

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**Current Report
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **February 23, 2017**

LIQUIDITY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-51813
(Commission
File Number)

52-2209244
(IRS Employer
Identification No.)

1920 L Street, N.W., 6th Floor, Washington, D.C.
(Address of principal executive offices)

20036
(Zip Code)

Registrant's telephone number, including area code **(202) 467-6868**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective as of February 23, 2017, the Company adopted forms of option and restricted stock unit grant agreements to be used in connection with the Second Amended and Restated 2006 Omnibus Long Term Incentive Plan approved by the Company's Stockholders on the same date. The forms of option and restricted stock unit agreements will be used in connection with awards to employees, including the Company's principal executive officer, principal financial officer and named executive officers. Attached hereto as Exhibit 10.1 is the form of option agreement. Attached hereto as Exhibit 10.2 is the form of restricted stock unit agreement.

Item 5.07 Submission of Matters to a Vote of Security Holders.

On February 23, 2017 Liquidity Services, Inc. (the "Company") held its 2017 Annual Meeting of Stockholders (the "Annual Meeting"), pursuant to notice duly given. The matters voted upon at the Annual Meeting and the final voting results are as follows:

1. Election of Directors.

<u>Director Nominees</u>	<u>Votes For</u>	<u>Votes Withheld</u>	<u>Broker Non-Votes</u>
Phillip A. Clough	22,145,958	2,466,615	3,470,609
George H. Ellis	23,667,867	944,706	3,470,609
Jaime Mateus-Tique	23,049,379	1,563,194	3,470,609

Each director nominee was duly elected to serve until the Annual Meeting of Stockholders in 2020 or until the director's successor has been duly elected and qualified.

2. Ratification of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal 2017.

<u>Votes For</u>	27,723,009
<u>Votes Against</u>	347,301
<u>Abstentions</u>	12,872
<u>Broker Non-Votes</u>	0

Stockholders ratified the selection of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal 2017.

3. Approval of an Advisory Resolution on Executive Compensation.

<u>Votes For</u>	23,579,810
<u>Votes Against</u>	990,640
<u>Abstentions</u>	42,123
<u>Broker Non-Votes</u>	3,470,609

Stockholders approved the advisory resolution on executive compensation.

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4. Approval of an amendment and restatement of the 2006 Omnibus Long-Term Incentive Plan to increase the authorized number of shares and to make certain other changes.

<u>Votes For</u>	20,711,198
<u>Votes Against</u>	3,864,935
<u>Abstentions</u>	36,440
<u>Broker Non-Votes</u>	3,470,609

Stockholders approved the amendment and restatement of the 2006 Omnibus Long-Term Incentive Plan to increase the authorized number of shares and to make certain other changes.

5. Advisory vote on the frequency of conducting future advisory votes on executive compensation.

<u>1 Year</u>	21,531,829
<u>2 Years</u>	13,222
<u>3 Years</u>	3,027,266
<u>Abstentions</u>	40,256
<u>Broker Non-Votes</u>	3,470,609

Stockholder approved an annual advisory vote on executive compensation.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Option Agreement
10.2	Form of Restricted Stock Unit Agreement

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LIQUIDITY SERVICES, INC.
(Registrant)

Date: February 24, 2017

By: /s/ Mark A. Shaffer

Name: Mark A. Shaffer

Title: Vice President, General Counsel and Corporate Secretary

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Option Agreement
10.2	Form of Restricted Stock Unit Agreement

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LIQUIDITY SERVICES, INC.

SECOND AMENDED AND RESTATED 2006 OMNIBUS LONG-TERM INCENTIVE PLAN

NOTICE OF STOCK OPTION GRANT

Unless otherwise defined herein, the terms defined in the Liquidity Services, Inc. Second Amended and Restated 2006 Omnibus Long-Term Incentive Plan (the "Plan") shall have the same defined meanings in this Notice of Stock Option Grant ("Notice of Grant").

The person named below (the "Optionee") has been granted an option to purchase shares of common stock, par value \$0.001, of the Company (the "Stock"), subject to the terms and conditions of the Plan, this Notice of Grant, and the attached Stock Option Agreement, as follows:

Optionee Name: []

Grant Date: []

Total Number of Shares of Stock Subject to the Option: []

Exercise Price per Share: \$[]

Total Exercise Price: \$[]

Type of Option (check one): Incentive Stock Option []
Non-qualified Stock Option []

Term/Expiration Date: []

Vesting Schedule: This Option may be exercised, in whole or in part, in accordance with Exhibit A.

In the event of a Corporate Transaction, Section 17.3 of the Plan shall determine the impact of the Corporate Transaction on this Option.

The undersigned Optionee acknowledges receipt of, and understands and agrees to, this Notice of Grant, the Stock Option Agreement, attached hereto as Exhibit B-1, and the Plan, both of which are made a part of this document. Optionee further acknowledges that as of the Grant Date, this Notice of Grant, the Stock Option Agreement, and the Plan set forth the entire

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understanding between Optionee and the Company regarding the acquisition of Stock in the Company and supersede all prior oral and written agreements on that subject with the exception of (i) options, restricted stock or other Awards previously granted and delivered to Optionee under the Plan, and (ii) the following agreements only:

Other Agreements (if any):

Optionee acknowledges that if no other agreements are listed above, no other agreements on the subject hereof exist.

Optionee further acknowledges that by his or her signature below, he or she hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Optionee pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Option via Company web site or other electronic delivery.

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OPTIONHOLDER:

LIQUIDITY SERVICES, INC.

Signature By: _____

(Print Name and Title)

(Print Name and Title)

(Date)

(Date)

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Exhibit A

[INSERT ANNUAL VESTING REQUIREMENTS]

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Exhibit B-1

TO NOTICE OF STOCK OPTION GRANT

**LIQUIDITY SERVICES, INC.
STOCK OPTION AGREEMENT**

1. **Grant of Option.** The Company hereby grants to the Optionee named in the Notice of Grant provided to said Optionee herewith (the “Optionee”) an option (the “Option”) to purchase the number of shares of Stock (“Shares”) as set forth in the Notice of Grant, at the exercise price per share set forth in the Notice of Grant (the “Exercise Price”), subject to the terms and conditions of the Plan, which is incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Option Agreement, the terms and conditions of the Plan shall prevail.

If designated in the Notice of Grant as an Incentive Stock Option (“ISO”), this Option is intended to qualify as an Incentive Stock Option under Section 422 of the Code. However, if this Option is intended to be an Incentive Stock Option, to the extent that it exceeds the \$100,000 rule of Code Section 422(d) it shall be treated as a Nonstatutory Stock Option (“NSO”).

2. **Exercise of Option.**

(a) **Right to Exercise.** This Option is exercisable only before it expires and then only in accordance with the Vesting Schedule set out in the Notice of Grant and the applicable provisions of the Plan and this Option Agreement. The minimum number of Shares with respect to which this Option may be exercised, in whole or in part, shall be the lesser of (i) 100 Shares or (ii) the maximum number of Shares available under this Option at the time of exercise. This Option may not be exercised for a fraction of a share. No portion of the Option which has not become vested and exercisable at the date of the Optionee’s termination of Service shall thereafter become vested and exercisable, except as may be otherwise provided in the Notice of Grant or as set forth in a written agreement between the Company and the Optionee.

(b) **Duration of Exercisability.** The installments provided in the Vesting Schedules set forth in the Notice of Grant are cumulative. Each such installment which becomes vested and exercisable pursuant to the Vesting Schedule set forth in the Notice of Grant shall remain vested and exercisable until it becomes unexercisable under Section 5.

(c) **Method of Exercise.** This Option is exercisable by delivery of an exercise notice, in the form attached as Exhibit B-2 (or such other form as may then be required by the Committee at the time of exercise) (the “Exercise Notice”), which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the “Exercised Shares”), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be completed by the Optionee and delivered to the Senior Stock Plan Administrator or such other person as designated by the Company from time to time. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares. The Optionee shall also be required to make adequate provision for all withholding taxes relating to the exercise as a condition to the exercise of the Option. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the payment of such aggregate Exercise Price and arrangement for the adequate provision for the withholding taxes relating to the exercise.

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(d) No Shares shall be issued pursuant to the exercise of this Option unless such issuance, exercise, and the method of payment of consideration for such Shares complies with applicable laws or the requirements of any stock exchange upon which the Shares may then be listed. Assuming

such compliance, for income tax purposes the Exercised Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Exercised Shares.

3. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) cash; or

(b) check; or

(c) by delivery (on a form prescribed by the Company) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell Stock and to deliver all or part of the sale proceeds to the Company in payment of the aggregate Exercise Price and any withholding taxes; or

(d) surrender of other shares of Stock which have a Fair Market Value on the date of the exercise equal to the aggregate Exercise Price of the shares of Stock with respect to which the Option or portion thereof is being exercised.

4. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by the Optionee. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

5. Expiration of Option. This Option will expire and may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The expiration of ten years from the Grant Date;

(b) If this Option is designated as an Incentive Stock Option and the Optionee owned (within the meaning of Section 424(d) of the Code), at the time the Option was granted, more than 10% of the total combined voting power of all classes of stock of the Company or any "subsidiary" of the Company or any "parent corporation" of the Company (each within the meaning of Section 424 of the Code), the expiration of five years from the Grant Date;

(c) The expiration of three (3) months from the date of the Optionee's termination of Service, unless the Optionee's Service is terminated for Cause or such termination occurs by reasons of the Optionee's death, Disability, or termination without Cause or for Good Reason;

(d) The expiration of one year from the date of the Optionee's termination of Service by reason of the Optionee's death, Disability or termination without Cause or for Good Reason;

(e) Except as the Board or Committee may otherwise approve, the date of the Optionee's termination of Service if the Optionee's Service is terminated for Cause. Except as the Board or Committee may otherwise approve, all rights under the Option will be forfeited and the Option will immediately expire on the date the Optionee's Service is terminated for Cause; or

(f) Such earlier date established by the Board or the Committee in accordance with the provisions of Section 17.3 of the Plan, if applicable.

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6. Notice of Disqualifying Disposition of ISO Shares. If the Optionee sells or otherwise disposes of any of the Shares acquired pursuant to an ISO on or before the later of (i) two years after the grant date, or (ii) one year after the exercise date, the Optionee shall immediately notify the Company in writing of such disposition. The Optionee agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized from such early disposition of ISO Shares by payment in cash or out of the current earnings paid to the Optionee.

7. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof. The Company may amend the terms of the Option; provided that the rights under any Option shall not be materially impaired by any such amendment except by means of a writing signed by the Company and Optionee. This agreement is governed by the internal substantive laws, but not the choice of law rules, of the State of Delaware.

8. NO GUARANTEE OF CONTINUED SERVICE. OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS AN EMPLOYEE, DIRECTOR, OR CONSULTANT AT THE WILL OF THE COMPANY (AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED AN OPTION OR PURCHASING SHARES HEREUNDER). OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS AN EMPLOYEE, DIRECTOR, OR CONSULTANT FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE WITH OPTIONEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE OPTIONEE'S RELATIONSHIP (I) AS AN EMPLOYEE AT ANY TIME, WITH OR WITHOUT CAUSE; (II) AS A CONSULTANT PURSUANT TO THE TERMS OF OPTIONEE'S AGREEMENT WITH THE COMPANY OR AN AFFILIATE; OR (III) AS A DIRECTOR PURSUANT TO THE BYLAWS OF THE COMPANY, AND ANY APPLICABLE PROVISIONS OF THE CORPORATE LAW OF THE STATE OR OTHER JURISDICTION IN WHICH THE COMPANY IS DOMICILED, AS THE CASE MAY BE.

By Optionee's signature and the signature of the Company's representative in the Notice of Stock Option Grant, Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Option Agreement. Optionee has reviewed the Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement and fully understands all

Exhibit B-2

**SECOND AMENDED AND RESTATED 2006 OMNIBUS LONG-TERM INCENTIVE PLAN
EXERCISE NOTICE**

Liquidity Services, Inc.
1920 L Street, NW, 6th Floor
Washington, DC 20036

Attention: Senior Stock Plan Administrator

1. **Exercise of Option.** Effective as of today, _____, 20____, the undersigned (“**Purchaser**”) hereby elects to purchase _____ shares (the “**Shares**”) of the Stock of Liquidity Services, Inc. (the “**Company**”) under and pursuant to the Second Amended and Restated 2006 Omnibus Long-Term Incentive Plan (the “**Plan**”) and the Stock Option Agreement dated, _____, 20____ (the “**Option Agreement**”). The total purchase price for the Shares shall be \$ _____, as required by the Option Agreement.
2. **Delivery of Payment.** Purchaser herewith delivers to the Company the full purchase price for the Shares in the form of (check one or more):
 - o Cash or check in the amount of \$ _____
 - o Delivery (on the form prescribed by the Company) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell Stock and to deliver all or part of the sale proceeds to the Company in payment of the aggregate Exercise Price and any withholding taxes; or
 - o Surrender of other shares of Stock.
3. **Representations of Purchaser.**
 - (a) Purchaser has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.
 - (b) Purchaser agrees: (i) to provide such additional documents as the Company may require pursuant to the terms of the Plan, (ii) to provide for the payment by Purchaser to the Company (in the manner designated by the Company) of the Company’s withholding obligation, if any, relating to the exercise of this Option, and (iii) if this exercise relates to an incentive stock option, to notify the Company in writing promptly after the date of any disposition of any of the shares of Common Stock issued upon exercise of this Option that occurs within two (2) years after the date of grant of this Option or within one (1) year after such shares of Company Stock are issued upon exercise of this Option.
 - (c) Purchaser hereby makes the following certifications and representations with respect to the Shares, which are being acquired by the Purchaser for his or her own account (or otherwise in compliance with applicable law) upon exercise of the Option as set forth above:
 - (i) If Purchaser is an officer and/or director of the Company, Purchaser has communicated with the Company to determine whether he or she is subject to Section 16 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and if so:
 - Purchaser has reviewed his or her transactions relative to Section 16 of the Exchange Act (“**Section 16**”);

- The Company has informed the Purchaser that the grant of the Option is exempt from Section 16(b) of the Exchange Act either because (i) it was approved by the Company’s board of directors or a committee of the board of directors that is composed solely of two (2) or more “non-employee directors” (as that term is defined in the rules issues under Section 16), or (ii) Purchaser has held the Option for six (6) months or more, and, therefore, this transaction may not be matched with a nonexempt purchase; and
- Purchaser understands that the filing of a Form 4 with the U.S. Securities and Exchange Commission will be required because of this transaction.
 - (ii) Purchaser understands that if he or she is an officer and/or director of the Company, Purchaser may be deemed an “affiliate” of the Company and is therefore subject to certain of the conditions set forth in Rule 144 of the Securities Act.
 - (iii) Purchaser further acknowledges that all certificates representing any of the Shares subject to the provisions of the Option shall have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to applicable securities laws. Purchaser agrees that the Shares are being acquired in accordance with and subject to the terms, provisions and conditions of his or her option

documents and the Plan, to all of which the Purchaser hereby expressly assents. This Agreement shall inure to the benefit of and be binding upon the Purchaser's heirs, executors, administrators, successors and assigns.

(iv) If Purchaser is selling some or all of these Shares in accordance with the terms of the Company's "sale" program, Purchaser does not have access to, nor is Purchaser aware of, any nonpublic, material information regarding the Company that could or has influenced his or her decision to sell these Shares.

(v) Purchaser hereby agrees to notify the Company upon the transfer or sale or other disposition of the shares acquired under any incentive stock option exercise and agrees to hold harmless the Company regarding the reporting of income subject to the disposition of these Shares.

(vi) Purchaser further acknowledges that he or she has received a copy of the prospectus prepared by the Company, which provides information regarding the Company, the Plan and the Shares.

(vii) Purchaser represents that he or she is entitled to exercise the Option with respect to the number of Shares that the Purchaser wishes to purchase hereby.

4. Rights as Stockholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the shares of the Company's Stock subject to the Option, notwithstanding the exercise of the Option. The Shares so acquired shall be issued to the Purchaser as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 17 of the Plan.

5. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.



6. Entire Agreement; Governing Law. The Plan and Option Agreement are incorporated herein by reference. This Agreement, the Plan and the Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This agreement is governed by the internal substantive laws, but not the choice of law rules, of the State of Delaware.

Submitted by:

Accepted by:

PURCHASER:

LIQUIDITY SERVICES INC.

(Signature)

By:
Title:

(Print Name)

(Print Name)

[Address]

Liquidity Services, Inc.
1920 L Street, N.W., 6th Floor
Washington, D.C. 20036

(Date Received)

(Date Received)





**LIQUIDITY SERVICES, INC.
SECOND AMENDED AND RESTATED 2006 OMNIBUS LONG-TERM INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT GRANT**

Unless otherwise defined herein, capitalized terms used in this Notice of Restricted Stock Unit Grant (“Notice of Grant”) have the meaning set forth in the Liquidity Services, Inc. Second Amended and Restated 2006 Omnibus Long-Term Incentive Plan (the “Plan”).

FOR GOOD AND VALUABLE CONSIDERATION, Liquidity Services, Inc. (the “Company”), hereby grants to Grantee named below the number of restricted stock units (the “Restricted Stock Units”) specified below (the “Award”). Each Restricted Stock Unit represents the right to receive one share of the Company’s common stock, par value \$0.001, upon the terms and subject to the conditions set forth in this Notice of Grant, the Plan and the Standard Terms and Conditions attached hereto as Exhibit A (the “Standard Terms and Conditions”) adopted under such Plan and provided to Grantee, each as amended from time to time. The Award is subject to the conditions set forth in this Notice of Grant, the Plan and the Standard Terms and Conditions. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Grantee:	[]
Grant Date:	[]
Number of Restricted Stock Units:	[]
Vesting Schedule:	The Restricted Stock Units subject to this Award shall vest as follows, subject to Grantee’s continuing to serve as a Service Provider through the applicable date: See <u>Exhibit B</u> .

In the event of a Corporate Transaction, Section 17.3 of the Plan shall determine the impact of the Corporate Transaction on this Award.



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By accepting this Notice of Grant, Grantee acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of this Notice of Grant, the Plan and the Standard Terms and Conditions.

GRANTEE:	LIQUIDITY SERVICES, INC.
_____	_____
Signature By:	
_____	_____
(Print Name and Title)	(Print Name and Title)
_____	_____
(Date)	(Date)



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**EXHIBIT A
LIQUIDITY SERVICES, INC.
STANDARD TERMS AND CONDITIONS FOR
RESTRICTED STOCK UNITS**

These Standard Terms and Conditions apply to any Award of Restricted Stock Units (the “Restricted Stock Units”) granted to an employee of the Company under the Liquidity Services, Inc. Second Amended and Restated 2006 Omnibus Long-Term Incentive (the “Plan”), which are evidenced by a Notice of Grant or an action of the Committee that specifically refers to these Standard Terms and Conditions. Unless otherwise defined herein, capitalized terms used in these Standard Terms and Conditions have the meaning set forth in Plan.

1. TERMS OF RESTRICTED STOCK UNITS

Liquidity Services, Inc., a Delaware corporation (the “Company”), has granted to the Grantee named in the Notice of Grant provided to said Grantee herewith (the “Notice of Grant”) an award of a number of Restricted Stock Units (the “Award”) with each Restricted Stock Unit representing the right to receive one share of the Company’s common stock, \$0.001 par value per share specified in the Notice of Grant. The Award is subject to the terms and conditions set forth in the Notice of Grant, these Standard Terms and Conditions, and the Plan, each as amended from time to time. For purposes of these Standard Terms and Conditions and the Notice of Grant, any reference to the Company shall, unless the context requires otherwise, include a reference to any Subsidiary, as such term is defined in the Plan.

2. VESTING OF RESTRICTED STOCK UNITS

The Award shall not be vested as of the Grant Date set forth in the Notice of Grant and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Notice of Grant and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become vested as described in the Notice of Grant with respect to that number of Restricted Stock Units as set forth in the Notice of Grant. Restricted Stock Units that have vested and are no longer subject to forfeiture are referred to herein as “Vested RSUs.” Restricted Stock Units awarded hereunder that are not vested and remain subject to forfeiture are referred to herein as “Unvested RSUs.” Vested RSUs shall be settled by the delivery of Stock. Notwithstanding anything contained in these Standard Terms and Conditions or the Plan to the contrary, if the Grantee’s Service terminates for any reason, any then Unvested RSUs held by the Grantee shall be forfeited and canceled as of the date of such termination of Service.

3. GRANTEE’S RIGHTS AS A STOCKHOLDER WITH RESPECT TO RESTRICTED STOCK UNITS

The Grantee shall not be, nor have any of the rights or privileges of, a stockholder of the



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Company in respect of any Restricted Stock Units unless and until shares of Stock settled for such Restricted Stock Units shall have been issued by the Company to Grantee (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). For avoidance of doubt, there shall not be any dividend or dividend equivalent rights with respect to Unvested RSUs.

4. CORPORATE TRANSACTION

In the event of a Corporate Transaction, Section 17.3 of the Plan shall determine the impact of the Corporate Transaction on this Award.

5. RESTRICTIONS ON REALES OF STOCK

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Grantee or other subsequent transfers by the Grantee of any shares of Stock issued pursuant to Vested RSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Grantee and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

6. INCOME TAXES

The Company shall not deliver shares of Stock in respect of any Vested RSUs unless and until the Grantee has made arrangements satisfactory to the Committee to satisfy applicable withholding tax obligations. Unless the Grantee pays the withholding tax obligations to the Company by cash or check in connection with the settlement of Vested RSUs, withholding shall be effected by withholding Stock issuable in connection with the settlement of the Vested RSUs (provided that shares of Stock may be withheld only to the extent that such withholding will not result in adverse accounting treatment for the Company). The Company shall have the right to deduct any taxes required to be withheld by law from any amounts paid by it to the Grantee (including, without limitation, future cash wages).

7. NON-TRANSFERABILITY OF AWARD

The Grantee understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Committee, the Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution.

8. THE PLAN AND OTHER AGREEMENTS

In addition to these Terms and Conditions, the Award shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference.



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In the event of a conflict between the terms and conditions of these Standard Terms and Condition and the Plan, the Plan controls.

Subject to the next paragraph, the Notice of Grant, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Grantee and the Company regarding the Award, and any prior agreements, commitments or negotiations concerning the Award are superseded.

9. NOT A CONTRACT FOR EMPLOYMENT.

Nothing in the Plan, in the Notice of Grant, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Grantee any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Grantee's employment at any time for any reason.

10. SEVERABILITY.

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

11. HEADINGS.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

12. FURTHER ASSURANCES.

Each party shall cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of these Standard Terms and Conditions.

13. BINDING EFFECT.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

14. ELECTRONIC DELIVERY

By executing the Notice of Grant, the Grantee hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Grantee pursuant to applicable securities laws) regarding the Company and the

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Subsidiaries, the Plan, and the Restricted Stock Units via Company web site or other electronic delivery.

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EXHIBIT B

[INSERT GRANT VESTING REQUIREMENTS]

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