

Conference Title: O'Reilly Automotive, Inc. – 2022 Annual Meeting

Date: Thursday, 12th May 2022

Operator: Good morning and welcome to the 2022 annual Meeting of Shareholders of O'Reilly Automotive Incorporated. I would like now to turn the conference over to Mr. Greg Henslee, chairman of the board. Please go ahead, sir.

Greg Henslee: Thank you. Good morning. My name is Greg Henslee. I'm the chairman of the board here at O'Reilly Auto Parts and want to welcome you and thank you for joining us today for our annual shareholders' meeting, which we decided to hold in a virtual-only format some time ago due to the ongoing COVID-19 pandemic. Due to this format, we will not be hosting a management presentation following the business portion of today's meeting. However, our Investor Relations team is prepared to field any questions you might have about our company and they can be contacted through our website, oreillyauto.com by clicking on Investor Relations. I'll also refer you to the shareholder letter in 10-K filing and our recently published annual report, which provides an excellent review of our 2021 performance.

2021 was quite an incredible year at O'Reilly as we faced a number of unprecedented challenges related to the pandemic. Despite the challenges we faced with appropriately staffing our locations, keeping our team members and customers that visit our stores safe from COVID, substantial product price inflation, along with product supply disruptions that we experienced. We had an absolutely incredible year posting record total sales of \$13.3 billion, a 14.8% increase over the outstanding 14.3% increase we posted in 2020. We're also happy to report that much of this sales gain flowed through to our operating margin line as we generated record operating profits of \$2.9 billion to post an all-time high annual operating profit percentage of 21.9% of sales. During the year, we invested \$443 million in new store growth and other capital projects as we continue to grow our company with the addition of 165 new stores across 40 states in the US while adding an additional three stores in Mexico. All this great work resulted in generation of \$2.5 billion in free cash flow. Another all-time record, which allowed us to continue prudent execution of our share buyback program by returning \$2.5 billion to our shareholders via buybacks in 2021.

I now like to take just a moment to recognize and thank our management team led by Greg Johnson, our Chief Executive Officer, along with all 82,000 members of team O'Reilly for their incredible work in 2021 as we dealt with the adversity brought on by the COVID pandemic. We've done an incredible job taking care of our customers and leading our industry. And I speak for all of our board of directors when I thank you for your excellent work and your commitment to

the success of our company. Thanks to your good work, we are well-positioned to continue our long record of profitable growth.

Now, I'd like to introduce you to the members of our board of directors, starting with David O'Reilly, our past chairman, and current executive vice chairman. He's been a director since 1972. Larry O'Reilly, our vice chairman, has been a director since 1969. Jay Burchfield, an independent director since 1997, is our lead director. John Murphy, an independent director in Human Capital and Compensation Committee chair, has been a director since 2003. Tom Hendrickson, who is also an independent director and our audit committee chair, has been a director since 2010. Dana Perlman is an independent director and our corporate governance and nominating committee chair has been a director since 2017. Andrea Weiss, an independent director, has been a director since 2019. Maria Sastre, an independent director, has been a director since 2020 and Fred Whitfield, an independent director, has been a director since 2021. Also, present telephonically and available to respond to questions are Scott McVicker and Matt Winger, representatives of our independent public accountants, Ernst & Young LLP.

So at this point, we'll transition to the business portion of the meeting. I will preside as chairman of this meeting. I'll be assisted this morning by Jeremy Fletcher, our Executive Vice President and Chief Financial Officer, and also Julie Gray, our Vice president of Corporate Services and Corporate Secretary. Posted on the web portal for this meeting is the meeting agenda and the rules of conduct. We ask that you abide by these rules to be fair to the other shareholders and so that we can conduct an orderly meeting. Any shareholder logged into the web portal with their 16-digit control number, may ask a question or provide a comment through the web portal. All submitted questions will be addressed during the meeting if they are pertinent to the company and to the business agenda for this annual meeting. As stated in the rules of conduct, we kindly request that you limit questions or comments to a maximum of three and that they pertain to the items under discussion in the agenda. If a submitted question is not pertinent to the business agenda of the annual meeting, a representative from our Investor Relations team will reach out to the shareholder who submitted the question after the meeting has concluded. Thanks in advance for your cooperation with these rules. Please note that this meeting is being recorded and the replay will be available to the public following the conclusion of the meeting. However, no one attending is permitted to use a recording device during the meeting. The chair now officially calls this meeting to order. Jeremy Fletcher will act as secretary of the meeting and will now present proof of the due calling of the meeting.

Jeremy Fletcher: Mr. Chairman, I present the following. A copy of the printed notice of the meeting dated March 30th, 2022, stating the time, place and purpose of the meeting. A complete list

certified by Computershare Trust Company, the transfer agent for the company of the holders of the common stock of the company. As of the close of business on March 3rd, 2020 to the record date fixed by the Board of Directors for shareholders entitled to notice of and to vote at this meeting arranged in alphabetical order with the address of and number of shares held by each such holder. This list which has been opened to the inspection of the shareholders for the past ten days at the company's headquarters and will remain open to the inspection of shareholders via the web portal throughout the course of this meeting for any purpose germane to the meeting. Shows that as at the close of business on March 3rd, 2022, there were 66,296,391 shares of common stock of the company issued and outstanding. The affidavit of Julie Gray, our corporate secretary, stating that the notice of the annual meeting of shareholders, the proxy statement and proxy card together with the annual report of the company for the year ended December 31st, 2021, began mailing on March 30th, 2022 to each of the shareholders of record as of March 3rd, 2022.

Greg Henslee: Secretary is directed to incorporate a copy of the notices of meeting together with the affidavit of mailing of the notices in the minute book of the company as part of the minutes of this meeting.

Jeremy Fletcher: Mr. Chairman, there are present in person or by proxy at this meeting the holders of record at the close of business on March 3rd, 2022. Over 58 million shares of common stock of the company, which is a majority of the shares of common stock then outstanding.

Greg Henslee: By reason of the fact that the holders of record of a majority of the outstanding shares of common stock of the company entitled to vote at this meeting are present in person or by proxy, a quorum is present for all purposes. The meeting is declared lawfully and properly convened and now competent to proceed to the transaction of the business for which it has been called and as stated in the notice of the meeting and in accordance with the bylaws of the company. I present to the meeting the annual report for the company year ended December 31st, 2021, which was mailed or emailed to the shareholders of record as of March 3rd, 2022. As stated in the notice of the annual meeting, there are four proposals before the meeting.

First to elect as directors the ten nominees named in the proxy statement to hold office until the 2023 annual shareholders meeting and until his or her successor is duly elected and qualified. Second to conduct a non-binding advisory vote on the 2021 compensation of our named executive officers. And third, to ratify the appointment of Ernst & Young LLP as independent auditors for the fiscal year ending December 31st, 2022. And fourth to consider and act upon a shareholder proposal entitled Special Shareholder Meeting Improvement if properly presented at

this annual meeting today. To expedite the progress of this meeting, we would like to handle proposals one through three together followed by relevant questions and answers and comments. And then we will handle proposal four followed by relevant questions and answers and comments. The polls for voting are now open and will close shortly following the last question or comment regarding proposal four. If you've already voted and do not wish to change your vote, you do not need to vote again on the web portal. Voting on the web portal will revoke your prior proxy.

Julie Gray: On behalf of the board of directors of the company, I nominate Greg Henslee, David O'Reilly, Larry O'Reilly, Jay D. Birchfield, Thomas T. Hendrickson, John R. Murphy, Dana M. Perlman, Maria A. Sastre, Andrea M. Weiss, and Fred Whitfield to serve as directors of the company. To hold office until the 2023 annual shareholders meeting and to serve until his or her successor has been duly elected and qualified. The description of this proposal is set forth in the proxy statement.

Greg Henslee: Do we have a second?

Shareholder: I second the nomination.

Julie Gray: On behalf of the board of directors of the company, I move that the 2021 compensation of the company's named executive officers be approved. The description of this proposal is set forth in the proxy statement.

Greg Henslee: Do we have a second?

Shareholder: I second the motion.

Julie Gray: On behalf of the Board of Directors of the company. I move that the appointment of Ernst & Young as the company's independent auditors for the fiscal year ending December 31st, 2022 be ratified.

Greg Henslee: Do we have a second?

Shareholder: I second the motion.

Greg Henslee: Are there any questions or comments with regard to the motions relating to proposals one through three before this meeting?

Jeremy Fletcher: Mr. Chairman, we have a question. The question reads, are there director retirements expected in the next year? Where have the successful director nominations come from in the last five years? Have any of the board committees named a new chairman in the last year?

Greg Henslee: Okay. Well, to start there are no director retirements expected during the next year, although that could obviously change with individual personal decisions that we don't have anything planned right now. Our director nominations have typically come through a process we go through of soliciting outside candidates, through search firms and an extensive interview process with board members and management of the company. And we proceed from there and we've been very successful doing that. And during the last year, there has been no new chairman committee appointments.

Jeremy Fletcher: Mr. Chairman, that constitutes all the questions that were submitted pertinent to proposals one to three in the proxy.

Greg Henslee: Okay. We will now handle proposal four, a shareholder proposal entitled Special Shareholder Meeting Improvement. Mr. John Chevedden Will present the proposal at this annual meeting. Mr. Chevedden, you have three minutes to present your proposal. Operator, Please open Mr. Chevedden's line.

John Chevedden: Hello, this is John Chevedden. Can you hear me okay?

Greg Henslee: Yes, we can.

John Chevedden: Proposal four, a Special Shareholder Meeting Improvement. Shareholders ask our board to take the steps necessary to amend the governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting. It is important to adopt this proposal to make up for a complete lack of a shareholder right to act by written consent. Many companies provide for a shareholder right to call a special shareholder meeting and shareholder right to act by written consent. O'Reilly Automotive is incorporated in Missouri which is backwards in regard to civil rights as it does not permit a practical right for shareholders to act by written consent. Target and Southwest Airlines are companies that do not provide for a shareholder's written consent and yet provide for 10% of shares to call for a special shareholder meeting.

A more reasonable shareholder right to call for a special shareholder meeting can help make shareholder engagements meaningful. If management tends to be insincere in its shareholder engagement, a right for shareholders to call for a special meeting can make management think twice about insincerity. For instance, if there is shareholder engagement and why these three key directors get far more negative votes than our other directors, and what they can do to improve? Jay Birchfield, the lead director. John Murphy, Chair of the Management Pay Committee. Dana Pearlman, Chair of the Governance Committee. Our by-laws give no assurance that there will be any engagement with shareholders.

A more reasonable shareholder right to call for a special shareholder meeting will help ensure that management engages with shareholders in good faith because shareholders will have a viable Plan B as an alternative. Thus, management fails to address the fact that the objective of a special shareholder meeting could be to accept an offer for our stock that could involve a 33% premium over market price. Instead, management prefers to preemptively preclude the possibility of a special meeting to accept a 33% premium for our stock. Please vote yes. Special Shareholder Meeting Improvement, proposal four.

Greg Henslee: Thank you for your comments, Mr. Chevedden. Are there any questions or comments with regard to the shareholder proposal relating to proxy access?

Jeremy Fletcher: No, they're not.

Greg Henslee: Okay. Again, any shareholder who has not yet voted or wishes to change their vote may do so by clicking on the voting button on the web portal and following the instructions there. Shareholders who have sent in proxies or voted via telephone or internet and do not want to change their vote do not need to take any further action. We will pause for any final voting on these items. Okay, we'll proceed. I hereby declare the polls closed. The Secretary will now tally the votes and announce the preliminary results of the voting.

Jeremy Fletcher: Mr. Chairman, the preliminary voting results indicate that the holders of a majority of the shares of common stock represented at this meeting in person or by proxy and entitled to vote have voted. For the election of Greg Hensley, David O'Reilly, Larry O'Reilly, Jay D. Birchfield, Thomas T. Hendrickson, John R. Murphy, Dana M. Pearlman, Maria A. Sastre, Andrea M. Weiss and Fred Whitfield as directors of the company. For the approval by a non-binding advisory vote of the 2021 compensation of the company's named executive officers. For the ratification of the appointment of Ernst & Young LLP as independent auditors for the fiscal

year ending December 31st, 2022, and against the shareholder proposal entitled Special Shareholder Meeting Improvement.

Greg Henslee: Okay. Greg Henslee, David O'Riley, Larry O'Riley, Jay Birchfield, Tom Hendrickson, John Murphy, Dana Perlman, Maria Sastre, Andrea Weiss, and Fred Whitfield are hereby declared elected to serve as directors of the company until the 2023 Annual Shareholders meeting, and until his or her respective successor is duly elected and qualified. The company's Board of Directors and Human Capital and Compensation Committee will strongly consider the results of the non-binding advisory vote on the 2021 compensation of the company's named executive officers in the formation and structure of future executive compensation plans.

The appointment of Ernst & Young LLP as independent auditors is considered ratified. Proposal four, the shareholder proposal entitled, Special Shareholder Meeting Improvement, has been voted against and no further action relating to this shareholder proposal is necessary at this time. The final vote totals for each of these proposals will be filed with the United States Securities and Exchange Commission in a current report on Form 8-K within four business days and can be accessed through our website at this time. There being no other business to properly come before this meeting, the chair will introduce a motion to adjourn. Do we have such a motion?

Shareholder: I moved that the meeting be adjourned.

Greg Henslee: Do we have a second?

Shareholder: I second the motion.

Greg Henslee: There being no objection, the chair hereby declares this meeting adjourned. This concludes today's event. I would like to thank everyone for attending this year's virtual meeting of the shareholders of O'Reilly Auto Parts. If you have any further questions, please contact our Investor Relations team at (417) 829-5878 or through our website oreillyauto.com. We'll be happy to assist you. Thank you.

Operator: This conference is now concluded. You may now disconnect. Have a great day.