

LIQUIDITY SERVICES, INC.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

I. Purpose

The purpose of the Corporate Governance and Nominating Committee (the “Corporate Governance Committee”) of the Board of Directors (the “Board”) of Liquidity Services, Inc. (the “Company”) is to:

1. Identify individuals qualified to become Board members, consistent with the criteria approved by the Board, and recommend (a) for the Board’s approval the slate of nominees to be proposed by the Board to stockholders for election to the Board and (b) director candidates for the Board’s approval to fill any vacancies on the Board, whether created by expansion, resignation, retirement or for any other reason;
2. Consider and recommend to the Board the size and composition of the Board, consider from time to time the Board committee structure and makeup, and recommend to the Board retirement policies and procedures affecting Board members; and
3. Review, evaluate and recommend corporate governance policies and practices to the Board.

II. Committee Membership

The Corporate Governance Committee shall be composed of two or more members of the Board who are “independent.” To be considered “independent,” the member must satisfy, as determined by the Board, the requirements of all applicable laws and regulations with respect to the independence of directors, including without limitation the requirements of the Securities and Exchange Commission (the “SEC”) and The NASDAQ Stock Market. Each member of the Corporate Governance Committee shall be free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Corporate Governance Committee.

The members of the Corporate Governance Committee shall be appointed annually by the Board, and, unless a Chair is elected by the full Board, the members of the Corporate Governance Committee may designate a Chair by a majority vote of the full Corporate Governance Committee membership.

III. Meetings

The Corporate Governance Committee shall meet at least three times annually and shall meet more frequently as circumstances require. The Chair shall be responsible for leadership of the Corporate Governance Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting for the Corporate Governance Committee to the Board. The Corporate Governance Committee may request any officer or employee of the Company, or any outside advisor, to attend a meeting of the Corporate Governance Committee or to meet with any members of, or consultants to, the Corporate Governance Committee.

IV. Responsibilities and Duties

The following duties and responsibilities have been delegated by the Board to the Corporate Governance Committee:

1. Perform the core function of recommending director candidates (a) for the Board's selection for presentation to the stockholders for their approval at the annual meeting of stockholders and (b) for the Board's approval to fill any vacancies on the Board, whether created by expansion, resignation, retirement or for any other reason. This responsibility includes: (i) working with the full Board to develop criteria and procedures for the identification and recruitment of candidates for Board membership on the basis of recognized achievements, broad knowledge and experience, ability to bring sound business judgment to the deliberations of the Board and other factors deemed appropriate; (ii) reviewing candidates' qualifications (including independence) and any potential conflicts with the Company's interests; (iii) assessing the contributions of current directors in connection with their re-nomination; and (iv) making recommendations to the full Board with respect to these matters and with respect to the removal of a director. In the event that the Company is legally required by contract or otherwise to provide third parties with the ability to designate directors, the selection and nomination of such directors need not be subject to the process set forth herein.
2. Review the Board's committee structure, composition and responsibilities and recommend to the Board for its approval directors to serve as members of each committee and the chairperson of each committee. Recommend additional committee members to fill vacancies as needed.
3. Monitor the functioning of the Board's committees and make recommendations to the Board regarding changes, including the creation and elimination of committees.
4. Review the Company's corporate governance principles on an annual basis, or more frequently if appropriate, for (a) compliance with all applicable laws, rules and regulations and the requirements of the SEC and The NASDAQ Stock

Market, and (b) any updates to (i) policies on stockholder recommendations of directors candidates, (ii) Board practices and processes and (iii) policies on receiving stockholder communications and proposals. Recommend changes as necessary to the Board.

5. Make recommendations to the Board regarding management succession planning.
6. Have the authority to delegate its authority to subcommittees, as the Corporate Governance Committee deems appropriate; provided that any subcommittees shall report any actions taken by it to the whole Corporate Governance Committee at its next regularly scheduled meeting.
7. Have the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms. Have the authority to obtain advice and assistance from internal or outside legal, accounting or other advisors it determines necessary to carry out its duties.
8. Oversee the annual evaluation process for the Board, its committees and individual directors.
9. Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
10. Review annually its own performance as compared to the requirements of this Charter.
11. Report on its activities at the Board meetings and periodically update the Board on material developments in the area of corporate governance and annually provide the information regarding the Committee's "nominating" responsibilities to be included in the Company's annual meeting proxy statement, in accordance with the applicable rules and regulations.
12. Perform such other functions that may be delegated by the Board from time to time. The scope of authority delegated herein to the Corporate Governance Committee shall include the power to engage in other activities that are within the general scope of the Corporate Governance Committee's responsibilities.

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Adopted by the Board of Directors on February 10, 2006.