

Liquidity Services Director Stock Ownership Policy

May 6, 2014

Purpose: It is a best practice for publicly traded companies to require Directors to hold company stock. This practice reinforces the alignment of shareholder and Director interests. The purpose of this policy is to institute this practice for Liquidity Services, Inc.

Policy: All independent Directors of Liquidity Services will have an obligation to hold company stock. This obligation becomes effective either five years from the date of implementation of this policy, or five years after the date of the Director's appointment to the Board, whichever is later. Each Director shall have an obligation to hold a number of shares equal to five times the value of their annual cash retainer. The measurement of the director's ownership obligation shall, in the case of restricted stock, be based on the fair market value of the shares at the time of grant. In the case of shares purchased on the open market, or through the exercise of options, the measurement shall be based on the price per share paid by the Director at the time of purchase or exercise. Shares directly owned by the Director and shares owned by an immediate family member will be counted as equity held for purposes of compliance. Shares of restricted stock that have vested will count toward the holding requirement. Stock options, whether in-the-money or not, will not count toward the requirement. Directors are not permitted to purchase any financial instrument or enter into any transaction that is designed to hedge or offset any decrease in the market value of the company's stock (including, but not limited to prepaid variable forward contracts, equity swaps, collars, or exchange funds).

All Directors are required to present a statement of holdings to the Chairman on the fifth anniversary of either the policy or their appointment to the Board, whichever is later.