

**LIQUIDITY SERVICES, INC.
AUDIT COMMITTEE CHARTER**

Section One - Organization

1.1 Membership and Independence. This charter governs the operations of the Audit Committee of Liquidity Services, Inc. (“LSI” or the “Company”). The Board of Directors of LSI (the “Board” or the “Board of Directors”) shall annually appoint an Audit Committee (the “Committee”) of at least three members, consisting entirely of independent directors of the Board, and shall designate one member as chair, each based on the recommendation of the Corporate Governance and Nominating Committee. Committee members shall serve until their earlier resignation or death. The Board may remove any director from service on the Committee at any time and for any reason. For purposes hereof, members shall be considered independent as long as they satisfy all of the independence requirements for Board and audit committee members as set forth in the Listing Rules of The NASDAQ Stock Market LLC and Rule 10A-3 of the Securities Exchange Act of 1934 and determined by the Board. In addition, no member of the Committee shall have participated in the preparation of the financial statements of the Company or any of its current subsidiaries during the past three years.

1.2 Financial Expertise. Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee shall be an “audit committee financial expert,” as defined by Securities and Exchange Commission (“SEC”) rules. A person who satisfies the definition of “audit committee financial expert” will also be presumed to have financial sophistication.

1.3 Service on Outside Audit Committees. Members generally shall not serve on more than three public company audit committees simultaneously unless the Board of Directors determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. The Chair of the Audit Committee shall not serve on more than two public company audit committees simultaneously unless the Board of Directors determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

1.4 Meeting Requirements. The Committee shall meet at least quarterly. The Committee shall meet separately and periodically with management, the personnel responsible for the internal audit function, the independent auditor and the Chief Legal Officer. The Committee shall regularly meet in executive session with Company’s independent auditors and without management. The Committee shall also regularly meet in executive session without both the independent auditors and management. The Committee shall report regularly to the Board of Directors with respect to its activities.

Section Two - Purpose

2.1 Oversight Requirements. The purpose of the Committee shall be to provide assistance to the Board of Directors in fulfilling its oversight responsibility relating to: (i) the accounting and financial reporting processes of the Company, the preparation and integrity of the Company’s financial statements, and the Company’s financial statement audits; (ii) the independent auditor’s qualifications and independence; (iii) the Company’s internal controls and procedures; and (iv) the performance of the Company’s internal audit function and independent auditors.

2.2 Reporting Requirements. As applicable, the Committee shall oversee preparation of the report that the rules of the SEC require to be included in the Company’s annual proxy statement.

2.3 Use of Outside Experts. The Committee shall have the authority to retain and terminate, and the Company shall compensate at the direction of the Committee, such outside legal, accounting, or other

advisors, as the Committee considers necessary in discharging its oversight role, and the Committee shall have the authority to approve the fees and other retention terms of any such advisors.

2.4 Communication. The Committee may request any officer or employee of the Company, the Company's internal or outside legal counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall have direct access to management, internal staff, the independent auditor, the corporate compliance staff and the Company's internal and outside legal counsel, both at meetings and otherwise.

Section Three - Duties and Responsibilities

3.1 Delegation of Duties. The Board has delegated to the Committee the duties, responsibilities and powers set forth in this Charter. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for implementing and maintaining internal control over financial reporting. The independent auditors are responsible for auditing the Company's financial statements and internal control over financial reporting, and for reviewing the Company's unaudited interim financial statements.

3.2 Principal Duties. The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The following shall be the principal duties and responsibilities of the Committee. The Board may supplement these duties and responsibilities as it deems appropriate.

3.2.1 Independent Auditors. The Committee shall be directly responsible for the appointment, compensation, retention (which may be submitted for ratification by the Company's shareholders), termination and oversight of the work of the independent auditors (including resolution of disagreements between management and the auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for LSI, and the independent auditors shall report directly to the Committee.

3.2.2 Independent Auditor's Qualifications. At least annually, the Committee shall obtain and review a written report by the independent auditors describing: (i) the firm's internal quality control procedures; (ii) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities (including, without limitation, any issues raised by the Public Company Accounting Oversight Board) within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the Company or individuals in financial reporting oversight roles at the Company, that may reasonably be thought to bear on the auditors' independence (in order to assess the auditors' independence). After reviewing the foregoing report and the independent auditors' work throughout the year, the Committee shall evaluate the auditors' qualifications, performance and independence and engage in a dialogue with the auditor about its independence, including any relationships or services that may impact the auditors objectivity and independence, and shall otherwise take appropriate action to oversee the independence of the auditor. Such evaluation should include the review and evaluation of the lead partner of the independent auditors and take into account the opinions of management and the Company's personnel responsible for the internal audit function. The Committee shall determine that the independent audit firm has a process in place to address the rotation of the lead audit partner and other audit partners serving the account as required under the SEC independence rules (the lead audit partner may not serve in such capacity for more than five years).

3.2.3 Independent Auditors Approval. The Committee shall pre-approve all audit and permissible non-audit services provided by the independent auditors. The Committee shall establish policies and procedures for the pre-approval of audit and permissible non-audit services to be provided by the independent auditors. The Committee may delegate pre-approval authority to a member of the Committee.

The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.

3.2.4 Audit Scope. The Committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing and budget or compensation.

3.2.5 Auditor-Committee Communications Review Process. The Committee shall review and discuss with the independent auditors the matters required to be discussed by the independent auditors under Auditing Standard No. 1301, as adopted by the Public Company Accounting Oversight Board and amended from time to time.

3.2.6 Quarterly Review Process. The Committee shall review and discuss: (i) the quarterly financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q; and (ii) the results of the quarterly review.

3.2.7 Annual Review Process. The Committee shall review and discuss: (i) the annual audited financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the independent auditors prior to the filing of the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K); and (ii) the results of the annual audit.

3.2.8 Related Person Transactions. The Committee shall review and approve related person transactions and may establish policies and procedures for the review, approval and ratification of related person transactions. The term "related person transaction" as used in this Charter shall have the meaning set forth in Item 404 of Regulation S-K of the Securities Act of 1933. The Committee also will oversee relevant related party transactions governed by applicable accounting standards.

3.2.9 Press Releases. The Committee shall review and discuss earnings press releases, as well as corporate practices with respect to earnings press releases and financial information and earnings guidance provided to analysts and rating agencies.

3.2.10 Internal Controls and Disclosure Controls. The Committee shall review management's assessment of the effectiveness of internal control over financial reporting as of the end of the most recent fiscal year and the independent auditors' report on the Company's internal control over financial reporting. The Committee shall discuss with management, the internal auditors, and the independent auditors the adequacy and effectiveness of internal control over financial reporting, including any significant deficiencies or material weaknesses identified by management of the Company in connection with its required quarterly certifications under Section 302 of the Sarbanes-Oxley Act. In addition, the Committee shall discuss with management, the internal auditors, and the independent auditors any significant changes in internal control over financial reporting that are disclosed, or considered for disclosures, in the Company's periodic filings with the SEC. In addition, the Committee shall review and discuss the adequacy and effectiveness of the Company's disclosure controls and procedures. The Committee will also review the policies and procedures with respect to officers' expense accounts and perquisites, including use of corporate assets and consider the results of any review of these areas by the internal auditor or the independent auditor.

3.2.11 Compliance Oversight. The Committee shall oversee the Company's compliance programs with respect to legal and regulatory requirements and the Company's code of conduct and procedures to monitor compliance. At least annually, the Committee shall meet to review the implementation and effectiveness of the Company's compliance programs with the Chief Legal Officer who shall have the authority to communicate directly to the Committee, promptly, about actual and alleged violations of the Company's code of conduct, including any matters involving criminal or potential criminal conduct. The

Committee shall conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

3.2.12 Oversight of Financial Risk. The Committee shall oversee the Company's processes for assessing financial-related risks and shall review and discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. Specifically, the Committee shall periodically review and discuss with management the Company's overall hedging strategy and the use of swaps and other derivative instruments by the Company or any of its subsidiaries for hedging risks pursuant to the Company's Financial Risk Management and Hedging Policy, or otherwise. The Committee will have the authority to review and approve, at least annually, decisions by the Company (on its behalf or on behalf of any of its subsidiaries) to enter into swaps, including those that may not be subject to clearing and exchange trading and execution requirements in reliance on the "commercial end-user exception" under the Commodity Exchange Act, or other rules and regulations promulgated from time to time.

3.2.13 Oversight of Public Reporting of Cybersecurity Risks and Incidents. The Committee shall periodically consult with the Company's management to review and discuss the Company's financial reporting of cyber security risks and incidents in accordance with SEC rules.

3.2.14 Complaint Process. The Committee shall establish and oversee procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing and federal securities law matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and federal securities law matters.

3.2.15 Hiring Practices. The Committee shall set hiring policies for employees or former employees of the independent auditors that meet the SEC regulations.

3.2.16 Environmental, Social and Governance Disclosures. The Committee shall review and discuss with management the environmental, social and governance disclosures included in the Company's Annual Report on Form 10-K.

3.2.17 Budget. The Committee shall determine and receive from the Company the appropriate funding needed by the Committee for payment of: (1) compensation to the independent audit firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company; (2) compensation to any advisers employed by the Committee; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

3.2.18 Evaluation. The Committee shall perform an evaluation of its performance at least annually and shall review and reassess the adequacy of this charter at least annually and submit proposed revisions, if any, for the approval of the Board of Directors.

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While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. It is the responsibility of the Company's management to prepare consolidated financial statements that are complete and accurate and in accordance with generally accepted accounting principles, and it is the responsibility of the Company's independent accounting firm to audit those financial statements. The Committee's responsibility in this regard is one of oversight and review. The Committee does not provide any expert or other special assurance as to such financial statements concerning compliance with laws, regulations or generally accepted accounting principles. The Committee's authority, duties and responsibilities are discharged through evaluating reports given to the Committee, presentations made to the Committee and other significant financial reporting decisions reported to the Committee by management and the independent accounting firm.

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