competitive and appropriate and therefore no changes were warranted for fiscal year 2010.

#### *(ii) Cash Bonuses*

## Edgar Filing: COPART INC - Form DEF 14A

Our annual cash bonus incentive program for our officers and other employees is designed to reward performance that has furthered key corporate objectives, including financial objectives and those based on individual contributions to strategic initiatives. Our bonus program consists both of discretionary bonuses and bonuses that may be paid under the Copart, Inc. Executive Bonus Plan (the Executive Bonus Plan ) described below.

*Executive Bonus Plan.* In October 2005, our board of directors adopted the Executive Bonus Plan, which was approved by our shareholders, as amended in December 2005 and which is intended to permit the payment of bonuses that qualify as performance-based compensation under section 162(m) of the Internal Revenue Code, as amended (the Code ). A copy of the Executive Bonus Plan is attached as Exhibit 10.13 to our Current Report on Form 8-K filed with the SEC on August 3, 2006.

Under the Executive Bonus Plan, our compensation committee has the sole discretion to select the participants who are eligible to participate in a performance period under the plan. Section 162(m) of the Code limits the tax deductibility of non-performance based compensation paid to our chief executive officer and to each of the four most-highly compensated officers to \$1 million per person, unless certain requirements are satisfied. Because Mr. Johnson and Mr. Adair have historically been the only executive officers whose compensation approached the \$1 million threshold under Section 162(m), the compensation committee determined that Messrs. Johnson and Adair would be the only named executive officers eligible to participate in the plan for fiscal year 2009. Following shareholder approval of the equity grants to Messrs. Johnson and Adair, the compensation committee deemed Messrs. Johnson and Adair ineligible to be paid any bonus compensation, whether under the Executive Bonus Plan or as a discretionary bonus, during the five-year vesting term of the stock options.

*Discretionary Bonuses.* The use of a discretionary bonus program provides the compensation committee with the flexibility needed to address pay-for-performance as well as recruiting and retention goals. The amount of a discretionary bonus, if any, to be awarded to an executive officer is based on the compensation committee's review of individual and corporate performance (as described above in Compensation Philosophy and Program Design ) and the recommendations of our chief executive officer and president. The compensation committee meets in executive session without management present to make the final determination with respect to the bonus amounts to be awarded, if any.

*2009 Bonus Awards.* In August 2009, the compensation committee awarded the following discretionary bonuses to the named executive officers listed below for fiscal 2009 based on (i) individual and corporate performance, and (ii) recommendations from our chief executive officer and president:

Named Executive Officer	2009 Cash Bonus Amount
William E. Franklin	\$200,000
Vincent W. Mitz	\$400,000
David L. Bauer	\$200,000

In making its determination regarding bonuses payable to the named executive officers other than Messrs. Johnson and Adair, the compensation committee took into account the decrease in profits experienced by the Company in fiscal 2009 and decreased bonuses payable to Messrs. Franklin and Bauer by \$50,000 each from those paid in fiscal 2008. However, the compensation committee determined that Mr. Mitz would be paid a bonus equal to that paid in fiscal 2008 due to his unique abilities and responsibilities, and his position as the most senior officer of the Company other than our chief executive officer and president.

*2010 Bonus Program.* No executives have been deemed eligible to participate in the Executive Bonus Plan for the fiscal 2010 performance period beginning on August 1, 2009 and ending on July 31, 2010. All of our named executive officers other than Messrs. Johnson and Adair are eligible to participate in the Company's discretionary bonus program for the 2010 fiscal year.

### (iii) Equity-Based Incentives

*Equity Incentive Plans.* We grant equity-based incentives to certain employees, including our executive officers, in order to foster a corporate culture that aligns employee interests with shareholder interests. Other than with respect to Mr. Johnson, who has held and continues to hold a substantial equity stake in the company from the time we were founded, our equity incentive plans have provided the principal method for our executive officers to acquire an equity position in our company. Following approval by the shareholders of the option grants to Messrs. Johnson

## Edgar Filing: COPART INC - Form DEF 14A

and Adair, the compensation committee deemed each of them ineligible to be awarded any additional equity compensation other than the grants approved at the special meeting of shareholders held on April 14, 2009.

While we have not adopted any specific stock ownership guidelines for our executive officers or directors, our executive officers and directors do own a substantial portion of our common stock (see the table entitled "Security Ownership of Certain Beneficial Owners and Management" in this proxy statement). We have adopted a policy prohibiting any member of the board of directors, officer, employee, consultant or other person associated with us from trading in any interest or position relating to the future price of our securities, such as a put, call or short sale, or using our stock as collateral for margin loans.

Only our compensation committee is authorized to grant awards to our executive officers under our equity incentive plans. (For additional information about our equity award practices, see "Equity Grant Practices" below.) With respect to executive officers, our practice has been to grant options to executive officers on an annual basis as part of the annual review process immediately after the end of each fiscal year, although we have not always granted annual option awards to our executive officers. Generally, in making its determination concerning additional option grants, the compensation committee considers individual performance, competitive factors, the individual's current level of compensation and equity participation, and the recommendations of our chief executive officer and president.

To date, our equity incentive awards to executive officers have been granted primarily with time-based vesting. Our option grants typically vest over a five-year period with 20% of the shares vesting on the one-year anniversary of the date of grant and the remaining shares vesting in equal monthly installments over the remaining four years. Although our practice in recent years has been to provide equity incentives to executives in the form of stock option grants that vest over time, our compensation committee may in the future consider alternative forms of equity grants, such as performance shares, restricted stock units, restricted stock awards or other forms of equity grants as allowed under our 2007 Equity Incentive Plan, with alternative vesting strategies based on the achievement of performance milestones or financial metrics.

On August 28, 2009, as part of its annual review of executive compensation, the compensation committee determined that our named executive officers, excluding Messrs. Johnson and Adair, would be granted stock options related to their 2009 performance, taking into consideration their current levels of compensation and equity participation. The grants, as set forth below, were effective as of September 25, 2009 at an exercise price of \$32.86 per share which was the closing price of the Company's common stock on the NASDAQ Global Select Market on the date of grant.

<u>Named Executive Officer</u>	<u>Number of Option Shares</u>
William E. Franklin	50,000
Vincent W. Mitz	75,000
David Bauer	50,000

Twenty percent (20%) of the shares subject to each option will vest twelve months after the vesting commencement date and the remaining shares will vest in equal monthly installments thereafter over the following four-year period, subject to the executive officer continuing to be a service provider to the Company as of each vesting date.

*Employee Stock Purchase Plan.* In addition participation in our equity incentive plans, our executive officers are eligible to participate in the Company's employee stock purchase plan (ESPP) to the same extent as all employees. The ESPP allows employees to purchase shares of the Company's common stock at a 15% discount. Up to 10% of an employee's base salary, but not more than \$12,500 per six-month offering period, may be allocated

to the purchase of shares under the plan. Of our named executive officers, Messrs. Franklin and Bauer currently participate in the ESPP.

#### ***(iv) Benefits and Perquisites***

We provide the following benefits to our named executive officers, including Messrs. Johnson and Adair, generally on the same basis provided to our other employees: (i) health, dental and vision insurance, (ii) medical and dependent care flexible spending account, (iii) short- and long-term disability insurance, (iv) accidental death and dismemberment insurance, and (v) a 401(k) plan. The Company matches employee



## Edgar Filing: COPART INC - Form DEF 14A

contributions to the 401(k) plan at a rate of 20% of the first 15% of earnings per employee, up to a maximum of \$3,300 for fiscal year 2009.

We provide our chief executive officer and president with limited ability to use our corporate aircraft for personal purposes. The compensation committee has authorized Messrs. Johnson and Adair to use the aircraft for personal purposes for up to a total of 75 flight hours per fiscal year, to be allocated between them as they deem appropriate. Hours not used during a fiscal year may be carried over to the next fiscal year. Flight hours in excess of these amounts require the additional approval of the compensation committee. The Company values this benefit for compensation purposes on an annual basis pursuant to guidelines established by the Internal Revenue Service, and Messrs. Johnson and Adair are responsible for all taxes resulting from any deemed income arising from this benefit. In addition, we provide Messrs. Johnson, Adair and Mitz with company-owned or leased automobiles that may be used for personal purposes and Messrs. Franklin and Bauer with a monthly automobile expense allowance.

Please see the column entitled *All Other Compensation* in the Summary Compensation Table set forth in this proxy statement for the amounts attributable to each named executive officer with respect to benefits and perquisites.

### *Other Considerations:*

#### *Post-Employment Obligations*

Each of our executives is an at will employee and we are not party to written employment agreements with our named executive officers, other than with Mr. Franklin, our chief financial officer, whose agreement provides for certain payments upon involuntary termination of employment, or resignation for good reason (as defined in the agreement), under certain circumstances. In addition, we have entered into similar agreements with Thomas Wylie, our senior vice president of human resources, and Greg Tucker, our senior vice president of process improvement. The compensation committee believes the terms of these agreements are fair and reasonable and are in the best interests of the company and its shareholders. For a description of the material terms of these agreements, please see *Employment Contracts with Executive Officers* in the section entitled *Potential Payments Upon Termination or Change in Control* included in this Proxy Statement.

#### *Tax Deductibility of Compensation*

Section 162(m) of the Code limits the tax deductibility of non-performance based compensation paid to our chief executive officer and to each of our four most highly compensated officers to \$1 million per person, unless certain exemption requirements are satisfied. Exemptions to this deductibility limit may be made for various forms of performance-based compensation that are approved by our shareholders. Because our equity incentive plans and the Executive Bonus Plan have been approved by our shareholders, awards under these plans in excess of \$1 million should generally be deductible pursuant to section 162(m), provided the requirements of section 162(m) are satisfied. In fiscal 2009, we did not approve the payment of any cash bonuses to our named executive officers under the terms of Executive Bonus Plan.

#### *Section 409A of the Internal Revenue Code*

Section 409A imposes additional significant taxes in the event an executive officer, director or other service provider for the company receives deferred compensation that does not satisfy the requirements of section 409A. Although we do not maintain a traditional deferred compensation plan, section 409A may apply to certain severance arrangements and equity awards. Consequently, to assist the affected employee in avoiding additional tax and penalties under section 409A, we developed the severance arrangements described above in *Post-Employment*

30

---

Obligations to either (i) avoid the application of section 409A or, to the extent doing so is not possible, (ii) comply with the applicable section 409A requirements.

#### *Equity Grant Practices*

In June 2007, our compensation committee and board of directors adopted a policy with respect to the grant of stock options and other equity incentive awards. Among other provisions, the policy generally prohibits the grant of stock option or other equity awards to executive officers during closed trading windows (as determined in accordance with the company's insider trading policy). In addition, the equity grant policy requires that all equity awards made to executive officers be approved at meetings of the compensation committee rather than by written consent of the committee.

## Edgar Filing: COPART INC - Form DEF 14A

In compliance with our equity grant policy, the fiscal 2009 option grants to our executive officers other than Messrs. Johnson and Adair were approved at a meeting of our compensation committee which occurred during a closed trading window and the options were priced and effectively granted as of September 25, 2009, the date our trading window re-opened following the announcement of our fourth quarter and fiscal 2009 financial results. The equity grants for Messrs. Johnson and Adair were approved at a meeting of our compensation committee and subsequently approved by the shareholders at the special meeting held on April 14, 2009.

31

### COMPENSATION COMMITTEE REPORT

The compensation committee has reviewed and discussed with management the Compensation Discussion and Analysis (CD&A) contained in this proxy statement immediately above. Based on this review and discussion, the compensation committee has recommended to the board of directors that the CD&A be included in this proxy statement and incorporated into our Annual Report on Form 10-K for the fiscal year ended July 31, 2009.

#### COMPENSATION COMMITTEE

Daniel J. Englander (chairman)  
 Steven D. Cohan  
 Thomas W. Smith

#### Fiscal 2009 Summary Compensation Table

The following table sets forth information regarding all of the compensation awarded to, earned by, or paid to (i) our chief executive officer, (ii) our chief financial officer, and (iii) the three most highly compensated executive officers other than our chief executive officer and chief financial officer serving as executive officers as of July 31, 2009, the end of our 2009 fiscal year. We refer to these officers as the named executive officers.

#### SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	All Other Compensation (\$)(4)	Total (\$)
Willis J. Johnson	2009	571,155(5)		2,348,698		100,264(6)	3,020,117
<i>Chief Executive Officer</i>	2008	750,000		723,683	1,050,000	83,178	2,606,861
	2007	750,000	1,050,000	267,000		97,300	2,164,300
William E. Franklin	2009	300,000	200,000	237,618		9,300(7)	746,918
<i>Senior Vice President and Chief Financial Officer</i>	2008	270,000	250,000	224,638		8,996	753,634
	2007	270,000	250,000	114,300		7,600	641,900
A. Jayson Adair	2009	553,849(5)		2,649,841		68,080(8)	3,271,770
<i>President</i>	2008	600,000		753,556	1,050,000	22,268	2,425,824
	2007	600,000	800,000	332,600		85,400	1,818,000
Vincent W. Mitz	2009	375,000	400,000	501,283		16,112(9)	1,292,395
<i>Executive Vice President</i>	2008	375,000	400,000	353,360		16,843	1,145,203

Edgar Filing: COPART INC - Form DEF 14A

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	All Other Compensation (\$)(4)	Total (\$)
	2007	270,000	300,000	143,600		6,320	719,920
David L. Bauer*	2009	270,000	200,000	242,780		8,445(10)	721,225
Senior Vice President, Information Technology and Chief Information Officer	2008	270,000	250,000	232,288		8,320	760,608

\* Mr. Bauer was not a named executive officer for fiscal year 2007 and, in accordance with SEC guidance, no compensation information is included for fiscal year 2007.

(1) The amounts in this column represent discretionary bonuses awarded for services performed during the applicable fiscal year. Annual bonuses earned during a fiscal year are generally paid in the first quarter of the subsequent fiscal year.

32

(2) Amounts shown do not reflect compensation actually received by the named executive officers. The amounts presented are the dollars amounts of compensation expense recognized by the Company for financial statement reporting purposes for the fiscal year indicated. The amounts include compensation expense as reflected in our financial statements and calculated in accordance with SFAS No. 123(R) for awards granted through the end of the applicable fiscal year, except that the compensation expense amounts have not been reduced by the Company's estimated forfeiture rate. See Note 1, Summary of Significant Accounting Policies - Shares-Based Compensation to the Company's financial statements in its Annual Report on Form 10-K for the fiscal year ended July 31, 2009, 2008 and 2007 for additional information about the Company's accounting for share-based compensation arrangements, including the assumptions used in the Black-Scholes option-pricing model. For the number of outstanding equity awards held by the named executive officers as of July 31, 2009, see the Outstanding Equity Awards table in this proxy statement. For the proceeds actually received by the named executive officers upon exercise of stock options granted in prior years, see the Option Exercises table in this proxy statement. Each option was granted either under the 1992 Stock Option Plan, the 2001 Stock Option Plan or the 2007 Equity Incentive Plan and will become exercisable for the option shares in installments over the executive's period of service with the Company. Options vest over a five-year period from the date grant, with the first 20% vesting on the one-year anniversary of the date of grant and the remainder vesting monthly thereafter. Each option has a maximum term of 10 years, subject to earlier termination in the event of the executive's termination of employment with the Company.

(3) The compensation committee determined that Messrs. Johnson and Adair would be eligible to participate in the Company's Executive Bonus Plan for the 2009 and 2008 fiscal year. Following shareholder approval of the equity grants on April 14, 2009, the compensation committee determined that Messrs. Johnson and Adair were no longer eligible to participate in the Executive Bonus Plan for the period beginning April 13, 2009 and ending April 15, 2014. No other named executive officers were eligible to participate for the 2008 or 2009 fiscal year, and none of the executive officers was eligible to participate in the bonus plan for the 2007 fiscal year. For a description of the material terms of the Executive Bonus Plan, please see the section entitled Executive Bonus Plan in the Compensation Discussion and Analysis contained in the proxy statement.

(4) We pay 401(k) matching contributions, life and health insurance and short-term disability premiums on behalf of all of our employees, including our named executive officers. The amounts shown in this column, other than the amounts for personal use of corporate aircraft discussed below, equal the actual cost to the Company of the particular benefit or perquisite provided. Amounts in this column include the cost to the Company of a named executive officer's (i) personal use of a company-owned automobile or (ii) an automobile expense allowance.

(5) Salary paid from August 1, 2008 through April 14, 2009. Following shareholder approval on April 14, 2009 of the option awards in lieu of all cash (other than \$1 per year) and equity compensation, Messrs. Johnson and Adair will receive \$1 per year in salary for the period

## Edgar Filing: COPART INC - Form DEF 14A

beginning April 14, 2009 and ending April 14, 2014.

- (6) Includes \$85,864 related to personal use of corporate aircraft and \$14,400 related to personal use of a company-owned automobile for Mr. Johnson.
- (7) Includes \$3,300 for 401(k) matching contribution paid by Copart on behalf of Mr. Franklin and \$6,000 related to an automobile allowance.
- (8) Includes \$3,300 for 401(k) matching contribution paid by Copart on behalf of Mr. Adair, \$50,320 related to personal use of corporate aircraft and \$14,400 related to personal use of a company-owned automobile.
- (9) Includes \$1,712 for 401(k) matching contribution paid by Copart on behalf of Mr. Mitz and \$14,400 related to personal use of a company-owned automobile.
- (10) Includes \$3,225 for 401(k) matching contribution paid by Copart on behalf of Mr. Bauer and \$5,220 related to an automobile allowance.

For a description of the components of the Company's executive compensation program, including the process by which salaries and bonuses are determined, please see the section entitled "Compensation Philosophy and Program Design" in the Compensation Discussion and Analysis section of this proxy statement. In addition, please

33

---

see the section entitled "2009 Base Salary Actions" in the Compensation Discussion and Analysis section of this proxy statement for a list of the named executive officers' base salaries for fiscal year 2009.

For a description of the Company's cash bonus program, please see the section entitled "Cash Bonuses" in the Compensation Discussion and Analysis section of this proxy statement.

We are not a party to any written employment agreements with any of our named executive officers, except for an employment agreement we entered into with William E. Franklin, our senior vice president and chief financial officer, in fiscal 2004 which was subsequently amended in September 2008 to comply with section 409A of the Internal Revenue Code. For a description of the material terms of Mr. Franklin's agreement with the Company, please see the section entitled "Employment Contracts and Severance Arrangements with Executive Officers" contained in this proxy statement.

We provide our chief executive officer and president limited ability to use our corporate aircraft for personal purposes, subject to the standards and limitations described under the caption "Compensation Discussion and Analysis - Benefits and Perquisites," in this proxy statement. For purposes of the summary compensation table above, consistent with SEC guidelines, we have valued these perquisites based on the incremental cost to us. For purposes of valuing personal use of corporate aircraft, we have used a method that takes into account (i) landing/parking/flight planning services and expenses; (ii) crew travel expenses; (iii) supplies and catering; (iv) aircraft fuel and oil expenses; (v) maintenance, parts and external labor; (vi) customs, foreign permit and similar fees, if any; and (vii) passenger ground transportation. Incremental cost does not include an allocable share of the fixed costs associated with the Company's ownership of the aircraft.

### Grants of Plan-Based Awards in Fiscal 2009

The following table presents information concerning grants of plan-based awards to each of the named executive officers during the fiscal year ended July 31, 2009.

#### GRANTS OF PLAN-BASED AWARDS IN FISCAL YEAR 2009

Named Executive Officer	Grant Date	All Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/sh)	Grant Date Fair Value of Stock and Option Awards (\$)
-------------------------	------------	---	---	---

Edgar Filing: COPART INC - Form DEF 14A

		(#)(1)		
Willis J. Johnson	4/14/09	2,000,000	30.21	26,088,500
William E. Franklin				
A. Jayson Adair	9/26/08	100,000	39.55	1,697,900
	4/14/09	2,000,000	30.21	26,088,500
Vincent W. Mitz	9/26/08	40,000	39.55	679,160
David L. Bauer				

(1) All option grants vest 20% on the one-year anniversary of the grant date and 1.67% each month thereafter, subject to the executive officer's continued service to the Company on each such vesting date.

On September 25, 2009, the compensation committee granted stock options to certain named executive officers, other than Messrs. Johnson and Adair, in the amounts, at the exercise price and with the vesting schedules set forth under the heading "Principal Components of Executive Compensation - Equity Based Incentives" in the Compensation Discussion and Analysis included in this proxy statement.

34

**Outstanding Equity Awards at 2009 Fiscal Year End**

The following table presents certain information concerning equity awards held by the named executive officers at the end of the fiscal year ended July 31, 2009. This table includes unexercised and unvested option awards. Each equity grant is shown separately for each named executive officer.

Named Executive Officer	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Grant Date(1)	Option Exercise Price (\$)	Option Expiration Date
Willis J. Johnson	150,000		6/6/2001	16.93	6/6/2011
	100,000		10/21/2002	10.99	10/21/2012
	100,000		8/19/2003	8.80	8/19/2013
	74,653	25,347	10/4/2005	24.03	10/4/2015
	71,201	128,799	9/28/2007	34.39	9/28/2017
		2,000,000	4/14/2009	30.21	4/14/2019
William E. Franklin	13,999		3/15/2004	19.31	3/15/2014
	20,865	10,246	10/4/2005	24.03	10/4/2015
	16,201	33,799	9/28/2007	34.39	9/28/2017
A. Jayson Adair	13,965		3/15/2000	11.12	3/15/2010
	150,000(2)		6/6/2001	16.93	6/6/2011
	100,000(3)		10/21/2002	10.99	10/21/2012

Edgar Filing: COPART INC - Form DEF 14A

Named Executive Officer	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Grant Date(1)	Option Exercise Price (\$)	Option Expiration Date
	100,000(4)		8/19/2003	8.80	8/19/2013
	100,000		1/22/2004	18.00	1/22/2014
	74,758	25,242	10/4/2005	24.03	10/4/2015
	71,201	128,799	9/28/2007	34.39	9/28/2017
		100,000	9/26/2008	39.55	9/26/2018
		2,000,000	4/14/2009	30.21	4/14/2019
Vincent W. Mitz	9,167		10/21/2002	10.99	10/21/2012
	17,500		8/19/2003	8.80	8/19/2013
	50,000		1/22/2004	18.00	1/22/2014
	29,705	10,295	10/4/2005	24.03	10/4/2015
	34,535	65,465	9/28/2007	34.39	9/28/2017
		40,000	9/26/2008	39.55	9/26/2018
David L. Bauer	18,750		6/6/2001	16.93	6/6/2011
	34,167		10/21/2002	10.99	10/21/2012
	50,000		8/19/2003	8.80	8/19/2013
	50,000		1/22/2004	18.00	1/22/2014
	29,705	10,295	10/4/2005	24.03	10/4/2015
	16,201	33,799	9/28/2007	34.39	9/28/2017

- 
- (1) All option grants vest 20% on the one-year anniversary of the grant date and 1.67% each month thereafter, subject to the executive officer's continued service to the Company on each such vesting date.
  - (2) Exercised as to 144,094 shares on August 9, 2009.
  - (3) Exercised as to 90,500 shares on August 9, 2009.
  - (4) Exercised as to 88,637 shares on August 9, 2009.

On September 25, 2009, the compensation committee granted stock options to certain named executive officers, other than Messrs. Johnson and Adair, in the amounts, at the exercise price and with the vesting schedules

---

set forth under the heading "Principal Components of Executive Compensation - Equity Based Incentives" in the Compensation Discussion and Analysis included in this proxy statement.

**Option Exercises in Fiscal Year 2009**

## Edgar Filing: COPART INC - Form DEF 14A

The following table provides certain information concerning stock option exercises by each of the named executive officers during the fiscal year ended July 31, 2009, including the number of shares acquired upon exercise and the value realized, before payment of any applicable withholding tax and broker's commissions.

### OPTION EXERCISES IN FISCAL YEAR 2009

Named Executive Officer	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)
Willis J. Johnson		
William E. Franklin		
A. Jayson Adair	961,035	21,877,303
Vincent W. Mitz		
David L. Bauer	10,000	231,917

(1) Represents the fair market value of underlying securities on the date of exercise, less the exercise price.

In addition to the option exercises set forth above, on August 9, 2009, Mr. Adair exercised options to purchase 323,631 shares of the Company's common stock and realized \$7,720,240 in value on exercise, which represents the fair market value of the underlying securities on the date of exercise (\$36.89 per share) less the aggregate exercise prices of the options which ranged from \$8.80 per share to \$16.93 per share.

#### Pension Benefits

The Company did not maintain any defined pension or defined contribution plans, other than our tax-qualified 401(k) plan, during the fiscal year ended July 31, 2009.

#### Potential Post-Employment Payments upon Termination or Change in Control

##### *Employment Contracts and Severance Arrangements with Executive Officers*

We are not a party to any written employment agreements with any of our named executive officers, except for an employment agreement we entered into in fiscal 2004 with William E. Franklin, our senior vice president and chief financial officer. In fiscal 2003, we entered into an employment agreement with Thomas Wylie, our senior vice president of human resources, and in October 2008, we entered into an employment agreement with Greg Tucker, our senior vice president of process improvement, neither of whom is a named executive officer. Each employment agreement sets forth the base salary, bonus opportunity, stock options, benefits and the responsibilities of each position in effect at the time of execution of the agreement. In addition, each agreement requires Copart to provide compensation to these officers in the event of termination of employment under certain circumstances. The employment agreements with Messrs. Franklin and Wylie were subsequently amended in September 2008 in order to comply with section 409A of the Internal Revenue Code.

Each employment agreement with Messrs. Franklin, Wylie and Tucker provides that in the event the executive's employment is involuntarily terminated without cause or the executive resigns from his employment for good reason, such executive officer will be entitled to payment of 12 months of his then-current base salary payable after the date of termination according to a schedule that complies with section 409A of the Internal Revenue Code. Each employment agreement also provides that in the event the executive officer's employment is terminated for any reason other than as previously described, including by reason of death or disability or cause, then the

executive shall be entitled to receive severance benefits as provided under the Company's then-existing severance and benefit plans and policies at the time of termination.

In each employment agreement described above, *cause* means any of the following: (i) willful or grossly negligent failure to substantially perform his duties; (ii) commission of gross misconduct which is injurious to the Company; (iii) breach of a material provision of the employment agreement or agreements incorporated therein; (iv) material violation of a federal or state law or regulation applicable to the business of the Company; (v) misappropriation or embezzlement of Company funds or an act of fraud or dishonesty upon the Company made by the executive; (vi) conviction of, or plea of *nolo contendere* to, a felony; or (vii) continued failure to comply with directives of senior management.

In each employment agreement described above, *good reason* means the executive's resignation, if one or more of the following events shall have occurred (unless such event(s) applies generally to all senior management of the Company): without the executive's prior written consent, (i) the assignment to the executive of any duties or the reduction of the executive's duties, either of which results in a material diminution in the executive's position or responsibilities in effect immediately prior to such assignment, or the removal of the executive from such position and responsibilities; (ii) a material reduction by the Company in his base salary as in effect immediately prior to such reduction; or (iii) any material breach by the Company of any material provision of the employment agreement.

#### ***Change in Control Provisions***

The employment agreements entered into with Messrs. Franklin, Wylie and Tucker do not provide for severance payments or acceleration of vesting of equity awards in the event of a change in control. Neither does our 2001 Stock Option Plan nor our 2007 Equity Incentive Plan provide for the acceleration of outstanding options or other equity incentive awards in the event of a change in control (as defined in the plans), except in the limited circumstance where the successor corporation does not assume our outstanding options. When a successor corporation does not assume our options in the event of an acquisition or merger, the optionee shall have the right to exercise the option or stock purchase right as to all the optioned stock, including shares not otherwise vested or exercisable. The right to exercise the option or stock purchase right applies to all of our employees, including our named executive officers.

In the event of a change in control (as defined in the plans), if the awards to be granted are not assumed by the successor corporation, the compensation committee has the authority as administrator of the equity plan to accelerate the vesting of the awards.

#### ***Potential Payments upon Termination or Change in Control***

None of our executive officers has an employment or other severance agreement that provides for payment of any amount in connection with termination of employment upon a change in control of the Company, other than those payments otherwise due to Messrs. Franklin, Wylie and Tucker upon an involuntary termination or resignation for *good reason* (as defined in the agreements described above). Please see the section above entitled *Employment Contracts and Severance Agreements with Executive Officers* above for detailed descriptions of the agreements with named executive officers that govern post-employment payments and benefits. No payments are due in the event of voluntary termination of employment or termination of employment as a result of death or disability or for *cause* (as defined in the agreements described above).

Assuming the involuntary termination of employment (including resignation for *good reason*) of the named executive officers took place on July 31, 2009, no named executive officer would be entitled to receive severance payments and benefits other than those provided under the Company's then-existing severance and benefits plans at the time of termination, except Mr. Franklin who would be eligible to receive payments totaling \$300,000, the equivalent of twelve months of his 2009 base salary.

---

#### **OTHER MATTERS**

We know of no other matters to be submitted at the 2009 Annual Meeting. If any other matters properly come before the meeting, it is the intention of the persons named in the form of proxy to vote the shares they represent as the board of directors may recommend. Discretionary authority with respect to such other matters is granted by the execution of the proxy.

#### **ADJOURNMENT OF THE 2009 ANNUAL MEETING**



Edgar Filing: COPART INC - Form DEF 14A

In the event that there are not sufficient votes to approve any proposal incorporated in this proxy statement at the time of the 2009 Annual Meeting, the 2009 Annual Meeting may be adjourned in order to permit further solicitation of proxies from holders of our common stock. Proxies that are being solicited by our board of directors grant discretionary authority to vote for any adjournment, if necessary. If it is necessary to adjourn the 2009 Annual Meeting, and the adjournment is for a period of less than 45 days, no notice of the time and place of the adjourned meeting is required to be given to the shareholders other than an announcement of the time and place at the 2009 Annual Meeting. A majority of the shares represented and voting at the 2009 Annual Meeting is required to approve the adjournment, regardless of whether there is a quorum present at the annual meeting.

**ANNUAL REPORT**

A copy of our Annual Report for the fiscal year ended July 31, 2009 has been mailed, or provided electronically where permitted, concurrently with this proxy statement to all shareholders entitled to notice of, and to vote at, the 2009 Annual Meeting. The Annual Report is not incorporated into this proxy statement and is not proxy soliciting material.

For the Board of Directors  
COPART, INC.

Paul A. Styer,  
Secretary

Dated: October 15, 2009

**IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF  
PROXY MATERIALS FOR THE 2009 ANNUAL MEETING:**

The Notice and Proxy Statement and 2009 Annual Report are available free of charge at <https://materials.proxyvote.com/217204>.

Specific Internet voting instructions are also included in the proxy card.

38

**Site of the Copart, Inc. 2009 Annual Shareholder Meeting**

Directions to:

Copart, Inc.  
4665 Business Center Drive  
Fairfield, California 94534  
San Francisco Airport

From:

Exit the airport on Highway 101 Northbound toward San Francisco. As you enter San Francisco, follow the signs directing you towards the Bay Bridge. This is Interstate 80 Eastbound. Follow Interstate 80 Eastbound for approximately 40 miles. This will take you over the Bay and Carquinez Bridges. Continue east on Interstate 80 until you reach Fairfield. Once in Fairfield you will exit at Suisun Valley Road. Turn left onto Suisun Valley Road and go over the freeway. At the first set of traffic lights, turn left onto Mangels. At the next set of traffic lights, turn left onto Business Center Drive, and then go to the first building on the left at 4665 Business Center Drive.

39

C123456789

000004 000000000.000000 ext

000000000.000000 ext

000000000.000000 ext

000000000.000000 ext

000000000.000000 ext

000000000.000000 ext

MR A SAMPLE  
DESIGNATION (IF ANY)  
ADD 1  
ADD 2  
ADD 3  
ADD 4  
ADD 5  
ADD 6

**Electronic Voting Instructions**

**You can vote by Internet or telephone!**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on December 3, 2009.**

**Vote by Internet**

Log on to the Internet and go to

**[www.investorvote.com/CPRT](http://www.investorvote.com/CPRT)**

Follow the steps outlined on the secured website.

**Vote by telephone**

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.

Follow the instructions provided by the recorded message.

**U.S. Mail Voting Instructions**

Mark, sign, and date your proxy card and return it in the postage-paid envelope we have provided or return it to Copart, Inc., c/o Paul A. Styer, 4665 Business Center Drive, Fairfield, California 94534

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

**Annual Meeting Proxy Card**

**C0123456789**

**q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

q

**Proposals The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposal 2.**

1. Re-election of Directors:	For	Withhold		For	Withhold		For	Withhold	
01 - Willis J. Johnson	<input type="radio"/>	<input type="radio"/>	02 - A. Jayson Adair	<input type="radio"/>	<input type="radio"/>	03 - James E. Meeks	<input type="radio"/>	<input type="radio"/>	É
04 - Steven D. Cohan	<input type="radio"/>	<input type="radio"/>	05 - Daniel J. Englander	<input type="radio"/>	<input type="radio"/>	06 - Matt Blunt	<input type="radio"/>	<input type="radio"/>	
07 - Thomas W. Smith	<input type="radio"/>	<input type="radio"/>							
				<b>For</b>		<b>Against</b>		<b>Abstain</b>	

2. Ratify the appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for the fiscal year ending July 31, 2010.

3.

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.

**Non-Voting Items**

**Change of Address** — Please print new address below.

**Meeting Attendance**

Mark box to the right  
If you plan to attend the Annual Meeting.

**Authorized Signatures — This section must be completed for your vote to be counted. Date and Sign Below.**

Sign exactly as your name(s) appears on your stock certificate. A corporation is requested to sign its name by its President or other authorized officer, with the office held designated. Executors, administrators, trustees, etc. are requested to so indicate when signing. If stock is registered in two names, both should sign

Date (mm/dd/yyyy) Please print date below. // Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

C 1234567890

J N T

7 1 C V

0 2 3 5 3 4 1

MR A SAMPLE (THIS AREA IS SET UP TO ACCOMMODATE

140 CHARACTERS) MR A SAMPLE AND MR A SAMPLE AND

MR A SAMPLE AND MR A S A M P L E A N D M R A SAMPLE AND

MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND

<STOCK#> 013YIA

É

**q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

q

**Proxy Copart, Inc.  
Proxy for 2009 Annual Meeting of Shareholders  
December 3, 2009**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF COPART, INC.**

The undersigned shareholder of Copart, Inc. (the Company ) hereby revokes all previous proxies, acknowledges receipt of the notice of the 2009 Annual Meeting of Shareholders to be held on December 3, 2009, and the proxy statement and appoints Willis J. Johnson and Paul A. Styer or either of them, each with full power of substitution, as the proxy and attorney-in-fact of the undersigned to vote and otherwise represent all of the shares registered in the name of the undersigned at the 2009 Annual Meeting of Shareholders of the Company to be held on Thursday, December 3, 2009, at 9:00 a.m. Pacific Standard Time, at the Company s corporate headquarters located at 4665 Business Center Drive, Fairfield, California, and any adjournment thereof, with the same effect as if the undersigned were present and voting such shares on the following matters and in the following manner set forth on the reverse side.

The board of directors recommends a vote in FAVOR of the directors listed on the reverse side and a vote in FAVOR of Proposal Two. This Proxy, when properly executed, will be voted as specified on the reverse side.

**THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE SPECIFICATIONS MADE. IF NO DIRECTION IS GIVEN, THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED FOR PROPOSALS 1 AND 2 ON THE REVERSE SIDE AND AS SAID PROXIES DEEM ADVISABLE ON SUCH OTHER MATTER AS MAY PROPERLY COME BEFORE THE MEETING.**

**CONTINUED AND TO BE SIGNED ON THE REVERSE SIDE**

**SEE REVERSE SIDE**

---

**Internet and Telephone Voting Instructions**

**You can vote by telephone OR Internet! Available 24 hours a day 7 days a week!**

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

**Vote by Telephone (within  
U.S. and Canada)**

Call toll free  
1-800-652-VOTE  
(8683) in the United  
States, Canada or  
Puerto Rico any time  
on a touch tone  
telephone. There is NO  
CHARGE to you for  
the call.

Follow the simple  
instructions provided  
by the recorded  
message.

**Vote by Internet**

Go to the following web site:  
[WWW.INVESTORVOTE.COM/CPRT](http://WWW.INVESTORVOTE.COM/CPRT)

Follow the steps outlined on the  
secured website.

**U.S. Mail Voting  
Instructions**

Mark, sign and date  
your proxy card and  
return it in the  
postage-paid  
envelope we have  
provided or return it  
to Copart, Inc., c/o  
Paul A. Styer, 4665  
Business Center  
Drive, Fairfield,  
California 94534.

**If you vote by telephone or the Internet, please DO NOT mail back this proxy card.**

**Proxies submitted by telephone or the Internet must be received by 1:00 a.m., Central Time, on December 3, 2009.**

**THANK YOU FOR VOTING**

