

Executive Stock Holding Policy

December 20, 2016

Purpose: It is a best practice for publicly traded companies to require certain senior executives to hold company stock. This practice aligns the interest of the shareholders with the interests of senior executives and has a positive effect on the stock price. The purpose of this policy is to institute this practice for Liquidity Services, Inc. (the “Company”).

Policy: All Company senior executives who are named executive officers in the Company’s annual proxy (“NEOs”) have an obligation to hold Company stock. This obligation becomes effective either January 1, 2019 for a NEO employed by the Company on January 1, 2014. For NEOs hired or identified as NEOs after January 1, 2014, this Policy becomes effective five years from their date of hire. The Chairman and Chief Executive Officer has an obligation to hold a number of shares with a value equaling 600% of his annual base salary. Those other NEOs have an obligation to hold a number of shares with a value equaling 150% of their annual base salary. Once a NEO comes into compliance with this Policy, the NEO shall be deemed to remain in compliance with the policy notwithstanding any fluctuation in stock price; provided, however, if the NEO sells any of his or her shares on which he or she originally relied to come into compliance under this Policy, the requirements of this Policy will be retested and the NEO will have 24 months in which to return to compliance.

Shares directly owned by a NEO (excluding any unvested restricted shares) and shares owned by an immediate family member will be counted as equity held by a NEO. In addition, shares held in a 401(k) plan or shares held in trust economically to benefit the NEO, or an immediate family member of the NEO, will be counted as equity held. NEOs may not purchase any financial instrument or enter into any transaction designed to hedge or offset any risk of decrease in the market value of the Company’s stock held for purposes of this Policy (including, but not limited to prepaid variable forward contracts, equity swaps, collars, or exchange funds). A NEO that has come into compliance with the Policy will be deemed to remain in compliance with the policy notwithstanding a final divorce decree assigning shares to an ex-spouse; provided, however, if the NEO sells any of his or her shares on which he or she originally relied to come into compliance and retained after the entry of the final divorce decree, the requirements of this Policy will be retested and the NEO will have 24 months in which to return to compliance.

All affected NEOs employed as of January 1, 2014 must comply with this Policy on or before January 1, 2019. All affected NEOs employed or designated as NEOs after January 28, 2014 must comply with this Policy on or before their fifth year anniversary of hiring or designation as a NEO as applicable. The Company will annually prepare a statement of holdings for each NEO. The VP, Human Resources will determine whether a NEO has met the holding obligation and report this to the Compensation Committee of the Board of Directors. If the NEO has not met the obligation, the Company will automatically set the NEO’s default election on vesting of equity awards as sell to cover taxes only and the Company will require the NEO to retain vested shares until the NEO comes into compliance. In addition, the Compensation Committee may direct additional corrective action to be taken. This corrective action may include, but is not limited to, disallowing sales of Company stock or requiring future cash bonuses to be awarded in equity. Also the Compensation Committee may, at its sole discretion, approve exceptions to this policy with individual NEOs.

Administration and Compliance: This policy initially became effective January 1, 2014 and was most recently amended and restated effective December 20, 2016. The Vice President of Human Resources is responsible for the administration of this policy. The Compensation Committee of the Board of Directors of Liquidity Services, Inc. is responsible for governance of this policy.