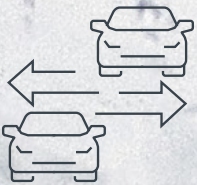




# Catastrophe Response Strategy Brief

OPERATIONAL EXECUTION



**BRIEF TWO – JULY 2020**



# Overview

Every weather catastrophe is dynamic and different. Timing, intensity, landfall location and population are just a few factors that determine the overall impact of a catastrophe. Because weather events have many constantly shifting variables, any response process must be proactive and flexible to ensure a timely and appropriate response.

IAA's Catastrophe Response Strategy provides an unmatched level of service to our customers in their greatest time of need. Over the last 10 years, IAA has invested significant research and resources in developing its industry leading catastrophe response strategy. It comprises four key areas: Operational Execution, Transportation Logistics, Real Estate Capacity and Vehicle Merchandising. We employ a continuous improvement methodology that drives our Catastrophe Response Strategy to remain superior in the market.

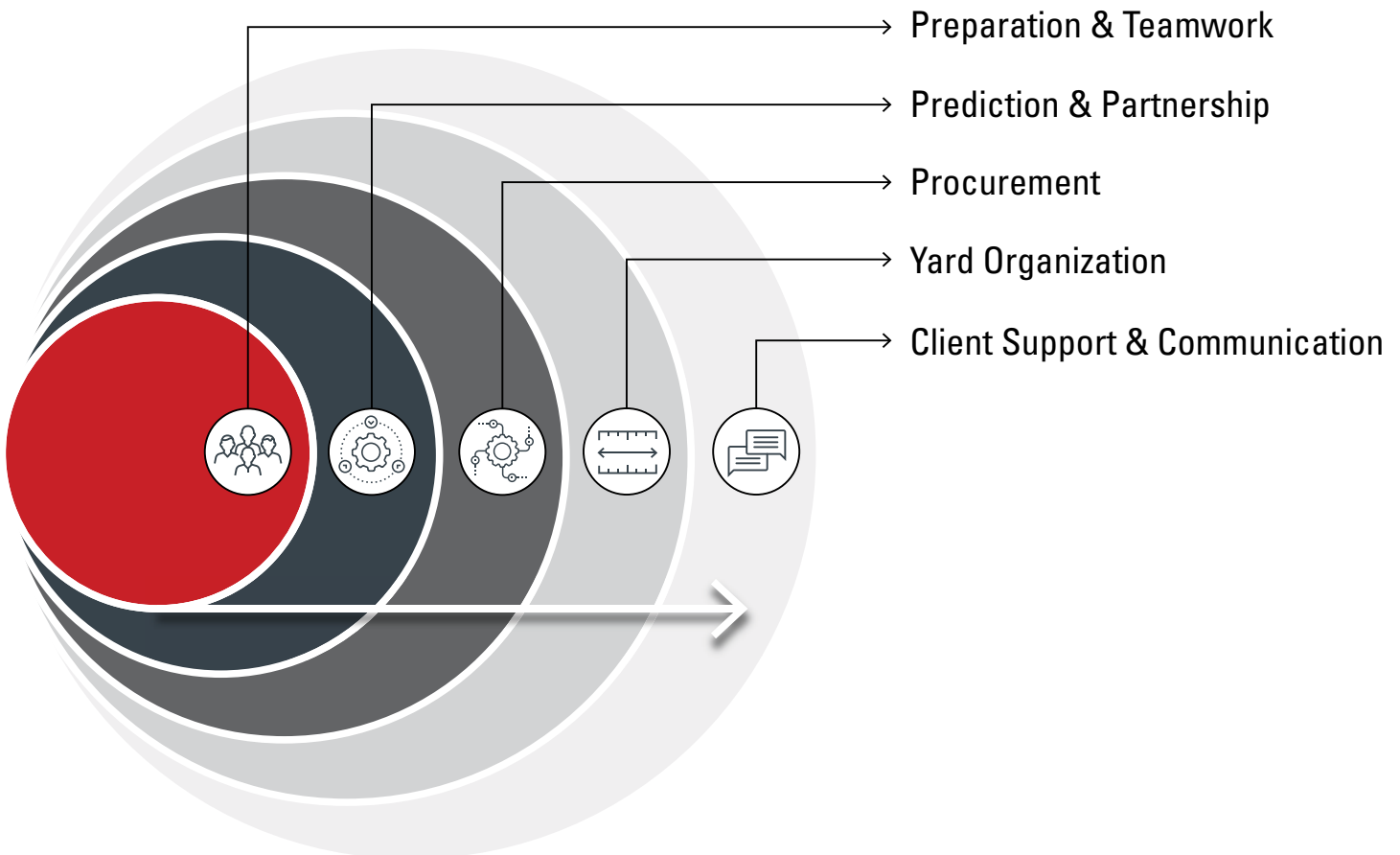


# Operational Execution

Catastrophic weather events present complex, unpredictable challenges that can have dramatic last-minute implications on where and how operations ultimately take place. Getting the right levels of personnel and equipment delivered to the right locations at the right times, under constantly changing conditions, is crucial. It requires considerable planning and resources.

In alignment with nearly all catastrophe response disciplines, IAA's Operational Execution strategy rests on a team-centric approach, leveraging five key elements: preparation and

teamwork; partnership and prediction; procurement; yard organization; and client support and communication. To ensure a strong, safe and efficient catastrophe response, IAA assembles a highly trained and prepared team whose sole focus is on catastrophe operations, and arms them with industry leading planning tools, weather and logistical data and state of the art equipment. The result is a catastrophe management discipline that is unmatched in the industry and has a long history of exceeding our customers' expectations.





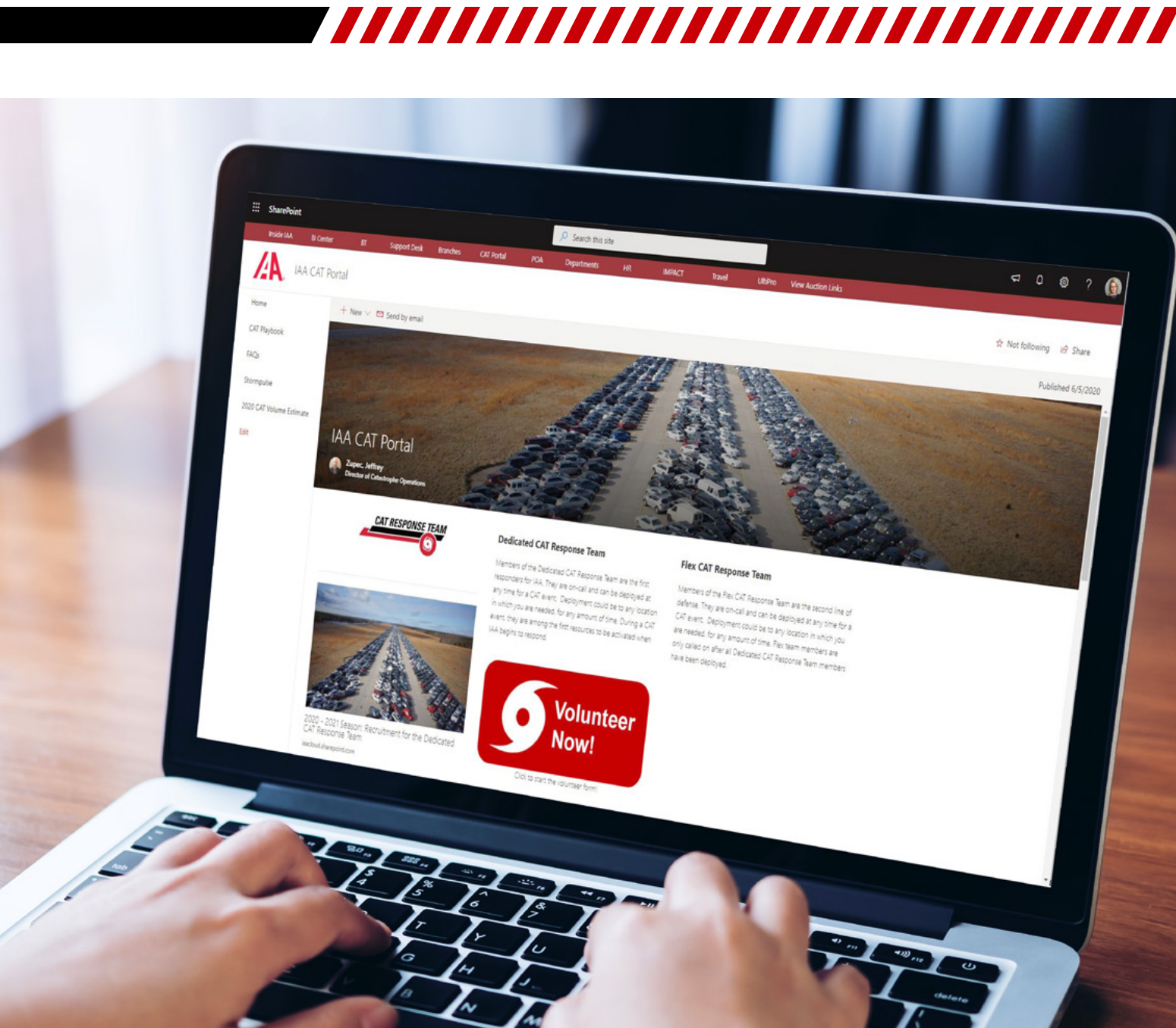
# Preparation & Teamwork

Preparation and a culture of teamwork are essential to IAA's industry-leading Catastrophe Response Strategy. Every year IAA vets hundreds of volunteers to confirm we have the best people to help in a catastrophic event. The "people" element makes the difference in our Response Strategy. Each member of the team is committed to, and excels at, helping our customers during catastrophic events.

Our dedicated Catastrophe Team is comprised of approximately 80 first responder members and an additional 125+ Flex Team members if needed. Volunteers must apply annually to be a member of the Dedicated or Flex Team. The application process supports and maintains team members training and performance during the year. In addition to the application process, each volunteer's supervisor must confirm with the Catastrophe Team Manager and sign off on their participation to ensure quality candidates.







Throughout the year, Dedicated and Flex Team members are engaged in continuous communication and education via our CAT Portal. The Portal is used to communicate with team members should a weather event be forecasted, and provides team members with resources, travel and lodging details, and schedules before and during an active catastrophe event. During the severe weather off-season, IAA continues to train and educate leveraging the CAT portal.

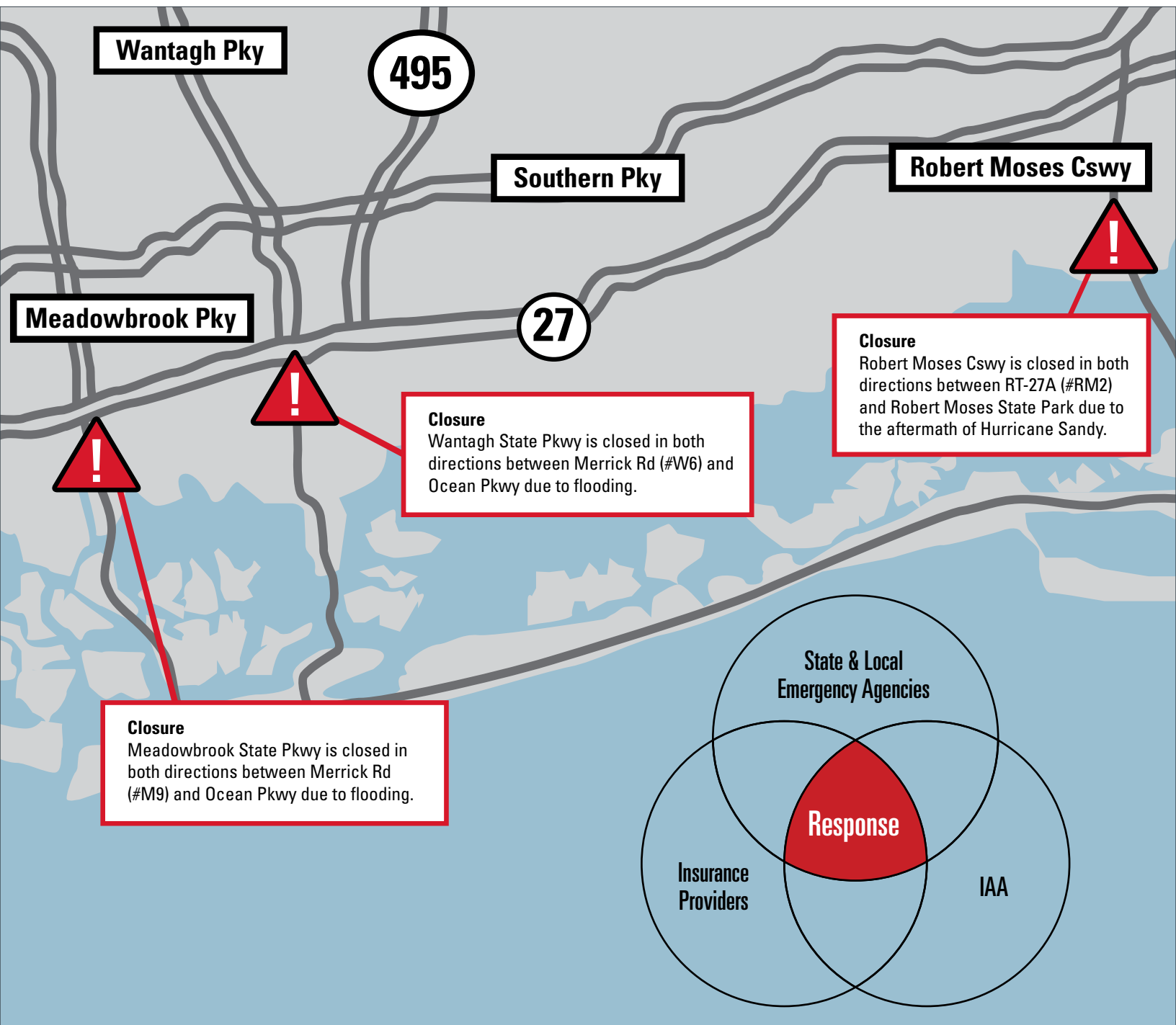
To deliver consistent catastrophe preparation, the team also conducts simulated events and exercises, typically from late winter to early spring, to practice likely scenarios and ensure that

everyone is ready to engage at a moment's notice during peak season. We model prior severe weather events to create and practice potential scenarios. Based on the severity of the weather event, IAA utilizes data models to predict the size of the event, the number of losses based on insured vehicles in the area, and related details. These dry runs are crucial to improving response times and streamlining resources and equipment procurement.

# Partnership & Prediction

The second key operational element to IAA's successful Catastrophe Response is partnerships with insurance providers, and state and local emergency management agencies. For nearly 20 years, IAA has focused on creating consistent communication and collaboration with federal, state and local level emergency management agencies. This effort has resulted in IAA's active

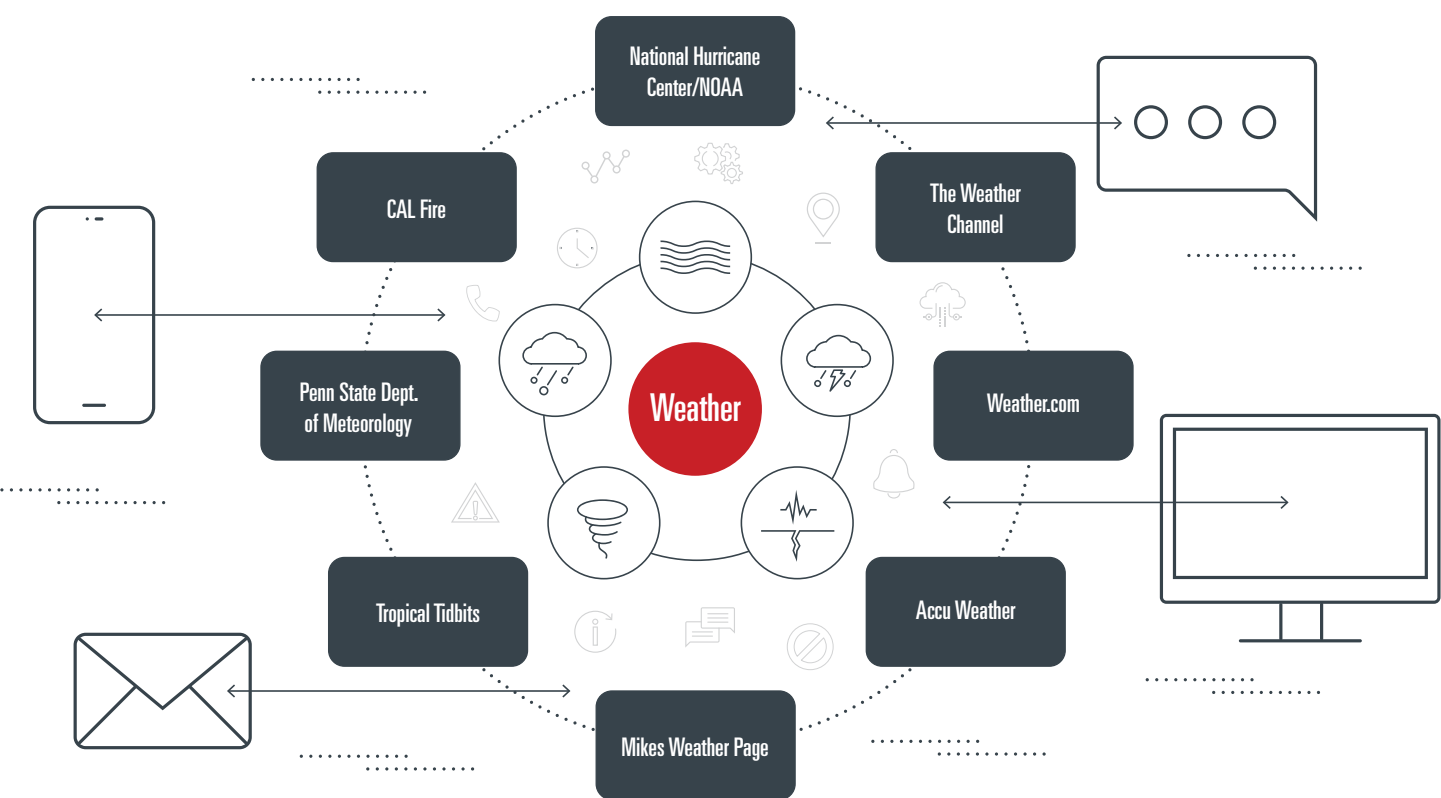
participation as a first responder in state catastrophe conferences each year. In addition, relationships with emergency management agencies provide IAA with critical information during a catastrophic weather event including road closures that enable us to operate efficiently.





During severe weather season, our Catastrophe Operations Team closely monitors all weather-related activity in the Atlantic, Pacific, Gulf of Mexico and Caribbean. We monitor weather forecasts, models and potential impact zones as storms move across the globe. IAA utilizes nearly 10 forecast services to monitor weather

movement. Each day a weather activity report is generated and reviewed to determine if or when to activate IAA's Catastrophe Response Strategy. We monitor specific categories of weather events, including hurricanes, significant rainfall/floods, tornadoes, hailstorms, blizzards and earthquakes.





# Procurement

In addition to people preparation, IAA works to procure, maintain and deliver the equipment required for operational execution. Each offseason, IAA invests in updating hardware, software and equipment to be prepared and available to service catastrophe sites. We recently updated our state-of-the-art command centers and mobile trailer fleet that allow us to deploy operation center assets where needed in the U.S.

IAA branches located within 100 miles of catastrophe-prone areas securely house catastrophe equipment, devices and PPE.

Stored devices include handhelds, laptops, printers, and tablets. This equipment is stored in rooms designed to protect and power all devices, and ensure up to date device software. Equipment, including loaders, lights, etc., designated for Catastrophe Operations are located within 100 miles of areas prone to severe weather.

Our Catastrophe Team includes a dedicated procurement resource who sources and secures any needed additional equipment ahead of a storm when landfall is likely. This enables the team to have all necessary equipment on location.





# Yard Organization

Catastrophe Operations in full flight operate up to 24 hours each day, seven days per week, depending on size and severity of the event. IAA utilizes a labor management discipline to ensure appropriate staffing across catastrophe operations. There is an established Catastrophe Operations Center housed at an IAA Branch location that acts as the hub of all activity and connects all additional storage locations. Hired security provides around the clock surveillance of assets, allowing transportation operations to operate 24-7.

IAA takes a customer-focused, smart approach to organizing its branches and storage yards during catastrophe events. The key goals are to ensure well-planned yard flow and accessible vehicle inventory. IAA leverages its branch inventory organization model in catastrophe storage yards. This translates to catastrophe storage facilities having easy entry and exit designs, locations near highways, safety for appraisers/adjusters, and vehicle organization that is in alignment with customer needs.



The location of yards, the organization of vehicles, and the accessibility to customer assets is critical to provide an efficient response process. Storage yards need to be close to the actual event to minimize the time required to transport vehicles, and to decrease travel time incurred by/spent by adjusters and appraisers. Part of IAA's strategy is to organize storage yards by

seller-customer to reduce the need for insurance staff to search through vast, unorganized locations for their vehicle units. IAA uses their standard vehicle storage structure and spacing within catastrophe storage yards to ensure adjusters can perform their duties safely and efficiently.



IAA has a fleet of mobile catastrophe trailers that act as the hub of operations for remote storage yards. These units are agile, easily moved, and designed to fully manage operations from a storage facility. The foundation of our catastrophe response strategy focuses on flexibility given the unpredictable nature of weather events. Large trailer units or big temporary structures are difficult to move and serve little purpose in events spanning several miles or

in large metropolitan areas like New York and Houston. In the wake of Hurricane Dorian, IAA's mobile fleet proved essential. The storm had the potential to make landfall in nearly 12 different locations and traveled over 980 miles between Deerfield Beach, FL and Hatteras, NC where it made landfall. Due to our fleet's ability to be mobile, we could follow the path of the storm and ultimately provide catastrophe services to our clients affected in North Carolina.





# Client Support & Communication

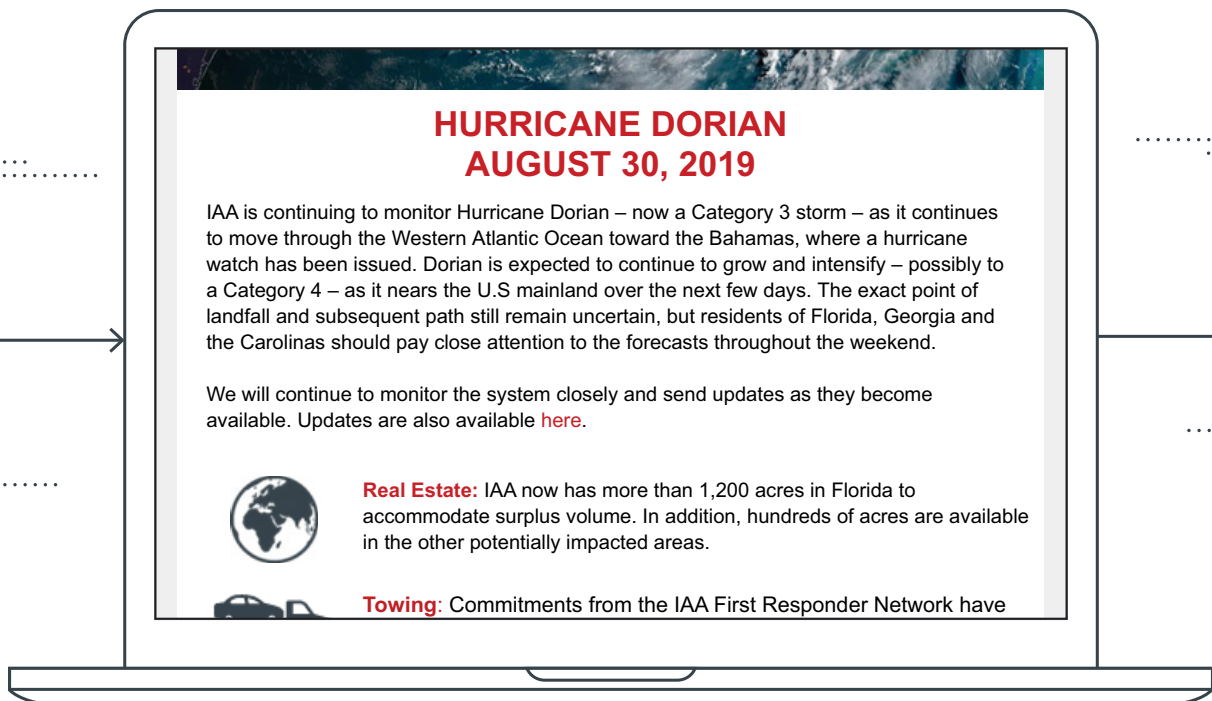
Weather events can create a dramatic increase in vehicle volume for IAA. This additional volume then creates a greater need for IAA Title Services. To manage the additional demand, IAA has increased staff working space at its title centers in catastrophe prone locations. These centers then can quickly and efficiently bring in additional staff from across the IAA organization and immediately get to work. IAA's suite of services, including IAA Title Direct™, IAA Title Procurement™, and IAA Title Solutions™ can dramatically reduce the cost and cycle time associated with the titling process. The value of these services is particularly critical after the influx of vehicles from a catastrophic event.

Throughout each CAT event, IAA makes customer and employee communication a priority. When tracking a storm, IAA summarizes storm conditions, movement and speed, and provides up-to-date information regarding our catastrophe response. Once landfall is certain, communication frequency increases to provide essential information about storage locations, staffing, towing and logistics, equipment, human resources, area accessibility and local municipality

details. IAA also provides dynamic information on its catastrophe response website page – accessible anytime, anywhere to our clients.

Each catastrophe communication sent to our clients takes into consideration the following areas:

- Account Management/Customer Support
- Human Resources
- Marketing/Communications
- Operations on the ground
- Procurement
- Real Estate
- Safety/Security
- Transportation
- Travel Coordination



# IAA Operational Execution | Competitive Advantages

- IAA has consistently delivered the industry's leading CAT service and response in all events that have occurred since Hurricane Sandy in 2012.
- IAA leads the industry in understanding and meeting customer needs around CAT events. We are continually seeking customer input before, during and after a weather catastrophe. We understand that each customer and event is unique and take a customer-focused approach in everything we do.
- IAA is a learning organization and is constantly working to grow from previous events. Our continuous improvement mindset means our customers benefit from every CAT-related experience the organization has managed. That helps improve every aspect of our industry-leading CAT response, increasing the customer's efficiency, safety, proceeds, and satisfaction.
- The entire IAA organization understands the critical importance of treating our customer's customer as our own [as if they were our own]. IAA's Account Management Team ensures every provider's customer receives fast, courteous treatment from across the organization. The high degree of expertise and experience found in CAT Response Team members support IAA's superior customer focus.
- IAA's personnel are a significant differentiator in its CAT response. They are highly trained, highly experienced CAT professionals who are dedicated and passionate about meeting customers' needs.
- Operational Execution alone cannot manage a catastrophe. IAA's Catastrophe Response Strategy consists of four components, including Operational Execution, Transportation and Logistics, Real Estate Capacity and Vehicle Merchandising – an unmatched portfolio of capabilities.



## About IAA

IAA, Inc. (NYSE: IAA) is a leading global digital marketplace connecting vehicle buyers and sellers. Leveraging leading-edge technology and focusing on innovation, IAA's unique multi-channel platform processes approximately 2.5 million total-loss, damaged and low-value vehicles annually. Headquartered near Chicago in Westchester, Illinois, IAA has nearly 4,000 talented employees and more than 200 facilities throughout the U.S., Canada and the United Kingdom. IAA serves a rapidly growing global buyer base – located throughout over 135 countries – and a full spectrum of sellers, including insurers, dealerships, fleet lease and rental car companies, and charitable organizations. Buyers have access to innovative vehicle merchandising, efficient evaluation services and digital bidding tools, enhancing the overall purchasing experience. IAA offers sellers a comprehensive suite of services aimed at maximizing vehicle value, reducing administrative costs, shortening selling cycle time and delivering the highest economic returns.





# Forward-Looking Statements

Certain statements contained in this Brief include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, statements made that are not historical facts may be forward-looking statements and can be identified by words such as “should,” “may,” “will,” “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and similar expressions. In this Brief, such forward-looking statements include statements regarding the expected timing and associated benefits of IAA’s Catastrophe Response Strategy, IAA’s Flexible Capacity Model, and the related services, products and platforms discussed in this Brief. Such statements are based on management’s current expectations, are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by these forward-looking statements. These risks and uncertainties include: uncertainties regarding the impact of the COVID-19 outbreak, and measures to prevent its spread, on our business and the economy generally; the loss of one or more significant suppliers or a reduction in significant volume from such suppliers; our ability to meet or exceed customers’ demand and expectations; significant current competition and the introduction of new competitors or other disruptive entrants in our industry; the risk that our facilities lack the capacity to accept additional vehicles and our ability to obtain land or renew/enter into new leases at commercially reasonable rates; our ability to effectively maintain or update information and technology systems; our ability to implement and maintain measures to protect against cyberattacks and comply with applicable privacy and data security requirements; our ability to successfully implement our business strategies or realize expected cost savings and revenue enhancements, including from our margin expansion program; business development activities, including acquisitions and integration of acquired businesses; our expansion into markets outside the U.S. and the operational, competitive and regulatory risks facing our non-U.S. based operations; our reliance on subhaulers and trucking fleet operations; changes in used-vehicle prices and the volume of damaged and total loss vehicles we purchase; economic conditions, including fuel prices, commodity prices, foreign exchange rates and interest rate fluctuations; trends in new- and used-vehicle sales and incentives; and other risks and uncertainties identified in our filings with the Securities and Exchange Commission (the “SEC”), including under “Risk Factors” in our Form 10-K for the year ended December 29, 2019 filed with the SEC on March 18, 2020. Additional information regarding risks and uncertainties will also be contained in subsequent annual and quarterly reports we file with the SEC. The forward-looking statements included in this Brief are made as of the date hereof, and we undertake no obligation to publicly update or revise any forward-looking statement to reflect new information or events, except as required by law.