

CORPORATE GOVERNANCE GUIDELINES OF THE BOARD OF DIRECTORS OF LKQ CORPORATION

Adopted as of August 5, 2014

Introduction

The board of directors has adopted these guidelines as a general framework to assist the board in carrying out its responsibility for the business and affairs of the corporation to be managed by or under the direction of the board. The board of directors recognizes corporate governance as a dynamic subject warranting periodic review. Accordingly, these guidelines are subject to review and change from time-to-time by the board of directors. These guidelines are not intended as binding legal obligations or inflexible requirements, and are not intended to interpret applicable laws or regulations or modify the company's certificate of incorporation or bylaws.

Board composition

Size of the board. The board of directors will periodically review the appropriate size of the board to facilitate its effective function as a governing body for the company. The company's bylaws currently provide that the authorized number of directors will be fixed by resolution of the board of directors. Each member of the board is subject to election annually by the stockholders. Candidates for director are elected by a majority vote in an uncontested election and by a plurality vote in a contested election.

Majority of independent directors. A majority of the directors serving on the board will meet the standard of director independence set forth in the NASDAQ listing standards as the same may be amended from time to time (the "listing standards"), as well as other factors not inconsistent with the listing standards that the board considers appropriate for effective oversight and decision-making by the board.

Determination of independence. The board will determine as required by the listing standards that the directors designated as independent have no material relationships to the company (either directly or with an organization in which the director is a partner, stockholder or officer, or is financially interested) that may interfere with the exercise of their independence from management and the company.

Board membership criteria. The board's policy is to encourage selection of directors who will contribute to the company's overall corporate goals. The board and the governance/nominating committee will, from time to time, review the experience and characteristics appropriate for board members and director candidates in light of the board's composition at the time, and the skills and expertise needed for effective operation of the board and its committees.

Selection, tenure and retirement of board members

Selection of board nominees. The board has overall responsibility for the selection of candidates for nomination or appointment to the board. The governance/nominating committee will recommend director candidates to the board for nomination or appointment.

Length of board service. The board, based on recommendations by the governance/nominating committee, expects to review each director's continuation on the board every year. This review will include determination of independence as well as consideration of skills, experience, number of other public and private company boards on which the individual serves, composition of the board at that time, and other criteria in the context of the needs of the company.

Change in status of board members. Directors are expected to notify the Chairperson of the Governance/Nominating Committee before accepting a seat on the board of another public corporation, in order to allow the board to conduct a review for potential conflicts and other issues. Directors who have a substantial change in their principal business or other responsibilities or association should tender their resignation from the board so that the Governance/Nominating Committee can consider whether to accept the resignation. It is the sense of the board that directors should not necessarily leave the board upon a change in such responsibilities or association; however, the Governance/Nominating Committee should have the opportunity to consider the change in evaluating the appropriate mix of skills and experience necessary for the board to perform its oversight function effectively.

Board leadership

General. The board of directors, which is elected by the stockholders, is the ultimate decision making body of the company, except with respect to those matters reserved to the stockholders. The board of directors selects the Chief Executive Officer (CEO), who is charged with the conduct of the company's business. The board acts as an advisor and counselor to the CEO and ultimately monitors his or her performance. The board also assists the CEO with the CEO's succession plan.

Management directors. The board anticipates that the company's CEO will be nominated annually to serve on the board. The board may also appoint or nominate other members of the company's management whose experience and role at the company are expected to help the board fulfill its responsibilities.

Board meetings. Meetings of and other actions by the board will be held and taken in accordance with the bylaws of the company, including provisions governing notice of meetings and waiver thereof, the number of board members required to take actions at meetings and by written consent, and other related matters.

Agenda. The Chairperson of the board will have primary responsibility for establishing the agenda for each meeting and arranging for the agenda to be sent in advance of the meeting to the directors along with appropriate written information and background materials. Each board committee, and each individual director, is encouraged to suggest items for inclusion on the agenda.

Meetings of independent directors. Independent directors will meet on a periodic basis in executive sessions without the CEO or other members of the company's management.

Chairperson and presiding independent director. The board will periodically appoint a Chairperson of the board. Both independent and management directors, including the CEO, are eligible for appointment as the Chairperson. The board may designate a lead independent director to preside at the meetings of independent directors.

Annual review. The board will conduct an annual assessment of its leadership structure to determine that the leadership structure is the most appropriate for the company at that time.

Stock ownership. The board has adopted stock ownership guidelines for all non-employee directors. Each such non-employee director is expected to own a minimum number shares of the company's common stock. The Governance/Nominating Committee periodically assesses the guidelines and directors' ownership relative to these guidelines, and makes recommendations as appropriate. The board has also established stock ownership guidelines for executive officers of the Corporation. Each executive officer is expected to own a minimum number of shares of the company's common stock, which number is based on the executive officer's position with the company. The

Governance/Nominating Committee periodically assesses the guidelines and the executive officers' ownership relative to these guidelines, and makes recommendations as appropriate.

Board compensation

Compensation. The governance/nominating committee will recommend to the board of directors compensation programs for non-employee directors, committee chairpersons, and committee members, consistent with any applicable requirements of the listing standards for independent directors and including consideration of cash and equity components of this compensation. The board will determine the form and amount of non-employee director compensation.

Board committees

Committees. The committees of the board are the audit committee, the compensation committee, and the governance/nominating committee. The board may, from time to time, establish additional committees.

Committee member selection. After considering the recommendations of the governance/nominating committee, the board will designate the members and the Chairperson of each committee, endeavoring to match the committee's function and needs for expertise with individual skills and experience of the appointees to the committee. Each member of the audit, compensation and governance/nominating committees will comply with the independence requirements of the applicable listing standards, laws and regulations.

Committee functions. Each of the audit, compensation and governance/nominating committees will have a written charter approved by the board in compliance with applicable listing standards, laws and regulations. The number and content of committee meetings and means of carrying out committee responsibilities will be determined by each committee in light of the committee's charter, the authority delegated by the board to the committee, and legal, regulatory, accounting or governance principles applicable to that committee's function. The company will afford access to the company's employees, professional advisers and other resources, if needed, to enable committee members to carry out their responsibilities.

Audit Committee financial expert/financial literacy. The audit committee should have one member that qualifies as an "audit committee financial expert" as defined by applicable rules of the Securities and Exchange Commission, and all members should be "financially literate" in accordance with the listing standards. The board will determine the qualification of an individual to serve on the audit committee as a designated "audit committee financial expert" and whether such person is "financially literate."

Director responsibilities

General responsibilities. A director is expected to discharge his or her director duties, including duties as a member of a committee on which the director serves, in good faith and in a manner the director reasonably believes to be in the best interests of the corporation.

Disclose relationships. Each independent director is expected to disclose promptly to the board any existing or proposed relationships with the company (other than service as a board member or on board committees) that could affect the independence of the director under applicable listing standards or any additional standards as may be established by the board of directors from time to time, including direct relationships between the company and the director and his or her family members, and indirect relationships between the company and any business or other organization in which the director is a general partner or manager, officer, or significant stockholder, or is materially financially interested.

Reporting and compliance systems. Based on information available to the director, each director should have the expectation that management maintains an effective system for timely reporting to the board or appropriate board committees on the following: (1) the company's financial and business plans, strategies and objectives; (2) the recent financial results and condition of the company and its business segments; (3) significant accounting, regulatory, competitive, litigation and other external issues affecting the company; and (4) systems of control that promote accurate and timely reporting of financial information to stockholders and compliance with laws and corporate policies.

Attendance. Board members are expected to devote sufficient time and attention to prepare for, attend and participate in board meetings and meetings of committees on which they serve, including advance review of meeting materials that may be circulated prior to each meeting. Board members are encouraged to attend the annual meeting of stockholders.

Access to information. The company's management will afford each board member access to the company employees and outside auditors, legal counsel and other professional advisers for any purpose reasonably related to the board's responsibilities. For proper purposes, each director is entitled to inspect the company's books and records and obtain such other data and information as the director may reasonably request and to inspect facilities as reasonably appropriate for the performance of director duties.

Confidentiality. In addition to the confidentiality requirements set forth in the Code of Ethics, each director shall maintain the confidentiality of information received by such director concerning the company (including information disclosed or discussed at board or committee meetings and other board proceedings, discussions and communications) and any other confidential information about the company that comes to such director, from whatever source, in his or her capacity as a director. Except when disclosure is specifically authorized by the board or required by law, directors shall not disclose any such confidential information to any person or entity (including members of the media, investors or other third parties) other than the directors and executive officers of the company and the independent accountants, legal counsel and financial and other advisors retained by the company. No director shall use confidential information for his or her personal benefit or to benefit persons or entities other than the company and except as authorized by the board. For purposes of these guidelines, "confidential information" includes all non-public information relating to the company, including information regarding board deliberations and discussions and the status thereof.

Independent inquiries and advisers. The board is authorized to conduct investigations, and to retain, at the expense of the company, independent legal, accounting, investment banking, or other professional advisers selected by the board, for any matters relating to the purpose or responsibilities of the board.

Reliance on information. In discharging responsibilities as a director, a director is entitled to rely in good faith on reports or other information provided by company management, independent auditors, committees of the board, and other persons as to matters the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the company.

Director orientation and education. The company has and will continue to maintain an orientation program that contains written material, oral presentations and site visits for new directors. All directors are encouraged to periodically attend, at the company's expense, director continuing education programs offered by various organizations. The company also provides ongoing director education through presentations at board and committee meetings and board briefings.

Annual evaluation. As a general matter, the board will evaluate annually its corporate governance practices in an effort to ensure that the board and its committees are functioning effectively.

Risk oversight. One of the board's objectives is to understand the principal risks associated with the company's business on an ongoing basis. It is the responsibility of management to keep the board and its committees well informed of these changing risks on a timely basis.

Management responsibilities

Management succession planning. The CEO will review with the governance/nominating committee management succession and development plans for executive officers.

Financial reporting and legal compliance. The board's governance and oversight functions do not relieve the primary responsibilities of the company's management to (1) make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) devise and maintain an effective system of internal accounting controls; (3) devise and maintain effective disclosure controls and procedures and internal controls over financial reporting; (4) prepare financial statements that are accurate and complete in all material respects and fairly present the financial condition, results of operation and cash flows of the company; and (5) devise and maintain systems, procedures and corporate culture which promote compliance with legal and regulatory requirements and the ethical conduct of the company's business.

Corporate communications. It is the policy of the company that management speaks for the company. This policy does not preclude non-employee directors from meeting with stockholders, but it is suggested that in most circumstances any such meetings be held with management present.

Communication of corporate governance guidelines. Management will include on the company's website a copy of these guidelines, copies of the charters of the audit, compensation, and governance/nominating committees and, if applicable, other key committees of the board, and a copy of the company's code of ethics.