SYMS CORP
Form DEF 14A
July 10, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant x
Filed by a Party other than the Registrant £

Check the appropriate box:

£ Preliminary Proxy Statement
x Definitive Proxy Statement
£ Definitive Additional Materials
£ Soliciting Material Pursuant to § 240.14a-12

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Syms Corp

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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SYMS

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July 2, 2009

Dear Shareholder:

You are cordially invited to attend this year’s Annual Meeting of Shareholders of Syms Corp which will be held at our offices at One Syms Way, Secaucus, New Jersey 07094 on Tuesday, August 4, 2009 at 10:30 a.m. We are particularly pleased to have you attend this year’s meeting as 2009 is the Company’s 50th anniversary.

Information about the meeting and the various matters on which shareholders will act is included in the Notice of Annual Meeting of Shareholders and Proxy Statement which follow. Also included are a proxy card and a postage paid return envelope.

It is important that your shares be represented at the meeting. Whether or not you plan to attend, we hope that you will complete and return your proxy card in the enclosed envelope as promptly as possible. We look forward to seeing you then.

Very truly yours,

Marcy Syms
President and
Chief Executive Officer

SYMS Corp · One Syms Way, Secaucus, NJ 07094 · (201) 902-9600
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SYMS CORP

One Syms Way
Secaucus, New Jersey 07094

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held August 4, 2009

Notice is hereby given that the Annual Meeting of the Shareholders of Syms Corp, a New Jersey corporation (the "Company"), will be held at 10:30 a.m., Eastern daylight time, on Tuesday, August 4, 2009 at the Company's executive offices, One Syms Way, Secaucus, New Jersey, for the following purposes:

(1) To elect five directors of the Company to hold office until the next Annual Meeting of Shareholders or until their respective successors are duly elected and qualified;

(2) To ratify the appointment of the firm of BDO Seidman, LLP as the independent registered public accounting firm for the Company for fiscal 2009; and

(3) To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors recommends a vote "FOR" the nominees for director listed in the proxy statement and the accompanying proxy card and "FOR" the proposal to ratify the appointment of the firm of BDO Seidman, LLP as the independent registered public accounting firm for the Company for fiscal 2009. The holders of record of the Company's common stock, $.05 par value, at the close of business on July 2, 2009, will be entitled to vote at the meeting and any adjournment(s) thereof.

You are cordially invited to attend the meeting in person. Even if you plan to be present, you are urged to sign, date and mail the enclosed proxy promptly. If you attend the meeting you can vote either in person or by your proxy. If you wish to attend the meeting in person and you are a registered owner of shares of stock on the record date, you must show a government issued form of identification which includes your picture. If you are a beneficial owner of shares as of the record date that are held for your benefit by a bank, broker or other nominee, in addition to the picture identification, you will need proof of ownership of our common stock on the record date to be admitted to the meeting. A recent brokerage statement or a letter from your bank, broker or other nominee holder that shows you were an owner on the record date are examples of proof of ownership.

By Order of the Board of Directors

/s/Philip A. Piscopo

Philip A. Piscopo
Secretary

July 2, 2009

SYMS CORP

PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS
To Be Held On August 4, 2009

INTRODUCTION

This Proxy Statement and enclosed proxy card are being furnished in connection with the solicitation by the Board of Directors of Syms Corp, a New Jersey corporation (the "Company"), of proxies for use at the 2009 Annual Meeting of the Shareholders (the "Annual Meeting"), to be held on August 4, 2009 at 10:30 a.m. at the Company's executive offices located at One Syms Way, Secaucus, New Jersey 07094 or at any adjournment(s) or postponement(s) for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders.

The cost of preparing and mailing the proxy and this Proxy Statement and all other costs in connection with this solicitation of proxies will be borne by the Company. It is anticipated that the accompanying proxy and this Proxy Statement will be sent to shareholders of the Company on or about July 2, 2009.

Proxies in the accompanying form which are properly executed and duly returned to the Company and not revoked will be voted as specified. Any such proxy which is properly executed but in which no direction is specified will be voted FOR the election of the Board of Directors' nominees for director and FOR the ratification of the appointment of BDO Seidman, LLP as the independent registered public accounting firm for the fiscal year ending February 27, 2010 and in the discretion of the proxies named on the proxy card with respect to any other matters properly brought before the meeting and any adjournment(s) or postponement(s) thereof. Each proxy granted is revocable and may be revoked at any time prior to its exercise, by notifying the Secretary of the Company prior to the commencement of the meeting, by executing and submitting, prior to the completion of balloting, a subsequent proxy or by electing to vote in person at the Annual Meeting. Mere attendance at the Annual Meeting will not serve to revoke a proxy. The Company intends to reimburse brokerage companies and others for forwarding proxy materials to beneficial owners of shares.

Only shareholders of record of the Company's voting securities as of the close of business on July 2, 2009 are entitled to notice of and to vote at the Annual Meeting. As of the record date, 14,589,562 shares of common stock, par value $0.05 per share ("Common Stock"), were outstanding. Each share of Common Stock entitles the record holder thereof to one vote on each of the Proposals and on all other matters properly brought before the Annual Meeting. Concurrently with the mailing of this Proxy Statement, the Company is mailing its Annual Report for its fiscal year ended February 28, 2009 ("fiscal 2008"), to shareholders of record on July 2, 2009.

Shareholders vote at the Annual Meeting by casting ballots (in person or by proxy) which are tabulated by a representative of the Company's independent transfer agent appointed to serve as Inspector of Election at the meeting and who has executed and verified an oath of office. The holders of a majority of the shares of Common Stock issued and outstanding represented in person or by proxy shall constitute a quorum. The affirmative vote of a plurality of the votes cast at the Annual Meeting is sufficient to elect a director. The affirmative vote of a majority of the votes cast at the Annual Meeting is required to ratify the appointment of BDO Seidman, LLP as the Company's independent registered public accounting firm.

Abstentions and broker non-votes are included in the determination of the number of shares present at the Annual Meeting for quorum purposes. A "broker non-vote" occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power on that matter and has not received instructions from the beneficial owner. With respect to Proposals 1 and 2, abstentions and "broker non-votes" will not be included in total votes and will have no effect on the outcomes of these proposals.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 4, 2009:
This proxy statement and our fiscal 2009 Annual Report on Form 10-K are available at: www.syms.com.

ELECTION OF DIRECTORS

Proposal 1

At the Annual Meeting, all five directors of the Company are to be elected for the term of one year or until their respective successors have been elected and qualified. It is intended that votes will be cast pursuant to proxies received from holders of Common Stock of the Company for the nominees listed below, unless the proxy contains contrary instructions. The affirmative vote of a plurality of the votes cast at the meeting is necessary for the election of directors. Thus, provided a quorum is present and voting, the five directors receiving the most votes will be elected as directors.

If any of the nominees listed below is unavailable for election at the date of the Annual Meeting, the shares represented by the proxy will be voted for the remaining nominees and for such substitute nominee or nominees as the Board of Directors, in their judgment, designate. The Company at this time has no reason to believe that any of these directors and nominees will decline or be unable to serve if elected.

Background information with respect to the Board of Directors nominees for election as directors, appears below. All of the nominees for directors are incumbent directors, who were elected by shareholders at a meeting for which proxies were solicited. There is no family relationship between any nominee and any other nominee or executive officer of the Company except that Marcy Syms is the daughter of Sy Syms. See Security Ownership of Certain Beneficial Owners and Management for information regarding the equity securities of the Company owned by each nominee for director.

Name of Director or Nominee for Election	Age	Director Since	Position
Sy Syms (1) (4) (5)	83	1959	Chairman of the Board and Director of the Company
Marcy Syms (1) (4) (5)	58	1983	Chief Executive Officer/President and Director of the Company
Henry M. Chidgey (2) (3)	59	2006	Director of the Company
Bernard H. Tenenbaum (2) (3)	54	2006	Director of the Company
Thomas E. Zanecchia (2) (3)	54	2007	Director of the Company

(1) Member of the Executive Committee of the Company.
(2) Member of the Stock Option Committee of the Company.
(3) Member of the Audit Committee of the Company.
(4) Member of the Nominating & Corporate Governance Committee of the Company.
(5) Member of the Compensation Committee of the Company.

Nominees for Election as Director

Set forth below is information concerning the board of directors nominees for director:

SY SYMS has been Chairman of the Board and a Director of the Company since its inception in 1959. Since January, 1998, Mr. Syms has been Chairman of the Board. Mr. Syms was the Chief Executive Officer of the Company from 1959 until January, 1998 when he resigned from his position as Chief Executive Officer and was also Chief Operating Officer of the Company from 1983 to 1984. Mr. Syms is Marcy Syms father.

MARCY SYMS has been President and a Director of the Company since 1983 and was Chief Operating Officer of the Company from 1984 until January 1998. From January, 1998 until the present, Marcy Syms has served as Chief Executive Officer and President of the Company. Marcy Syms is Sy Syms daughter. Marcy Syms is also a director of Rite-Aid Corp.

HENRY M. CHIDGEY has been President of Osage International Consulting Group since 2000. Mr. Chidgey was President and Chief Operating Officer of Hearts on Fire, a privately-held branded diamond and diamond jewelry business, from 2003 to 2004 and he continues to serve as an advisor to that company. Mr. Chidgey served as Director and Chief Operating Officer of FerroNorte, SA, a Brazilian railroad company from 1997 to 1999 and prior to that he was President of RailTex from 1995 to 1997.

BERNARD H. TENENBAUM is President of the Childrens Leisure Products Group, a holding company with investments in childrens leisure product businesses, a position he has held since 1997. He has also served as an advisor to Bel Air Partners, an investment banking firm from 2000 to the present. Previously, he was Vice President of Corporate Development for Russ Berrie, a gifts and juvenile products company and was the founding Director of the George Rothman Institute of Entrepreneurial Studies at Fairleigh Dickinson University as well as the first George Rothman Clinical Professor of Entrepreneurial Studies.

THOMAS E. ZANECCHIA is the founder and has been the President of Wealth Management Consultants, Inc. since 1993. He is also co-founder of Branzan Investment Advisors, Inc. Prior to founding these companies, Mr. Zanecchia was a stockholder and President of Financial Consulting Services for Asset Management Group.

The Board of Directors recommends that the shareholders vote FOR the election of each nominee for director named above. Executed proxies solicited hereby will be voted FOR each nominee named above unless a direction to withhold authority is specifically indicated.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

During fiscal 2008 there were five meetings of the Board of Directors. During fiscal 2008, all directors attended all of the meetings of the Board of Directors and of the committees of which he or she was a member.

Based on information supplied to it by the Directors, the Board of Directors has determined that three of the current directors, Bernard H. Tenenbaum, Henry M. Chidgey and Thomas E. Zanecchia are "independent" under the listing standards of the NASDAQ Stock Market (NASDAQ) and the rules and regulations promulgated by the Securities and Exchange Commission (the SEC). The Board of Directors has made such determinations based on the fact that none of such persons have had, or currently have, any material relationship with the Company or its affiliates or any executive officer of the Company or his or her affiliates, that would impair their independence, including, without limitation, any commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship.

The Board of Directors has determined that the Company is a "controlled company" (as defined in the NASDAQ Marketplace Rules) based on the fact that more than 50% of the voting power of the Company's voting stock is held by a group comprised of Sy Syms, individually and as trustee of The Sy Syms Revocable Living Trust, dated March 17, 1989, as amended, and Marcy Syms, individually and as trustee of The Laura Merns Living Trust, dated February 14, 2003 and as President of a general partnership that controls The Cortlandt Enterprises LLP which entity holds Syms Corp common shares. As a result, the Company is exempt from the provisions of the NASDAQ governance standards requiring that (i) a majority of the board consist of independent directors, (ii) the nominating committee be composed entirely of independent directors and (iii) the compensation committee be composed entirely of independent directors.

The committees of the Board of Directors include an Audit Committee, an Executive Committee, a Stock Option Committee, a Compensation Committee and a Nominating & Corporate Governance Committee. Each of the aforementioned committees have charters, copies of which are available on the Companys website at www.syms.com.

The Audit Committee has the principal function of reviewing the adequacy of the Company’s internal system of accounting controls, conferring with the independent registered public accountants concerning the scope of their examination of the books and records of the Company and their audit and non-audit fees, recommending to the Board of Directors the appointment of independent registered public accountants, reviewing and approving related party transactions and considering other appropriate matters regarding the financial affairs of the Company. The Board of Directors had adopted a written charter setting out the functions of the Audit Committee, a copy of which is available on the Company's website at www.syms.com and is available in print to any shareholder who submits a written request for it, to the Company's Secretary, Syms Corp, One Syms Way, Secaucus, New Jersey 07094. The current members of the Audit Committee are Bernard H. Tenenbaum (Chairman), Henry M. Chidgey and Thomas E. Zanecchia. None of these individuals is, or has ever been, an officer or employee of the Company and are all considered “independent” for the purposes of the NASDAQ governance standards.

In addition to meeting the independence standards of NASDAQ, each member of the Audit Committee is financially literate and meets the independence standards established by the SEC. The Board of Directors has also determined that Bernard H. Tenenbaum has the requisite attributes of an "audit committee financial expert" as defined by regulations of the SEC and that such attributes were acquired through relevant education and experience. The Audit Committee met four times during fiscal 2008.

The Executive Committee exercises all of the powers and authority of the Board of Directors in the management and affairs of the Company between meetings of the Board of Directors, to the extent permitted by law. The members of the Executive Committee are Sy Syms and Marcy Syms. The Executive Committee did not meet during fiscal 2008.

The Stock Option Committee reviews and recommends to the Board of Directors remuneration arrangements and compensation plans for the Company’s officers and key employees, administers the Company’s stock option and appreciation plans and determines the officers and key employees who are to be granted equity based incentive compensation awards under such plans. The current members of the Stock Option Committee are Bernard H. Tenenbaum, Henry M. Chidgey and Thomas E. Zanecchia, none of whom is, or has ever been, an officer or employee of the Company and all of whom are “independent” in terms of the NASDAQ governance standards. The Stock Option Committee did not meet during fiscal 2008.

The Compensation Committee is responsible for reviewing and approving for the Chief Executive Officer and other executives of the Company annual base salary, and for determining director compensation and benefit programs (other than those programs administered by the Stock Option Committee). The full Board of Directors reviews and approves the recommendations of the Compensation Committee for the annual base salary of the Chief Executive Officer and Chairman of the Board. The current members of the Compensation Committee are Sy Syms and Marcy Syms. The Compensation Committee did not meet during fiscal 2008.

The Nominating & Corporate Governance Committee seeks to, among other matters, find qualified individuals to serve as directors of the Company. The current members of the Nominating & Corporate Governance Committee are Marcy Syms and Sy Syms. The Nominating & Corporate Governance Committee did not meet during fiscal 2008.

By virtue of the beneficial ownership of the Company’s common stock by Sy Syms and Marcy Syms, the Company is a “controlled company” (as defined in the NASDAQ governance standards). As a result, the Company is not required to constitute the Nominating & Corporate Governance Committee, the Compensation Committee or the Stock Option Committee solely with independent directors. The Company also is not required to have a majority of independent persons on its Board, although it does so.

Minimum Qualifications: The Company does not set specific criteria for directors except to the extent required to meet applicable legal, regulatory and stock exchange requirements, including, but not limited to, the independence requirements of NASDAQ and the SEC, as applicable. Nominees for director will be selected on the basis of outstanding achievement in their personal careers; board experience; wisdom; integrity; ability to make independent, analytical inquiries; understanding of the business environment; the ability to represent fairly all shareholders without advocating for any particular shareholder constituency; the absence of a conflict of interest, and the willingness to devote adequate time to Board of Directors duties. While the selection of qualified directors

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is a complex and subjective process that requires consideration of many intangible factors, the Nominating & Corporate Governance Committee believes that each director should have a basic understanding of (i) principal operational and financial objectives and plans and strategies of the Company, (ii) results of operations and financial condition of the Company and of any significant subsidiaries or business segments, (iii) the need for adopting and implementing internal controls, and (iv) the relative standing of the Company and its business segments in relation to its competitors.

Nominating Process: The following paragraphs describe the processes that the Nominating & Corporate Governance Committee will take should it be necessary to fill vacancies or should the Board decide to expand its size.

The Nominating & Corporate Governance Committee is willing to consider candidates submitted by a variety of sources (including incumbent directors, shareholders, Company management and third party search firms) when reviewing candidates to fill vacancies and/or expand the Board of Directors. If a vacancy arises or the Board of Directors decides to expand its membership, the Nominating & Corporate Governance Committee will ask each director to submit a list of potential candidates for consideration. The Nominating & Corporate Governance Committee will then evaluate each potential candidates educational background, employment history, outside commitments and other relevant factors to determine whether he/she is potentially qualified to serve on the Board of Directors. At that time, the Nominating & Corporate Governance Committee also will consider potential nominees submitted by shareholders in accordance with the procedures adopted by the Board of Directors, by the Companys management and, if the Nominating & Corporate Governance Committee deems it appropriate, by an independent third party search firm retained to provide potential candidates. The Nominating & Corporate Governance Committee seeks to identify and recruit the best available candidates, and it intends to evaluate qualified shareholder nominees on the same basis as those submitted by Board of Directors members, Company management, third party search firms or other sources.

After completing this process, the Nominating & Corporate Governance Committee will determine whether one or more candidates are sufficiently qualified to warrant further investigation. If the process yields one or more desirable candidates, the Nominating & Corporate Governance Committee will rank them by order of preference, depending on their respective qualifications and the Companys needs. The Nominating & Corporate Governance Committee will then contact the preferred candidate(s) to evaluate their potential interest and to set up interviews with the Nominating & Corporate Governance Committee. All such interviews are held in person, and include only the candidate and the Nominating & Corporate Governance Committee members. Based upon interview results and appropriate background checks, the Nominating & Corporate Governance Committee then decides whether it will recommend the candidates nomination to the full Board of Directors.

When nominating an incumbent director for re-election at an annual meeting, if asked by the Board, the Nominating & Corporate Governance Committee will consider the directors performance on the Board of Directors and the directors qualifications in respect of the criteria referred to above.

Consideration of Shareholder Nominated Directors: The Nominating & Corporate Governance Committee will consider candidates for the Board of Directors submitted by shareholders in a timely manner in accordance with our by-laws and applicable securities laws. Any shareholder wishing to submit a candidate for consideration should submit a notice in accordance with the procedures set forth under the caption Shareholder Nominations and Proposals.

Corporate Governance

Corporate Governance Guidelines and Code of Business Conduct and Ethics: The Board of Directors has adopted Corporate Governance Guidelines. The Board of Directors has also adopted a Code of Business Conduct and Ethics. The Corporate Governance Guidelines and the Code of Business Conduct and Ethics are available on the Company's website at www.syms.com. A copy of the Corporate Governance Guidelines and a copy of the Code of Business Conduct and Ethics are available in print to any shareholder who submits a written request for such copies to the Company's Secretary at Syms Corp, One Syms Way, Secaucus, New Jersey 07094.

Code of Ethics for Senior Financial Officers: The Board of Directors has adopted a Code of Ethics applicable to the Company's Chief Executive Officer, Chief Financial Officer and Controller, which is available on the Company's website at www.syms.com. A copy of the Code of Ethics for Senior Financial Officers is available in print to any shareholder who submits a written request for such Code of Ethics to the Company's Secretary at Syms Corp, One Syms Way, Secaucus, New Jersey 07094.

Non-Management Directors: Non-management directors meet in executive sessions at least twice a year and, if the group of non-management directors includes any director who is not independent, the independent directors meet at least twice a year in an executive session of only independent directors. The independent directors select the presiding director. Bernard H. Tenenbaum was appointed the presiding director for all non-management meetings. As appropriate, some of the executive sessions of the non-management directors may be with the Chief Executive Officer and others and will be conducted outside the presence of the Chief Executive Officer and any other management officials.

Communications between Shareholders and the Board of Directors: Shareholders and other interested persons seeking to communicate with the Board of Directors should submit any communications in writing to the Company's Secretary at Syms Corp, One Syms Way, Secaucus, New Jersey 07094. Any such communication must state the number of shares beneficially owned by the shareholder making the communication. The Company's Secretary will forward such communication to the full Board of Directors or to any individual director or directors to whom the communication is directed.

Attendance at Annual Meetings: All Directors are expected to attend the fiscal 2008 Annual Meeting in person and be available to address questions or concerns raised by shareholders. All Directors attended the fiscal 2007 annual meeting of shareholders.

COMPENSATION OF DIRECTORS

Each member of the Board of Directors who is not an officer or employee of the Company receives a director's fee, presently established at the rate of $3,500 per meeting for attending regular or special meetings of the Board of Directors. Additionally, each committee member of the Board of Directors receives $1,000 for any committee meeting attended by such member, together with travel expenses related to such attendance. Directors who are officers or employees of the Company do not receive any additional compensation by reason of their service as directors.

The following table sets forth certain information regarding the compensation we paid to each individual who served as a director of the Company during fiscal 2008, other than Sy Syms and Marcy Syms. See the Summary Compensation Table below for information pertaining to compensation paid to Sy Syms and Marcy Syms.

Name	Fees Paid ($)	Option Awardss	Total ($)
Bernard H. Tenenbaum	22,224	-	22,224
Henry M. Chidgey	19,816	-	19,816
Thomas E. Zanecchia	19,000	-	19,000

EXECUTIVE OFFICERS

The Company's executive officers, as well as additional information with respect to such persons, are set forth below:

Name	Age	Position
Sy Syms	83	Chairman of the Board and Director
Marcy Syms	58	Chief Executive Officer, President and Director
Philip A. Piscopo	57	Vice President, Chief Financial Officer, and Secretary
Gary Roberts	52	Senior Vice President, Operations
Myra Butensky	49	Vice President, Men's Tailored Clothing
James Donato	52	Vice President, Operations
Elyse Marks	55	Vice President, Information Technology
John Tyzbir	54	Vice President, Human Resources
Mary A. Mann	58	Vice President, Ladies
Karen Day	50	Vice President, Children's

Information with respect to executive officers of the Company who also are Directors is set forth on page two of this Proxy Statement under "Election of Directors."

PHILIP A. PISCOPO has been Vice President and Chief Financial Officer of the Company since February 2008 and Secretary of the Company since April 2008. From 2003 to 2008 Mr. Piscopo was Senior Vice President and Chief Financial Officer of Vitaquest International LLC (a manufacturer and distributor of vitamins and supplements). From 2001 to 2003 Mr. Piscopo was Vice President and General Manager with Nissho Iwai American Corporation and from 1989 to 2001 Mr. Piscopo was Executive Vice President & CFO for Neuman Health Services, Inc. In addition, Mr. Piscopo has held a number of other executive positions and began his career with Touche Ross & Co. (now Deloitte & Touche) in New York and is a Certified Public Accountant.

GARY ROBERTS joined the Company in 2007 as Director of Logistics and was appointed Senior Vice President of Operations in June, 2008. Immediately prior to joining Syms, Mr. Roberts was the General Manager at Levitz Furniture (a retailer of home furnishings) during 2007. Prior thereto, he was General Manager for Logistics at both Toys R Us and Kids R Us and held various other managerial posts for these retailers during his tenure. Prior thereto, he held a variety of managerial and executive positions in logistics and operations for Gimbels.

MYRA BUTENSKY has been Vice President, Divisional Merchandise Manager, Men's Tailored Clothing of the Company since January 1999. From May 1998 to January 1999, Ms. Butensky was Divisional Merchandise Manager, Ladies, of the Company. From June 1991 to April 1998, Ms. Butensky was a ladies clothing buyer. Prior to joining the Company in 1991, Ms. Butensky was a buyer with Popular Trading Club, Inc. and also spent 10 years with Macy's in a number of buying positions.

JAMES DONATO has been Vice President, Operations, of the Company since April 2001. From November 1997 to March 2001 he was Director of Store Planning of the Company. Prior to November 1997, Mr. Donato was in store management as a District Manager and Store Manager of the Company.

ELYSE MARKS has been Vice President, IT, of the Company since April 2001. From November 1999 to March 2001, Ms. Marks was Director of MIS of the Company. Prior to November 1999, Ms. Marks was manager of MIS and store systems of the Company. From 1983 to 1987, she was also involved in store management for the Company.

JOHN TYZBIR has been Vice President, Human Resources, of the Company since April 1999. From October 1997 to April 1999, Mr. Tyzbir was Director of Human Resources of the Company. From January 1995 to October 1997, Mr. Tyzbir was Director of Human Resources of Zallie Supermarkets Corp. From June 1991 to January 1995, Mr. Tyzbir was Director of Human Resources and Planning of Carson Pirie Scott Inc.

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MARY MANN has been Vice President, Ladies, of the Company since April 2007. From 2005 to 2007 she was Merchandise Manager of A & E stores (a women s clothing retailer). From 2001 to 2004 she was merchandise manager of the Company. Prior to 2001, Ms. Mann was Assistant Vice President of Dress Barn for 10 years.

KAREN DAY has been Vice President, Children s, since April 2007. From October 2003 to March 2007, Ms. Day was Divisional Merchandise Manager, Children s. From July 1996 to October 2003, Ms. Day held buying positions in children s and ladies clothing in the Company. Prior to joining the Company, Ms. Day has held merchandising positions in Kidco, The Children s Place and Abraham and Strauss.

The Company s officers are elected annually by the Board of Directors and hold office at the discretion of the Board of Directors.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of shares of Common Stock as of July 2, 2009 except as otherwise set forth in the notes below for:

- each director;
- each executive officer named in the summary compensation table;
- each person owning of record or known by us, based on information provided to us by the persons named below, to own beneficially more than 5% of our common stock; and
- all directors and executive officers as a group.

Each person named in the table has sole voting and investment power with respect to all shares of Common stock shown as beneficially owned by such person, except as otherwise set forth in the notes to the table.

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership of Common Stock**	**Percent of Class**
Sy Syms One Syms Way, Secaucus, NJ 07094	(1) 150,196(2)	1.0%
Marcy Syms One Syms Way, Secaucus, NJ 07094	(1) 8,105,490(3)	55.2%
Franklin Advisory Services, LLC 777 Mariner s Island Blvd. San Mateo, CA 94404	1,430,000(4)	9.8%
Dimensional Fund Advisors, Inc. 6300 Bee Cave Road Austin, TX 78746	1,192,959(5)	8.2%
Bernard H. Tenenbaum One Syms Way, Secaucus, NJ 07094	100	*
All directors and executive officers as a group (13 persons).	8,105,590(6)	55.2%

(1) As reported in a beneficial ownership report filed with the SEC on Form 4 on July 28, 2008, the ownership of shares of Company common stock beneficially owned by Sy Syms and Marcy Syms was reorganized on July 28, 2008. On that date, the Sy Syms Revocable Living Trust, dated March 17, 1989 (the "Sy Syms Trust"), contributed 5,896,087 shares of Company common stock to The Cortlandt Enterprises Limited Liability Partnership (the "Partnership"). In consideration for such contribution, the Partnership issued its sole limited partnership interest to

the Sy Syms Trust. The Sy Syms Trust subsequently sold its limited partnership interest in the Partnership to the Syms Family Irrevocable Trust (the "Syms Family Trust") in exchange for a promissory note. Marcy Syms is the sole shareholder, president and sole director of Our Best Customer, Inc. ("Best Customer"), the corporate general partner of the Partnership. As the controlling shareholder of Best Customer, Marcy Syms has the sole power to vote and dispose of the shares of Company common stock owned by the Partnership and thus is deemed to be the beneficial owner of the shares of Company common stock owned by the Partnership. Marcy Syms is also a trustee and the beneficiary of the Syms Family Trust, which is the sole limited partner of the Partnership.

(2) Represents the remaining shares of Company common stock held in the Sy Syms Trust after the above-mentioned transfer of 5,896,087 shares to the Partnership. Sy Syms retains the sole voting power with respect to such 150,196 shares and the right to revoke the Sy Syms Revocable Living Trust at any time.

(3) Represents (a) 5,896,087 shares of Company common stock held by the Partnership, (b) 946,932 shares of Company common stock owned directly by Marcy Syms, (c) 697,592 shares of Company common stock held in the Laura Merns Living Trust, dated February 14, 2003 (the "Merns Trust"), (d) 317,183 shares of Company common stock held in the Marcy Syms Revocable Living Trust, dated January 12, 1990, as amended (the "Marcy Syms Trust") and (e) fully vested options entitling Marcy Syms to purchase 97,500 shares of Company common stock. Marcy Syms is the sole Trustee of the Merns Trust; she disclaims beneficial ownership of the shares owned by the Merns Trust except to the extent of her pecuniary interest in the Merns Trust. Marcy Syms retains the sole voting power with respect to the 317,183 shares of Company common stock held by the Marcy Syms Trust and the right to revoke the Marcy Syms Revocable Living Trust at any time.

(4) Franklin Advisors, Inc.. ("Franklin") has sole voting and dispositive power with respect to 1,430,000 shares. This information is based upon a Schedule 13F publicly filed by Franklin in March 2009.

(5) Dimensional Fund Advisors, Inc. ("Dimensional") has sole voting and dispositive power with respect to 1,192,959 shares. This information is based upon a Schedule 13F publicly filed by Dimensional in March 2009.

(6) Of the directors, Messrs. Chidgey and Zanecchia do not beneficially own any shares of Company common stock. Of the executive officers named in the summary compensation table, Messrs. Piscopo and Roberts and Ms. Butensky do not beneficially own any shares of Company common stock.

* Less than one percent

Of the directors, Messrs. Chidgey and Zanecchia do not beneficially own any shares of common stock. Of the executive officers named in the summary compensation table, Messrs. Piscopo and Roberts, Ms. Butensky and Ms. Mann do not beneficially own any shares of common stock.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy: The Company's compensation program is designed to integrate compensation with the achievement of the Company's business objectives and to ensure that total compensation paid to executive officers and key employees is fair, reasonable and competitive. The Company has structured its executive compensation to motivate executives to achieve the business goals set by the Company and reward the executives for achieving such goals. This philosophy also includes aligning and rewarding management for increasing shareholder value. The Company's compensation levels and individual programs are assessed against a number of benchmarks including pay levels of other retail and vendor organizations and information from published surveys of the retail and general industry.

The Compensation Committee, through its executive compensation policy, strives to provide compensation rewards based upon corporate and individual performance. It seeks to maintain a relatively simple compensation program in order to avoid the administrative costs which the Compensation Committee believes are inherent in multiple complex compensation plans and agreements. The Compensation Committee's members are: Sy Syms and Marcy Syms.

The Company does not have employment agreements with any of its executive officers or key employees.

Base Salary: The base salary for the Company personnel is intended to provide competitive remuneration for services provided to the Company over a one-year period and is designed to compensate an individual for his or her level of responsibility and performance.

Bonus: Bonuses may be awarded based upon individual performance as measured against individual goals and objectives, combined with the Company's attainment of corporate goals and objectives. No bonuses were awarded to officers during fiscal 2008.

Long-Term Incentive: The Stock Option Committee of the Board of Directors has the responsibility of administering the Company's stock option plans and is, therefore, responsible for authorizing all grants of options. The Stock Option Committee is comprised entirely of non-employee directors that have no direct or indirect material interest in, or relations with, the Company outside of their position as a Director. The Stock Option Committee currently consists of the following members of the Company's Board of Directors: Bernard H. Tenenbaum, Henry M. Chidgey and Thomas E. Zanecchia.

Stock Option Plans: The Company's Amended and Restated Stock Option and Appreciation Plan (the "Stock Option Plan") allows for the granting of incentive stock options, as defined in Section 422A of the Internal Revenue Code of 1986 (as amended), non-qualified stock options and stock appreciation rights. The plan requires that incentive stock options be granted at an exercise price not less than the fair market value of the Company's common stock on the date the option is granted. The exercise price of the option for holders of more than 10% of the voting rights of the Company must be not less than 110% of the fair market value of the Common Stock on the date of grant. Non-qualified options and stock appreciation rights may be granted at any exercise price, subject to limitations imposed pursuant to Section 409A of the Internal Revenue Code which penalizes employees who receive options and stock appreciation rights granted at a price below the then current fair market value. The Company has reserved 1,500,000 shares of common stock for issuance thereunder. No option or stock appreciation rights may be granted under the Stock Option Plan after July 28, 2013. The maximum exercise period for any option or stock appreciation right under the plan is ten years from the date the option is granted (five years for any optionee who holds more than 10% of the voting rights of the Company).

In 2005, the Company adopted the 2005 Stock Option Plan (the "2005 Plan"). The 2005 Plan permits the grant of options, share appreciation rights, restricted shares, restricted share units, performance units, performance shares, cash-based awards and other share-based awards. Key employees, non-employee directors, and third party service providers of the Company who are selected by a committee designated by the Board of Directors of the Company are eligible to participate in the 2005 Plan. The maximum number of shares issuable under the 2005 Plan is 850,000, subject to certain adjustments in the event of changes to the Company's capital structure.

The 2005 Plan requires that incentive stock options be granted at an exercise price not less than the fair market value of the Company's common stock on the date the option is granted. The exercise price of such options for holders of more than 10% of the voting stock of the Company must be not less than 110% of the fair market value of the Company's common stock on the date of grant. The exercise price of non-qualified options and stock appreciation rights must not be less than fair market value.

The maximum exercise period for any option or stock appreciation right under the 2005 Plan is ten years from the date the option is granted (five years for any incentive stock options issued to a person who holds more than 10% of the voting stock of the Company).

The fair value of each option award is estimated on the date of grant using a Black-Scholes option valuation model. Expected volatility is based on the historical volatility of the price of the Company's stock. The risk-free interest rate is based on U.S. Treasury issues with a term equal to the expected life of the option. The Company uses historical data to estimate expected dividend yield, expected life and forfeiture rates. There were no options granted during fiscal 2008, and all options previously issued are fully vested.

SUMMARY COMPENSATION TABLE FOR FISCAL 2008, 2007 and 2006

The following table sets forth compensation earned during fiscal 2008, 2007 and 2006 by the Company's Chief Executive Officer, Chief Financial Officer and by the three other most highly paid executive officers whose total compensation for fiscal 2008 exceeded $100,000:

Name and Principal Position	Fiscal Year		Salary	Option Awards	Bonus	All Other Compen-sation (1)		Total Compen-sation ($)
Sy Syms	2008	$	411,545	-	-	-	$	411,545
Chairman of the Board of Directors	2007		603,835	-	-	8,975		612,810
	2006		624,988	-	-	4,317		629,305
Marcy Syms	2008	$	642,033	-	-	-	$	642,033
Chief Executive Officer	2007		647,010	-	-	8,975		655,985
	2006		637,010	-	-	4,317		641,327
Philip A. Piscopo (2)	2008	$	235,040	-	-	-	$	235,040
Chief Financial Officer	2007		13,560	-	-	-		13,560
Gary Roberts (3)	2008	$	212,892	-	-	-	$	212,892
Senior Vice President, Operations	2007		57,700	-	-	-		57,700
Myra Butensky	2008	$	204,876	-	-	-	$	204,876
Vice President - Men's Clothing	2007		204,788	-	-	8,085		212,873
	2006		197,133	-	-	3,737		200,870

(1) Amounts in this column represent the Company's contribution under the Company's profit sharing plan.

(2) Mr. Piscopo joined the Company effective February, 2008.

(3) Mr. Roberts joined the Company effective October, 2007

Outstanding Equity Awards at Fiscal Year-End

The following table provides information for each of the executive officers named in the Summary Compensation Table with respect to stock option awards outstanding at February 28, 2009. At that date, such executive officers did not hold any other equity awards.

Name	Number of securities underlying unexercised options at February 28, 2009 (Exercisable)	Number of securities underlying unexercised options at February 28, 2009 (Unexercisable)	Option Exercise Price	Option Expiration Date
Sy Syms	-	-	-	-
Marcy Syms	97,500	-	$15.01	7/21/2015
Philip A. Piscopo	-	-	-	-
Gary Roberts	-	-	-	-
Myra Butensky	-	-	-	-

(1) No SARs are held by the named individuals.

Option Exercises During the
Fiscal Year Ended February 28, 2009

The following table provides information concerning the exercise of stock options during fiscal 2008 by each of the executive officers named in the Summary Compensation Table. None of these executive officers own any shares of restricted stock, restricted stock units or similar instruments that vested during fiscal 2008.

Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)
Sy Syms	--	--
Marcy Syms	215,837	$679,394(A)
Philip A. Piscopo	--	--
Gary Roberts	--	--
Myra Butensky	--	--

(A) Represents (x) the difference between the market price of the Company's common stock on the date of exercise and the exercise price of the stock options exercised, multiplied by (y) the number of shares covered by such stock options. Marcy Syms acquired such shares by delivering to the Company an aggregate of 163,293 shares of the Company's common stock having an aggregate market value equal to the aggregate exercise price of such options. Immediately thereafter, Marcy Syms sold to the Company 52,544 shares of common stock (representing the difference between the number of shares covered by her exercised options and the number of shares tendered by her) for $679,394, or $12.93 per share (representing the closing sale price of a share of the Company's common stock on NASDAQ on the day prior to the date of sale).

Retirement Benefits

Each of the Company's executive officers who were employed prior to December 31, 2006 is entitled to participate in the Syms Corp Defined Benefit Plan on the same basis as all other eligible executives. This plan was frozen and no additional benefits will accrue, effective December 31, 2006.

Each of the Company's executive officers is entitled to participate in the Company's defined contribution 401K Plan on the same basis as all other eligible employees. In addition, the Company also has a Profit Sharing Plan to which the Company makes a discretionary contribution based on its performance. All non-union employees can participate in this plan once they become eligible. Amounts contributed to the accounts of the executive officers named in the Summary Compensation Table are set forth in that Table.

PENSION PLAN

The following table sets forth the estimated annual benefits payable on retirement to persons in specified remuneration and years of participation classifications under the Company's defined benefit pension plan (the "Pension Plan") for employees not covered under collective bargaining agreements:

Highest Five Year Average Compensation	15 Years of Participation	20 Years of Participation	25 Years of Participation	30 Years of Participation	35 Years of Participation
$ 50,000	$ 5,700	$ 7,600	$ 9,500	$ 9,500	$ 9,500
75,000	8,550	11,400	14,250	14,250	14,250
100,000	11,400	15,200	19,000	19,000	19,000
125,000	14,250	19,000	23,750	23,750	23,750
150,000	17,100	22,800	28,500	28,500	28,500
175,000	19,950	26,600	33,250	33,250	33,250
200,000	22,800	30,400	38,000	38,000	38,000

A Pension Plan's participant's interest vests over a seven year period commencing in the third year at the rate of 20% after completing three years of employment and 20% for each year thereafter, and is 100% vested after the completion of seven years of service. Benefit payments are made in the form of one of five annuity payment options elected by the participant. Amounts in the table are based on a straight life annuity. For the executive officers named in the Summary Compensation Table, compensation for purposes of the Pension Plan generally corresponds to the amounts shown in the "Salary" column of the Summary Compensation Table.

Currently no more than $200,000 (as adjusted from time to time by the Internal Revenue Service) of cash compensation may be taken into account in calculating benefits payable under the Pension Plan. Executive officers in the Summary Compensation Table were credited with the following years of service at December 31, 2008: Sy Syms, 33 or more years; Marcy Syms, 30 or more years; Myra Butensky 4 or more years; Philip A. Piscopo and Gary Roberts, no years. Benefits under the Pension Plan are not subject to any deduction for social security or other offset amount. The annual retirement benefit is reduced pro rata if the employee has completed less than fifteen years of service. Effective December 31, 1994, the Pension Plan was amended to change the pro rata reduction to be based on 25 years of participation. A participant is entitled to be paid his benefits upon their retirement at age 65. If a participant has completed at least 15 years of service (s)he may retire upon reaching age 55 but the benefits (s)he receives will be actuarially reduced to reflect the longer period during which (s)he will receive a benefit. A participant who leaves the Company for any reason other than death, disability or retirement will be entitled to receive the vested portion of their benefit payable over different periods of time depending on the aggregate amount vested and payment option elected.

The following table sets forth, for each of the executive officers named in the Summary Compensation Table, information regarding the benefits payable under the Pension Plan, which represents the only plan of the Company that provides for payments or other benefits at, following, or in connection with an officer's retirement. In accordance with the SEC's rules, the following table does not provide information regarding tax-qualified defined contribution plans or nonqualified defined contribution plans.

2008 Pension Benefit

Name	**Plan Name**	**No. of years credit service**	**Present Value of Accrued Benefits ($)**	**Change in Pension Value 2008 vs 2007 ($)**
Sy Syms	(1)	33	749,323	(34,205)
Marcy Syms	(1)	30	171,131	11,592
Philip A. Piscopo	(1)	2	-	-
Gary Roberts	(1)	2	-	-
Myra Butensky	(1)	5	52,930	3,405

(1) Syms Corp Defined Benefit Plan

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Sy Syms and Marcy Syms serve as members of the Compensation Committee and Bernard Tenenbaum, Henry Chidgey and Thomas Zanecchia serve as members of the Stock Option Committee. Sy Syms is Chairman of the Board of Directors of the Company and Marcy Syms is the Company's Chief Executive Officer and President. Other than as set forth in this Proxy Statement with respect to the repurchase of shares of the Company's common stock from Marcy Syms, no member of the Compensation Committee or Stock Option Committee had any relationship requiring disclosure by the Company under Item 404 of Regulation S-K.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee, through its executive compensation policy, strives to provide compensation rewards based upon both corporate and individual performance while maintaining a relatively simple compensation program in order to avoid the administrative costs which the Compensation Committee believes are inherent in multiple complex compensation plans and agreements. The Stock Option Committee, which is comprised solely of independent directors, administers the issuances of equity-based compensation arrangements under the Company's stock incentive compensation plans.

The determination of compensation ranges for executive officers reflects a review of salaries and bonuses for executive officers holding similar positions in retailers of relatively comparable size and orientation. However, in making compensation decisions, the Compensation Committee remains cognizant of the Board of Directors' responsibility to enhance shareholder value. The Compensation Committee utilizes cash bonuses, when it feels a bonus is merited, based on factors such as an executive's individual performance and the Company's performance relative to its past performance and the performance of competitors. The Company has available a long-term incentive for executives to both remain in the employ of the Company and to strive to maximize shareholder value through the Company's option plans, which align the interests of executives with those of shareholders.

Determination of Marcy Syms' compensation as the Company's Chief Executive Officer for fiscal 2008 reflects the Company's performance and a comparison with chief executive officer compensation of the Company's competitors, but also reflects recognition of Ms. Syms unique, ongoing contribution to the growth, success and viability of the Company.

It is the responsibility of the Compensation Committee to address the issues raised by the tax laws which make certain non-performance-based compensation to executives of public companies in excess of $1,000,000 non-deductible to the Company. In this regard, the Compensation Committee must determine whether any actions with respect to this limit should be taken by the Company. At this time, it is not anticipated that any executive officer will receive any compensation in excess of this limit. Therefore, the Compensation Committee has not taken any action to comply with the limit.

The Compensation Committee and the Stock Option Committee have reviewed the Compensation Discussion and Analysis and discussed that analysis with management. Based on their review and discussions with management, the committees recommended to our Board of Directors that the Compensation Discussion and Analysis be included in the Company's fiscal 2008 proxy statement. This report is provided by the following directors, who comprise the Compensation Committee and the Stock Option Committee:

COMPENSATION COMMITTEE
Sy Syms, *Chairman*
Marcy Syms

STOCK OPTION COMMITTEE
(solely with respect to the description of equity-based compensation)
Bernard H. Tenenbaum
Henry M. Chidgey
Thomas E. Zanecchia

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires the Company’s officers and directors, and persons who own more than 10% of a registered class of the Company’s equity securities, to file initial statements of beneficial ownership (Form 3), and statements of changes in beneficial ownership (Forms 4 and 5), of Common Stock of the Company with the Securities and Exchange Commission. Executive officers, directors and greater than 10% shareholders are required to furnish the Company with copies of all such forms they file.

To the Company’s knowledge, based solely on its review of the copies of such forms received by it, all filing requirements applicable to its executive officers, directors, and greater than 10% shareholders were met during fiscal 2008.

AUDIT COMMITTEE REPORT

The Audit Committee reviews the Company’s financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and reporting process. The Company’s independent registered public accountants are responsible for expressing an opinion on the conformity of the Company’s audited financial statements to generally accepted accounting principles.

In this context, the Audit Committee has reviewed and discussed the Company’s audited financial statements with management and the independent registered public accountants. The Audit Committee has discussed with the independent registered public accountants the matters required to be discussed by Statement on Auditing Standards No. 61 as amended (Communication with Audit Committees). In addition, the Audit Committee has received from the independent registered public accountants the written disclosures and letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant’s communications with the audit committee concerning independence, and has discussed with the independent registered public accountants whether any non-audit services performed by the independent registered public accounting firm impaired the independence of the firm.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the Company’s audited financial statements be included in the Company’s Annual Report on Form 10-K for fiscal 2008 for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE
Bernard H. Tenenbaum, *Chairman*
Henry M. Chidgey
Thomas E. Zanecchia

RATIFICATION OF APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Proposal 2

The Board of Directors has selected BDO Seidman, LLP (BDO) as the independent registered public accounting firm for the Company for the fiscal year ending February 27, 2010 and recommends that shareholders approve such appointment. The affirmative vote of a majority of the votes cast at the meeting is necessary for the approval of auditors.

BDO has audited the financial statements of the Company for more than the past five years. A representative of BDO is expected to be present at the meeting and will have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions from shareholders.

The following is a summary of the fees for professional services rendered by BDO which were billed to us for the past two fiscal years:

	Fiscal year ended	
Fee category	**February 28, 2009**	**March 1, 2008**
Audit fees	$ 383,000	$ 367,000
Audit-related fees	46,000	41,000
Total fees	$ 429,000	$ 408,000

Audit Fees: Audit fees represent fees for professional services performed by BDO for the audit of our annual financial statements, audit of internal controls and the review of our quarterly financial statements, as well as services that are normally provided in connection with statutory and regulatory filings or engagements.

Audit Related Fees: Audit-related fees represent fees for assurance and related services performed by BDO that are reasonably related to the performance of the audit or review of our financial statements. These fees were for employee benefit related services in each of the past two fiscal years.

All other fees: BDO did not perform any services other than the services described above for fiscal 2008 or fiscal 2007.

Pre-approval Policies and Procedures: The Audit Committee Charter adopted by the Board of Directors of the Company requires that, among other things, the Audit Committee must pre-approve all audit and permissible non-audit services rendered by the independent registered accounting firm. These services may include audit services, audit-related services, tax services and other services, including services relating to compliance with Section 404 of the Sarbanes-Oxley Act of 2002. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis. All services were pre-approved by the Audit Committee.

The Company and the Audit Committee have considered whether other non-audit services by BDO are compatible with maintaining the independence of BDO in its audit of the Company.

For purposes of determining whether to select BDO as the independent registered public accounting firm to perform the audit of our financial statements and our internal control over financial reporting for fiscal 2008, the Audit Committee conducted a thorough review of BDOs performance. The committee considered:

- BDOs historical and recent performance on the Companys audit, including the quality of the engagement team and the firms experience, client service, responsiveness and technical expertise;

- The firms leadership, management structure, client and employee retention and compliance and ethics programs;

- The record of the firm against comparable accounting firms in various matters, such as regulatory, litigation and accounting matters;
- The appropriateness of fees charged; and
- The firms familiarity with Syms accounting policies and practices and internal control over financial reporting;

In the course of assisting the audit committee in its review, Company representatives interviewed management of BDO with respect to certain of the matters listed above. BDO was our independent auditor for the year ended February 28, 2009. The firm is a registered public accounting firm.

Although ratification is not required by our Bylaws or otherwise, the Board considers the selection of the independent registered accounting firm to be an important matter of shareholder concern and is submitting the selection of BDO Seidman, LLP to our shareholders for ratification as a matter of good corporate practice.

The Board of Directors recommends that the shareholders vote FOR ratification of the appointment of BDO Seidman, LLP. Executed proxies solicited hereby will be voted FOR the proposal unless a vote against the proposal or abstention is specifically indicated.

OTHER MATTERS

The Board of Directors does not know of any matters to be brought before the Annual Meeting, except those set forth in the notice thereof and a proposal that may be made by a shareholder relating to an amendment to our bylaws allowing certain shareholders to designate an observer to our Board of Directors. The persons named in the accompanying form of proxy have discretionary authority in voting any proxies submitted to the Company in connection with such proposal, and intend to exercise such discretion to vote against such proposal if it is presented at the Annual Meeting. If other business is properly presented for consideration at the Annual Meeting, the persons named in the accompanying form of proxy intend to vote the proxies therein in accordance with their best judgment on such matters.

SHAREHOLDER NOMINATIONS AND PROPOSALS

Nominations to Board of Directors: Any shareholder who wants to nominate a candidate for election to the Board of Directors must deliver timely notice to our Secretary at our principal executive offices, located at One Syms Way, Secaucus, New Jersey 07094. In order to be timely, the notice must be delivered

- in the case of an annual meeting, not less than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders, although if we did not hold an annual meeting during the immediately preceding calendar year or the annual meeting is called for a date that is not within 30 days of the anniversary date of the prior years annual meeting, the notice must be received a reasonable time before we begin to print and mail our proxy materials; and
- in the case of a special meeting of shareholders called for the purpose of electing directors, the notice must be received a reasonable time before we begin to print and mail our proxy materials.

Accordingly, any person who desires to nominate a candidate for director at our fiscal 2009 annual meeting should provide the information required not later than April 6, 2010. The shareholders notice to the Secretary must set forth:

- As to each person whom the shareholder proposes to nominate for election as a director (a) his name, age, business address and residence address, (b) his principal occupation and employment, (c) the number of shares of our common stock that are owned beneficially or of record by him and (d) any other information relating to the nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations of the SEC thereunder; and

- As to the shareholder giving the notice (a) his name, age and record address, (b) the number of shares of the Company's common stock which are owned beneficially or of record by him, (c) a description of all arrangements or understandings between the shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by the shareholder, (d) a representation by him that he is a holder of record of our common stock entitled to vote at such meeting and that he intends to appear in person or by proxy at the meeting to nominate the person or persons named in his notice and (e) any other information relating to the shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations of the SEC thereunder.

The notice delivered by the shareholder must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The shareholder must be a shareholder of record on the date on which he gives the notice described above and on the record date for the determination of shareholders entitled to vote at the meeting.

Other proposals: In order to bring other business before an annual meeting, a shareholder must give timely notice of such proposal in writing to the Corporate Secretary at the Corporation's principal executive offices located at One Syms Way, Secaucus, New Jersey 07094 and such business must otherwise be a proper matter for shareholder action. To be timely, a shareholder's notice must be delivered to such address not less than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that an annual meeting was not conducted during the immediately preceding calendar year or in the event that the Board of Directors sets as a date for the annual meeting a date which is not within 30 days before or after such anniversary date, notice by the shareholder (in order to be timely) must be so delivered within a reasonable time prior to the date on which the Corporation begins to print its proxy solicitation materials. Such shareholder's notice must set forth a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business that such shareholder may have and the beneficial owner, if any, on whose behalf the proposal is made.

In accordance with SEC rules, the proxy holders named in the form of proxy provided by the Board of Directors will be entitled to use their discretionary voting authority with respect to any shareholder proposal raised at the 2010 annual meeting which is not presented to the Company on or before April 6, 2010 in accordance with the standards set forth above.

If a shareholder intends to present a proposal at our 2010 annual meeting of shareholders and desires to have that proposal included in the proxy statement and form of proxy relating to that meeting, the proposal must be received by the Company at our principal executive offices not later than March 4, 2010 and must comply with the proxy solicitation rules of the SEC.

ANNUAL REPORT TO SHAREHOLDERS

The Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2009 (fiscal 2008), including financial statements, is being mailed to shareholders of the Company with this Proxy Statement. The Annual Report does not constitute a part of the Proxy Solicitation materials. Shareholders may, without charge, obtain copies, excluding certain exhibits, of the Company's Annual Report on Form 10-K filed with the SEC. Requests for this Report should be addressed to Investor Relations, Syms Corp, One Syms Way, Secaucus, New Jersey 07094. Your cooperation in giving this matter your immediate attention and returning your proxies will be appreciated.

By Order of the Board of Directors

Philip A. Piscopo
Vice President
Chief Financial Officer and Secretary
July 2, 2009

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SYMS CORP

Annual Meeting of Shareholders August 4, 2009
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned shareholder of Syms Corp, a New Jersey corporation (the Company), hereby appoints Sy Syms and Marcy Syms, and each of them with full power to act without the other, as proxy for the undersigned, with full power of substitution, to vote and otherwise represent all shares of common stock of the Company held by the undersigned at the Annual Meeting of Shareholders of the Company (receipt of a copy of the Notice of such meeting, and Proxy Statement being acknowledged) on August 4, 2009 at 10:30 a.m., at the offices of Syms Corp, One Syms Way, Secaucus, New Jersey 07094, upon the following matters and upon such other business as may properly come before the meeting and any and all adjournment(s) or postponement(s) thereof, with the same effect as if the undersigned were present and voting such shares. The undersigned hereby revokes any proxy previously given with respect to such shares.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE SPECIFICATIONS MADE. IF THIS PROXY IS EXECUTED BUT NO SPECIFICATION IS MADE, THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED FOR EACH OF THE BOARD OF DIRECTORS NOMINEES AND FOR PROPOSAL 2. THE PROXIES, IN THEIR DISCRETION, ARE AUTHORIZED TO VOTE UPON ANY OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENT(S) OR POSTPONEMENT(S) THEREOF.

(Continued and to be signed on the reverse side)

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ANNUAL MEETING OF SHAREHOLDERS OF

SYMS CORP

August 4, 2009

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:
The Notice of Meeting, Proxy Statement, Proxy Card
are available at www.syms.com

Please sign, date and mail
your proxy card in the
envelope provided as soon
as possible.

â Please detach along perforated line and mail in the envelope provided. â

20530000000000000000 7 080409

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

1. The election of the following persons as Directors of the Company to serve for the respective terms set forth in the accompanying Proxy Statement:

o **FOR ALL NOMINEES**

o **WITHHOLD AUTHORITY FOR ALL NOMINEES**

o **FOR ALL EXCEPT**
(See instructions below)

NOMINEES:
¡ Sy Syms
¡ Marcy Syms
¡ Henry M. Chidgey
¡ Bernard H. Tenenbaum
¡ Thomas E. Zanecchia

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here: l

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. o

	FOR	AGAINST	ABSTAIN
2.	o	o	o

To ratify the appointment of BDO Seidman, LLP as independent accountants of the Company for the fiscal year ending February 27, 2010.

3. In their discretion with respect to any other matter that may properly come before the meeting or any and all adjournment(s) or postponement(s) thereof.

Signature of Shareholder	Date:	Signature of Shareholder	Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

Member

—

Robert M. Hanser

—

—

—

Member
Joseph M. Holsten

—

—

—

Member
Blythe J. McGarvie

Chairperson

—

Member

—

Paul M. Meister

Member

Chairperson

—

—
John F. O'Brien

—

Member

Chairperson

—
Guhan Subramanian

Member

—

Member

—
William M. Webster, IV

—

Member

—

Chairperson
The functions and membership of each committee are described below.
Audit Committee. The Audit Committee's functions include selecting our independent registered public accounting firm and recommending that firm for ratification by stockholders; reviewing the arrangements for, and scope of, the independent registered public accounting firm's examination of our financial statements; reviewing the activities of our internal audit department; meeting with the independent registered public accounting firm and certain of our officers to review the adequacy and appropriateness of our system of internal control and reporting, our critical accounting policies, and our public financial disclosures; reviewing compliance with our codes of ethics; and performing any other duties or functions deemed appropriate by the Board of Directors.
All of the Audit Committee members satisfy the independence, financial literacy, and expertise requirements of the rules of Nasdaq. Our Board of Directors has determined that each of Ms. McGarvie, Mr. Allen and Mr. Meister satisfies the requirements to be designated an "audit committee financial expert" under the rules and regulations of the SEC. The Audit Committee operates pursuant to a charter, which is available on our corporate website at www.lkqcorp.com. The Audit Committee met eight times during 2016.
Compensation Committee. The Compensation Committee is responsible for establishing and making recommendations to the Board of Directors regarding compensation to be paid to our executive officers and is responsible for the administration and interpretation of, and the granting of awards under, our incentive compensation plans. All of the Compensation Committee members are independent as defined in Nasdaq's listing standards. The Compensation Committee operates pursuant to a charter, which is available on our corporate website at www.lkqcorp.com. The Compensation Committee met four times during 2016.
The compensation of our executive officers is determined through a process involving our Chairman of the Board, our Chief Executive Officer and our Compensation Committee. Our Chairman of the Board typically determines the proposed compensation of our Chief Executive Officer. Our Chief Executive Officer typically determines the

proposed compensation of the remaining executive officers. The Compensation Committee holds a meeting near the beginning of each calendar year to consider the proposed compensation amounts for that year and to make final determinations. The executive officers are not present during the deliberations and final decisions by the Compensation Committee concerning executive compensation (except for the General Counsel who serves as the corporate secretary of the meeting).

Governance/Nominating Committee. The Governance/Nominating Committee is responsible for developing policies and processes designed to provide for effective and efficient governance by the Board of Directors and for identifying qualified individuals and nominating such individuals for membership on the Board of Directors and its committees. All of the members of the Governance/Nominating Committee are independent as defined in Nasdaq's listing standards. The Governance/Nominating Committee operates pursuant to a charter, which is available on our corporate website at www.lkqcorp.com. The Governance/Nominating Committee met four times during 2016.

Government Affairs Committee. The responsibilities of the Government Affairs Committee are to monitor our compliance with regulatory requirements, to oversee any significant legislative or regulatory issues affecting us, and to provide guidance with respect to our initiatives involving federal, state and foreign governments. The Government Affairs Committee

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oversees any lobbying activity engaged in by LKQ. The Government Affairs Committee operates pursuant to a charter, which is available on our corporate website at www.lkqcorp.com. The Government Affairs Committee met four times in 2016.

Stockholder Communications with the Board of Directors

Stockholders desiring to contact the Board of Directors or any committee of the Board should address the communication to LKQ Corporation, 500 West Madison Street, Suite 2800, Chicago, Illinois 60661, Attention: Corporate Secretary, with a request to forward the communication to the intended recipient. All such communications will be forwarded unopened.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee is currently composed of Messrs. Meister, O'Brien and Webster. It determines the compensation of our executive officers. None of Messrs. Meister, O'Brien or Webster is or was an officer or employee of the Company nor are any of our directors officers of any other entity for which one of our executive officers served as a director or makes compensation decisions.

DIRECTOR COMPENSATION

Director Fees

The compensation of each non-employee director during 2016 included (a) quarterly cash compensation of $25,000, and (b) an annual grant of restricted stock units ("RSUs") with a value on the grant date of approximately $110,000. The 2016 equity grant will vest in May 2017, one year after the date of grant. Director compensation is determined by the Board of Directors. The Board periodically reviews the components and amounts of director compensation to determine if any adjustments are appropriate and as part of such review, regularly engages an outside consultant to provide information and advice on such matters. In March 2017, the Board of Directors increased to $115,000 the value of the annual RSU grant commencing with the grant scheduled for May 2017.

In 2016, non-employee directors also received the following quarterly cash payments for serving on committees of the board: $6,250 and $3,750 by each of the chairman and the other members of the Audit Committee, respectively; $3,750 and $2,500 by each of the chairman and the other members of the Compensation Committee, respectively; $3,000 and $2,000 by each of the chairman and the other members of the Governance/Nominating Committee, respectively; and $3,000 and $2,000 by each of the chairman and the other members of the Government Affairs Committee, respectively. In addition, the Chairman of the Board received a quarterly compensation amount of $12,500, our Lead Independent Director received a quarterly compensation amount of $6,250, and Mr. Hanser received an annual stipend of $15,000 for his additional advice and contributions to the Board relating to European matters. Neither Mr. Holsten nor Mr. Ahluwalia receives compensation for serving on the Government Affairs Committee.

Each director has the option, by making an election by December 31 of each year, to receive the cash portion of director compensation for the following calendar year in shares of our common stock instead of cash. None of our directors elected to receive his or her cash compensation for 2016 in shares of our common stock. Directors are also reimbursed for their out-of-pocket expenses incurred in connection with serving on our Board.

Indemnification

Each member of our Board of Directors is a party to an indemnification agreement with us that assures the director of indemnification and advancement of expenses to the fullest extent permitted by Delaware law and our Certificate of Incorporation.

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Director Compensation Table

The following table provides compensation information for the one year period ended December 31, 2016 for each of our directors that served during 2016 (other than Mr. Wagman).

Name	Fees Earned or Paid in Cash	Stock Awards (1),(2)	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Sukhpal Singh Ahluwalia (3)	—	—	—	—	—	$ 677,750	$677,750
A. Clinton Allen	$148,000	$110,029	—	—	—	—	$258,029
Ronald G. Foster (4)	$39,845	—	—	—	—	—	$39,845
Robert M. Hanser	$118,825	$110,029	—	—	—	—	$228,854
Joseph M. Holsten (5)	$150,000	$260,051	—	—	—	$ 290,000	$700,051
Blythe J. McGarvie	$133,000	$110,029	—	—	—	—	$243,029
Paul M. Meister	$130,000	$110,029	—	—	—	—	$240,029
John F. O'Brien	$122,000	$110,029	—	—	—	—	$232,029
Guhan Subramanian	$123,000	$110,029	—	—	—	—	$233,029
William M. Webster, IV	$122,000	$110,029	—	—	—	—	$232,029

(1) The amounts represent the aggregate grant date fair value of awards granted in 2016, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, "Compensation-Stock Compensation" ("FASB ASC Topic 718"). See Note 6 of the consolidated financial statements in our 2016 Annual Report regarding assumptions underlying the valuation of equity awards. Our Equity Incentive Plan is discussed beginning on page 23.

(2) As of December 31, 2016, the non-employee directors held the following outstanding equity awards: Mr. Allen, 60,000 stock options and 3,407 RSUs; Mr. Hanser, 3,407 RSUs; Mr. Holsten, 11,407 RSUs; Ms. McGarvie, 3,407 RSUs; Mr. Meister, 60,000 stock options and 3,407 RSUs; Mr. O'Brien, 3,407 RSUs; Mr. Subramanian, 3,407 RSUs; and Mr. Webster, 60,000 stock options and 3,407 RSUs.

(3) The compensation reported for Mr. Ahluwalia is paid pursuant to a Services Agreement between us and Mr. Ahluwalia. For a description of the Services Agreement, see the section entitled "Certain Transactions - Transactions with Related Persons" on page 37.

(4) Mr. Foster served on our Board of Directors until May 2, 2016.

(5) We had a consulting agreement with Mr. Holsten pursuant to which he provided consulting services to us for a five year term, which commenced on January 1, 2012 when he ceased to be employed by us. We paid Mr. Holsten $290,000 annually during the term for his consulting services. Also in 2016, Mr. Holsten received RSUs with a grant date fair value equal to $110,029 related to his service as a director, as well as RSUs with a grant date fair value equal to $150,022 related to his service as Chairman of the Board. Mr. Holsten's consulting agreement expired on December 31, 2016. The Board of Directors instituted an amended compensation package for Mr. Holsten commencing as of January 1, 2017. In addition to his compensation as a director, Mr. Holsten (a) receives an annual amount equal to $350,000 in cash for his service as Chairman of the Board (instead of the $50,000 annual amount he received previously), and (b) will receive (in May as part of the RSUs granted to non-employee directors) an annual grant of RSUs with a value on the grant date of approximately $50,000.

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PROPOSAL NO. 2
RATIFICATION OF APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board of Directors is responsible for appointing our independent registered public accounting firm, and for recommending such appointment for stockholder ratification. The Audit Committee has selected the accounting firm of Deloitte & Touche LLP to serve as our independent registered public accounting firm for 2017. Deloitte & Touche has served as our independent registered public accounting firm since 1998 and also has provided non-audit services from time to time.

Although ratification is not required by our bylaws or otherwise, our Board of Directors is submitting the selection of Deloitte & Touche to our stockholders for ratification because we value our stockholders' views on our independent registered public accounting firm and as a matter of good corporate practice. The Audit Committee will consider the outcome of this vote in its decision to appoint an independent registered public accounting firm but is not bound by our stockholders' vote. Even if the selection of Deloitte & Touche is ratified, the Audit Committee may change the appointment at any time during the year if it determines a change would be in the best interests of the Company and our stockholders.

Audit Fees and Non-Audit Fees

The following table summarizes the fees and expenses of Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu Limited, and their respective affiliates for audit and other services for the periods indicated.

	2016	2015
Audit Fees	$5,179,397	$3,426,284
Audit-Related Fees	449,700	426,957
Tax Fees	1,332,848	608,360
All Other Fees	43,307	—
Total Audit and Non-Audit Fees	$7,005,252	$4,461,601

For 2016, audit services consisted of the audit of our annual consolidated financial statements, the review of our quarterly consolidated financial statements, the audit of internal controls over financial reporting as required by the Sarbanes-Oxley Act of 2002, providing a consent to incorporate Deloitte & Touche LLP's report into our offering memorandum on our Euro senior notes, and foreign statutory audits. Audit-related services primarily consisted of assistance with acquisitions due diligence. Tax services included foreign tax compliance, research and planning. Tax compliance fees totaled $660,300 in 2016. All other fees related to miscellaneous advisory services.

For 2015, audit services consisted of the audit of our annual consolidated financial statements, the review of our quarterly consolidated financial statements, the audit of internal controls over financial reporting as required by the Sarbanes-Oxley Act of 2002, providing a consent to incorporate Deloitte & Touche LLP's report into our registration statement on Form S-3, and foreign statutory audits. Audit-related services primarily consisted of assistance with acquisitions due diligence. Tax services included foreign tax compliance, research and planning. Tax compliance fees totaled $343,328 in 2015.

Policy on Audit Committee Approval of Audit and Non-Audit Services

The Audit Committee's policy is to approve all audit and permissible non-audit services prior to the engagement of our independent registered public accounting firm to provide such services. The Audit Committee approves, at the beginning of each year, pursuant to detailed approval procedures, certain specific categories of permissible non-audit services. Such procedures include the review of (i) a detailed description by our independent registered public accounting firm of the particular services to be provided and the estimated fees for such services and (ii) a report to the committee on at least a quarterly basis regarding the services provided and the fees paid for such services. The Audit Committee must approve on a project-by-project basis any permissible non-audit services that do not fall within a pre-approved category and any fees for pre-approved permissible non-audit services that materially exceed the previously approved amounts. In making the determinations about non-audit services, the Audit Committee considers whether the provision of non-audit services is compatible with maintaining the auditor's independence.

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Representatives of Deloitte & Touche LLP will be available at the 2017 Annual Meeting to respond to your questions. They have advised us that they do not presently intend to make a statement at the 2017 Annual Meeting, although they will have the opportunity to do so.

We recommend that you vote “FOR” ratification of the appointment of Deloitte & Touche LLP
as our independent registered public accounting firm for 2017.

Report of the Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its responsibility to oversee management’s implementation of LKQ’s financial reporting process. In discharging its oversight role, the Audit Committee reviewed and discussed with management and Deloitte & Touche LLP, our independent registered public accounting firm, our audited financial statements as of and for the year ended December 31, 2016. Management is responsible for those financial statements and the reporting process, including the system of internal control. The independent registered public accounting firm is responsible for expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America.

The Audit Committee has discussed with Deloitte & Touche LLP the matters required to be discussed by PCAOB Auditing Standard No. 1301. The Audit Committee has also received from Deloitte & Touche LLP the written disclosures and the letter required by applicable requirements of the PCAOB regarding Deloitte & Touche LLP’s communications with the Audit Committee concerning independence and has discussed the accounting firm's independence with Deloitte & Touche LLP. The Audit Committee also considered whether the provision of non-audit services by Deloitte & Touche LLP was compatible with maintaining Deloitte & Touche LLP’s independence.

Based upon the foregoing review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements referred to above be filed with LKQ's Annual Report on Form 10-K for the year ended December 31, 2016.

In compliance with the Sarbanes-Oxley Act of 2002, the Board of Directors has established procedures for the confidential reporting of employee concerns with regard to accounting controls and auditing matters. All members of the Audit Committee meet the independence standards established by Nasdaq.

Audit Committee (as of March 16, 2017):
Blythe J. McGarvie (Chair)
A. Clinton Allen
Paul M. Meister
Guhan Subramanian

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PROPOSAL NO. 3
ADVISORY VOTE ON EXECUTIVE COMPENSATION

The guiding principles of our compensation policies and decisions include aligning each executive's compensation with our business strategy and the interests of our stockholders and providing incentives needed to attract, motivate and retain key executives who are important to our long-term success. Consistent with this philosophy, a significant portion of the total incentive compensation for each of our executives is directly related to our earnings and to other performance factors that measure our progress against the goals of our strategic and operating plans.

Stockholders are urged to read the "Executive Compensation -- Compensation Discussion and Analysis" and "Executive Compensation -- Compensation Tables" sections of this Proxy Statement, which discuss how our compensation design and practices reflect our compensation philosophy. The Compensation Committee and the Board of Directors believe that our compensation design and practices are effective in implementing our guiding principles.

We are required to submit a proposal to stockholders for a (non-binding) advisory vote to approve the compensation of our named executive officers pursuant to Section 14A of the Exchange Act. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the principles, policies and practices described in this Proxy Statement. Accordingly, the following resolution is submitted for stockholder vote at the 2017 Annual Meeting:

"RESOLVED, that the stockholders of LKQ Corporation approve, on an advisory basis, the compensation of its named executive officers as disclosed in the Proxy Statement for the 2017 Annual Meeting, including the Summary Compensation Table and the Compensation Discussion and Analysis set forth in such Proxy Statement and other related tables and disclosures."

As this is an advisory vote, the result will not be binding on us, the Board of Directors or the Compensation Committee, although our Compensation Committee will consider, among other things, the outcome of the vote when evaluating our compensation principles, design and practices. Proxies submitted without direction pursuant to this solicitation will be voted "FOR" the approval of the compensation of our named executive officers, as disclosed in this Proxy Statement.

We recommend that you vote "FOR" the approval, on an advisory basis, of the compensation of our named executive officers, as disclosed in this Proxy Statement.

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PROPOSAL NO. 4

ADVISORY VOTE ON THE FREQUENCY OF HOLDING AN ADVISORY VOTE ON EXECUTIVE COMPENSATION

Pursuant to Section 14A of the Exchange Act, we submitted a proposal to stockholders in May 2011 to vote on whether the stockholder advisory "say-on-pay" vote to approve the compensation of our named executive officers should occur every one, two, or three years. In May 2011, stockholders decided that the advisory vote on executive compensation should occur every year. This Proposal No. 4 is the resubmission of this question to our stockholders. You may cast your vote on this proposal by choosing every year, every other year, or every three years or you may abstain from voting.

In formulating its recommendation, our Board of Directors considered that an annual (non-binding) advisory vote on executive compensation will allow our stockholders to provide us with direct and timely input on our compensation principles, policies and practices.

The option of every year, every other year, or every three years that receives the highest number of votes cast by stockholders will be the frequency for the advisory vote on executive compensation that has been selected by stockholders. However, as this is an advisory vote, the result will not be binding on us or our Board of Directors. Our Compensation Committee will consider the outcome of the vote when determining how often we should submit to stockholders an advisory vote to approve the compensation of our named executive officers included in our Proxy Statement. Proxies submitted without direction pursuant to this solicitation will be voted for the option of “every year.”

We recommend that you vote for the for the option of “every year” as the frequency with which stockholders are provided an advisory vote on the compensation of our named executive officers included in our Proxy Statement.

OTHER PROPOSALS

We know of no matters to be brought before the 2017 Annual Meeting other than those described above. If any other business should properly come before the meeting, we expect that the persons named in the enclosed proxy will vote your shares in accordance with their best judgment on that matter.

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EXECUTIVE COMPENSATION—COMPENSATION DISCUSSION AND ANALYSIS

This section describes the Company's compensation programs for our executive officers that were in effect for 2016 and the decisions made with respect to these programs. Our goal is to explain the details of our compensation programs as well as to describe why we believe these programs are appropriate for our Company and our stockholders. This section contains compensation information for our principal executive officer, our principal financial officer, and our three other most highly compensated executive officers, in each case who were serving as executive officers as of December 31, 2016 (collectively referred to as our "named executive officers"), who were:

- Robert L. Wagman, President and Chief Executive Officer
- Dominick Zarcone, Executive Vice President and Chief Financial Officer
- John S. Quinn, Chief Executive Officer and Managing Director, LKQ Europe
- Walter P. Hanley, Senior Vice President - Development
- Victor M. Casini, Senior Vice President, General Counsel and Corporate Secretary

Executive Summary

Compensation Highlights

Compensation Component	Description/Purpose	2016 Highlights
Direct Compensation		
Base Salary	Fixed compensation element Salary levels based on market rates, executive's experience, responsibilities, and contribution to our development and growth	In 2016, the base salary for Mr. Wagman was increased to align more closely with competitive salaries for similarly-situated executives Refer to "Elements of Our Compensation Programs - Base Salaries"
Annual Bonus under Management Incentive Plan ("MIP")	Cash incentive designed to reward achievement of annual performance objectives 2016 annual bonuses were based 100% on consolidated earnings per share (EPS) goals	Our 2016 EPS (as defined in the MIP) was $1.83, versus a target range of $1.77 to $1.80, resulting in bonus payments at one level above each executive's target. Refer to "Elements of Our Compensation Programs - Annual Bonus Awards"
Long-Term Incentive Plan ("LTIP") Awards	Cash incentive designed to reward multi-year performance For the 2016-2018 performance period, each executive is eligible to earn from 0 to 200% of their target award, based on the Company's 3-year EPS growth (weighted 42.5%), 3-year revenue growth (weighted 42.5%), and 3-year return on equity growth (weighted 15%)	Starting in 2015, three-year performance periods commence annually (i.e., performance periods will overlap) Refer to "Elements of Our Compensation Programs - LTIP Awards"
Restricted Stock Units (RSUs)	Grants of units that will be converted to a number of common shares, subject to achievement of a performance hurdle, as well as the executive's continued employment over the vesting period Designed to align the interests of management with those of our stockholders and promote retention of key talent	In 2016, the Committee granted named executive officers RSUs that vest over a three-year period, subject to the executive's continued employment, but only if we achieve positive diluted EPS during any fiscal year within five years from the date of grant

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Compensation Component	Description/Purpose	2016 Highlights
Indirect Compensation		
Health and Welfare Benefits	Standard health and welfare benefits to provide a level of financial support in the event of injury or illness	Executives participate in the same benefits programs as all other employees
Retirement	Provide opportunities for employees to save for retirement in a tax efficient manner 401(k) plan with company matching contribution and supplemental plan to allow employees to contribute (and receive a company match) on amounts in excess of IRS limits	Executives participate in the 401(k) plan and supplemental plan on the same basis as all other eligible employees
Severance Protection	Severance Policy provides financial support in the event of an unexpected termination of employment Change of Control agreements enable executives to objectively consider transactions that will benefit stockholders even if they would result in termination of employment Termination provisions in equity award agreements outline the treatment of each award under various termination scenarios	In the event of a change of control, cash severance would be payable on a “double-trigger” basis, meaning the executive must experience a qualifying termination within 24 months of the change of control to receive benefits Starting with 2016 equity grants, we adopted “double-trigger” vesting acceleration for RSUs, meaning that vesting of RSUs will accelerate only in connection with a change of control if either (a) the successor entity does not assume, convert, or replace the awards with a similar award or (b) the participant experiences a qualifying termination within 24 months of the change of control

Target Total Direct Compensation Mix

A significant portion of our executive compensation is in the form of incentive-based compensation. We consider our annual bonus awards, long-term incentive awards and equity incentive grants incentive-based compensation because their value depends in whole or in part on the financial performance of the Company and/or our stockholder return performance. The following charts set forth the percentage of our Chief Executive Officer's and the other named executive officers' 2016 compensation that was incentive-based.

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Governance Highlights

What we do	What we don’t do
üThe majority of our executives’ target total direct compensation is tied to performance.	ûWe do not provide golden parachute excise tax or other tax gross-ups.
üWe require executive officers and directors to acquire and maintain meaningful ownership of our stock to ensure their interests are closely aligned with the long-term financial interests of our stockholders.	ûNeither our Severance Policy nor our Change of Control Agreements provide "single-trigger" cash severance upon a change in control.
üOur equity awards include meaningful restrictive covenants (e.g., non-competition, non-solicitation of customers or employees, etc.) that, if violated, would result in forfeiture of unvested awards, shares received upon vesting of awards, or cash proceeds received upon sale of such shares.	ûOur equity grant agreements do not provide "single-trigger" equity vesting upon a change in control.
üOur Compensation Committee is composed entirely of independent directors.	ûWe do not provide supplemental executive retirement plans.
üThe Compensation Committee engages an independent compensation consultant that provides no other services to the Company.	ûOur equity plans expressly forbid option repricing, and exchange of underwater options for other awards or cash, without stockholder approval.
üWe regularly assess our executive compensation programs to ensure they do not create risks that are likely to have a material adverse effect on our Company.	ûWe do not provide benefits or perquisites to executive officers that are not provided to other employees.
	ûWe prohibit executives and directors from hedging Company stock.

Advisory Vote on Executive Compensation

Commencing in 2011, we have submitted to our stockholders on an annual basis a proposal for a (non-binding) advisory vote to approve the compensation of our named executive officers ("say-on-pay"). The Compensation Committee considers, among other things, the outcome of this vote when evaluating our compensation principles, designs and practices. The Compensation Committee decided to continue for 2017 our compensation principles, designs and practices largely unchanged compared to 2016 due in part to the level of stockholder support received in the advisory vote at our 2016 annual meeting.

Objectives of Our Compensation Programs

Our compensation programs are intended to enable us to attract, motivate, reward and retain the management talent needed to achieve our corporate objectives in a highly competitive market, and thereby increase stockholder value. It is our policy to provide incentives to the Company’s senior management to achieve both short-term and long-term goals. To attain these goals, our policy is to provide a significant portion of executive compensation in the form of at-risk, incentive-based

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compensation. We believe that such a policy, which directly aligns the financial interests of management with the financial interests of our stockholders, provides the proper incentives to attract, motivate, reward and retain high quality management.

The Compensation Committee has maintained this policy since we became a public company in October 2003 and believes that the policy has been and continues to be appropriate for a growing company like ours. The Compensation Committee will reevaluate this policy in the event that our growth profile changes over time or in the event that the Compensation Committee identifies other reasons that warrant a change of policy.

What Our Compensation Programs are Designed to Reward

Our compensation programs are designed to reward the executive officers for the overall performance of our Company and the individual performance of each executive officer. Specifically, with respect to the overall performance of our Company, we have historically used the growth of the following metrics to measure performance: revenue, consolidated earnings per share, and return on equity. With respect to individual performance of an executive officer, we analyze the growth of the performance metrics that most directly relate to such individual's area of responsibility and consider certain subjective factors, including the individual's management and leadership skills, ability to resolve challenges and to overcome obstacles, and overall contribution to our success.

Other than for purposes of determining the appropriate value of equity related awards, stock price performance has not been used as a direct factor in determining executive officer compensation because the price of our common stock is subject to a variety of factors outside of the control of management. Stock price performance, however, ultimately affects the value of equity incentive awards held by executive officers, thus aligning their interests with those of other stockholders.

Executive Compensation Decision-Making

Role of the Compensation Committee and Management

Management provides to the Compensation Committee historical compensation information relating to our executive officers to aid the deliberations of the Compensation Committee regarding executive officer compensation. The information typically includes historical and proposed base salaries, bonuses, long term incentive awards, equity-based awards, and any other material component of compensation or perquisite. The Compensation Committee takes into account the historical trend of each element of compensation and the total of all of the elements for each year in connection with its decisions about proposed compensation amounts. In addition, the Compensation Committee receives recommendations from the Chairman of the Board regarding the compensation of the Chief Executive Officer and receives recommendations from the Chief Executive Officer regarding the compensation of the other executive officers.

Role of the Compensation Committee's Consultant

The Compensation Committee has engaged Frederic W. Cook & Co., Inc. ("F.W. Cook") as its independent executive compensation advisors. F.W. Cook reports directly to the Compensation Committee and does no work for management that is not under the Compensation Committee's purview. The Compensation Committee has considered the independence of F.W. Cook and determined that its engagement of F.W. Cook did not raise any conflicts of interest with LKQ or any of our directors or executive officers.

In October 2015, F.W. Cook conducted a comprehensive review of our executive officer compensation programs. Part of this review was a comparative analysis of our executive compensation program with the executive compensation programs of the following peer group of companies:

Advance Auto Parts, Inc.	MRC Global Inc.
Applied Industrial Technologies, Inc.	MSC Industrial Direct Co., Inc.
AutoZone, Inc.	O'Reilly Automotive, Inc.
BorgWarner Inc.	Republic Services, Inc.
Cooper Tire & Rubber Company	Schnitzer Steel Industries, Inc.
Dana Holding Corporation	Tenneco Inc.
Fastenal Company	Visteon Corporation
Genuine Parts Company	W.W. Grainger Inc.
HD Supply Holdings, Inc.	Watsco, Inc.

Lear Corp.	WESCO International, Inc.

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Based in part on recommendations from F.W. Cook in connection with its review of our programs, the Compensation Committee made changes to target compensation opportunities as well as certain aspects of our annual and long-term incentive programs, effective for 2016. However, the Compensation Committee does not target any specific percentile with regard to setting the compensation opportunities of our executive officers in comparison to the executive officers of the peer group.

Elements of Our Compensation Programs, Why We Chose Each Element, and How We Determine the Amount of Each Element

The elements of our direct compensation programs are base salaries, annual bonus awards, long term incentive awards, and equity incentive grants. We believe that this mix of compensation elements best achieves the objectives of our compensation programs and provides appropriate short-term and long-term motivation to our executive officers.

Base Salaries. Base salaries are the fixed components of each executive's target total direct compensation opportunity. The Compensation Committee considers the following factors when setting the base salary of each of the executive officers: base salaries of executive officers in similar positions at comparable companies; the contributions of the executive officers to the Company's development and growth; and the executive officer's experience, responsibilities and position within the Company. No specific corporate performance measures are considered with respect to base salaries.

A three-year salary history for the named executive officers is provided in the following table:

Executive	2017 Salary (1)	2016 Salary	2015 Salary
Robert L. Wagman (2)	$1,025,000	$1,000,000	$904,932
Dominick Zarcone (3)	$515,000	$500,000	$382,693
John S. Quinn (4)	$585,000	$565,000	$548,972
Walter P. Hanley	$440,000	$400,000	$400,000
Victor M. Casini	$400,000	$400,000	$400,000

(1) The salaries for the named executive officers were increased in 2017 to align their salaries more closely with similarly-situated executives at the peer companies.

(2) The salary for Mr. Wagman was increased in both 2016 and 2017 to align his salary more closely with similarly-situated executives at the peer companies. As disclosed previously, Mr. Wagman has indicated his intention to resign as Chief Executive

Officer, and the Board has selected Mr. Zarcone to replace him in that role.

(3) The amount shown for Mr. Zarcone for 2015 represents the actual amount received by him for the nine months he was employed by the Company; his annual salary did not change from 2015 to 2016.

(4) The salary for Mr. Quinn was increased in March 2015 in connection with his promotion to Chief Executive Officer and Managing Director, LKQ Europe. The amount shown for Mr. Quinn for 2015 represents the actual amount received by him, including nine months at his increased salary.

Annual Bonus Awards. We offer annual bonus awards under our Management Incentive Plan ("MIP") to provide incentives for superior performance over a one-year time horizon. The MIP was initially approved by our stockholders in May 2011, and re-approved by our stockholders in May 2016. Under the MIP, each participant (including our named executive officers) is eligible to receive a cash payment equal to percentages of the participant's base salary at specified threshold, target, and maximum levels of performance. In 2016, the performance metric for our executive officers' bonuses was based on the Company's consolidated earnings per share, adjusted for certain items as specified by the Compensation Committee at the time the bonus targets were established. Such adjustments related to amortization expense for acquired intangibles; currency exchange rates; asset impairments; restructuring and acquisition expenses; losses on debt extinguishment; atypical environmental and legal losses; change in fair value of contingent consideration liabilities; expenses related to discontinued operations; other extraordinary, unusual or infrequently occurring items and certain other minor adjustments that for 2016 were immaterial or had no effect. The adjustments had the net effect of increasing earnings per share by $0.33 over the reported earnings per share. The following table outlines (a) the threshold, target, and maximum EPS goals under the bonus program, along with actual

EPS achieved for 2016, and (b) each executive's bonus opportunity at threshold, target, and maximum, along with the earned bonus amount.

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		Threshold	Target	Maximum	Actual
2016 EPS Goals		$1.65	$1.77 - $1.80	$1.89	$1.83
2016 Bonus Opportunities					
Robert L. Wagman	% Salary	50%	100%	150%	112.5%
	$	$500,000	$1,000,000	$1,500,000	$1,125,000
Dominick Zarcone	% Salary	35%	50%	110%	65%
	$	$175,000	$250,000	$550,000	$325,000
John S. Quinn	% Salary	35%	50%	110%	65%
	$	$197,750	$282,500	$621,500	$367,250
Walter P. Hanley	% Salary	35%	50%	110%	65%
	$	$140,000	$200,000	$440,000	$260,000
Victor M. Casini	% Salary	35%	50%	110%	65%
	$	$140,000	$200,000	$440,000	$260,000

Long Term Incentive Awards.   We grant performance awards under our Long Term Incentive Plan (“LTIP”) to certain of our key employees (including our named executive officers). The LTIP was approved by our stockholders in 2006 and re-approved by our stockholders in 2011 and 2016. Long term incentive awards are designed to reward performance over a three-year period and to create retention incentives. Performance periods begin on January 1 and end on December 31 of the third calendar year thereafter. Under the LTIP, each participant (including our named executive officers) is eligible to receive a cash payment equal to percentages of the participant’s base salary at specified threshold, target, and maximum levels of performance. The earned amount is determined by comparing performance in the final year of the three-year performance period to performance in the year before the commencement of the performance period for three separate measures: adjusted earnings per share, total revenue, and return on equity (ROE).

Prior to 2015, performance periods ran end-to-end, meaning that a new performance period began every third year at the conclusion of the preceding three-year performance period. For the three-year performance period ended December 31, 2014, one-half of earned awards were paid promptly after certification by our Compensation Committee of the actual growth of the target components. The other half of the performance award was deferred and payable in three equal annual installments (plus interest at the prime rate) after the conclusion of the performance period. In the event a participant’s employment terminates as a result of death, total disability or normal retirement at age 65, the deferred payments accelerate upon termination. Upon a change in control, the LTIP provides for acceleration of payments as described below under “Potential Payments Upon Termination or Change in Control.”

In November 2014, we amended the LTIP (i) to allow the grant of three year performance awards each year (i.e. overlapping performance periods) instead of the previous practice of granting three year performance awards every three years (i.e. end-to-end performance periods), (ii) to eliminate the deferred vesting concept (i.e. the full award would be payable at the end of the applicable performance period instead of 50% of the award being paid in equal installments over three years following the end of the performance period), (iii) to increase, subject to stockholder approval, the maximum dollar amount of any one performance award, (iv) to allow a pro rata payment of a performance award in the event of a participant’s death or disability during the applicable performance period, and (v) to allow continuation of vesting of a performance award in the event of a qualifying retirement during the applicable performance period.

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We granted performance awards to our executive officers for the performance period commencing January 1, 2016 and ending December 31, 2018 that may be earned from 0 to 200% of the target award value based on three performance measures:

3-Year EPS Growth (42.5% Wtg.)	3-Year Revenue Growth (42.5% Wtg.)	3-Year ROE Growth (15% Wtg.)	Payout (% of Target) (1)
<47%	<52%	<12.5bps	0%
>=47% and <52%	>=52% and <54%	>=12.5 and <22.5 bps	50%
>=52% and <58%	>=54% and <58%	>=22.5 and <32.5 bps	67%
>=58% and <63%	>=58% and <60%	>=32.5 and <42.5 bps	83%
>=63% and <69%	>=60% and <63%	>=42.5 and <52.5 bps	100%
>=69% and <74%	>=63% and <65%	>=52.5 and <62.5 bps	133%
>=74% and <80%	>=65% and <67%	>=62.5 and <72.5 bps	167%
>=80%	>=67%	>=72.5 bps	200%

(1) Payout percentages are calculated based on the weighted sum of the respective actual results of each performance measure.

Each officer's threshold, target, and maximum award opportunity under the 2016-2018 LTIP is outlined in the Grants of Plan-Based Awards table on page 29.

Equity Incentive Grants. Equity-based awards provide incentives over multi-year time horizons, with vesting schedules of up to five years. Generally, equity-based awards are forfeited upon separation of service, providing an incentive to the employee to remain with the Company. We grant equity awards to named executive officers and other key employees typically upon their commencement of employment, in some cases upon their promotion, and annually near the beginning of each year. The annual grants are made on the second Friday of January each year. When making equity awards, we consider factors specific to each employee such as salary, position and responsibilities. We also consider factors such as the rate of the Company's development and growth and an estimate of the value of each award. In addition, we determine the amount of dilution that we believe would be generally acceptable to our stockholders and correspondingly limit the aggregate number of awards granted each year.

In 2016, the Compensation Committee approved the issuance of a total of 212,481 RSUs to our named executive officers. The RSUs included both a performance-based vesting condition and a time-based vesting condition. The performance-based condition is the report by the Company of positive diluted earnings per share, subject to certain adjustments, during any fiscal year period within five years following the grant date. In addition, these RSUs include a time-based vesting condition, vesting over a three-year period, in equal tranches on each six-month anniversary of the grant date. In all cases, both conditions must be met before any RSUs vest. If the applicable performance-based condition of an RSU is not met, the RSU is forfeited. The performance-based condition was met in February 2017, and all applicable RSUs that had previously met the time-based vesting condition vested immediately and the remaining RSUs will vest according to the remaining schedule of the time-based condition.

The table entitled Grants of Plan-Based Awards for Fiscal Year Ended December 31, 2016 on page 29 sets forth additional information about the grants made in 2016 under the Equity Incentive Plan to our named executive officers.

Other Compensation. In order to be competitive in attracting executive personnel, we provide certain other compensation to our executive officers, including matching contributions for a portion of the executive officers' contributions to our retirement plans, payment of life insurance premiums for the benefit of the executive officers, and reimbursement of executive officers for their payment of premiums for disability insurance. See footnote 4 to the Summary Compensation Table for more information regarding these items of other compensation.

Retirement Plans

We have a 401(k) plan covering substantially all of our employees, including our named executive officers, who have been employed for at least six months. The 401(k) plan allows participants to defer their eligible compensation in amounts up to the statutory limit each year. We currently make matching contributions equal to 50% of the portion of the participant's contributions that does not exceed 6% of the participant's eligible compensation. We may, at our sole discretion, make annual profit-sharing contributions on behalf of participants; no such profit-sharing contributions were made in 2016. Each participant is fully vested in such participant's contributions and any earnings they generate. Each 401(k) participant becomes vested in our matching contributions, and any earnings they generate, in the amounts of 50%, 75% and 100% after two, three and four years of service, respectively. Each participant becomes vested in our profit sharing contributions, if any, and any earnings they

generate, in the amounts of 25%, 50%, 75% and 100% after one, two, three and four years of service, respectively.
We also have a plan for highly compensated employees, or HCEs, that supplements the 401(k) plan. All of our named executive officers are HCEs. The tax laws impose a maximum percentage of salary that can be contributed each year by HCEs to our 401(k) plan depending on the participation level of non-HCEs. We adopted the supplemental plan to provide additional opportunities for retirement savings that are restricted by IRS limits. The supplemental plan operates similarly to the 401(k) plan except that contributions by HCEs to the supplemental plan are not subject to the statutory maximum percentage, the balance in each HCE's account in the supplemental plan is a general asset of ours, and in the event of our insolvency, the HCE would be a general, unsecured creditor with respect to such amount.
The terms of the supplemental plan limit the maximum annual contribution by each participant to 100% of the HCE's salary (including commissions), bonuses and long term incentive awards. Participants have the choice to invest the funds in their accounts in the supplemental plan from among a specified group of investment funds. A participant is entitled to a distribution of the funds in his or her account in the plan upon either a termination of service or retirement.

Severance Protection

Severance Policy

In July 2014, we adopted a Severance Policy for Key Executives (the "Severance Policy"), including all of our named executive officers. The Severance Policy sets forth in a written document the terms and conditions that the Company would normally expect to follow upon an involuntary separation of service of a key executive. We believed that it was in the Company's interest to formalize the Severance Policy to provide increased certainty for the executives and the Company in the event of a severance. Further, the formalization of the policy is expected to assist the Company with the recruitment and retention of key executives, provide the Company with important protections, and reduce costs in the event of a dispute. The Severance Policy provides cash severance and other benefits in the event of a termination by the Company without "cause" or by the Covered Executive with "good reason" (as each term is defined in the Severance Policy). For additional information about our Severance Policy, refer to "Potential Payments Upon a Change in Control" on page 32.

Change of Control Agreements

We have Change of Control Agreements with certain of our employees, including each of our named executive officers, that provide cash severance and other benefits in the event of a qualifying termination within 12 months prior to or 24 months following a Change of Control, as defined in the agreements. We provide these agreements to ensure these executives are able to objectively consider transactions that will benefit stockholders even if it is likely to result in termination of their employment. The agreements have an initial term of three years and will automatically renew for a two year period, unless notice of termination is given by the Company at least 60 days before any such renewal date. The operative provisions of the agreements will apply, however, only if a Change of Control, as defined in the agreements, occurs during the period the agreement is in effect. For additional information about our Change of Control Agreements, refer to "Potential Payments Upon a Change in Control" on page 32.

Compensation-Related Governance Policies

Stock Ownership Requirements. Each of our named executive officers is subject to stock ownership requirements set forth below. These requirements are to be satisfied within five years of an individual becoming subject to the requirements. Each of our named executive officers is currently in compliance with the stock ownership requirements. The complete guidelines can be found on our website at www.lkqcorp.com (click the "Corporate Governance" link under "Investor Relations").

POSITION	MINIMUM NUMBER OF SHARES *	VALUE OF MINIMUM REQUIRED HOLDINGS**
Chief Executive Officer	112,000	$3,459,680
Chief Financial Officer	52,000	$1,606,280
Other Named Executive Officers	46,000	$1,420,940

* For purposes of our stock ownership requirements, we include the number of shares actually owned by the named executive officer in his or her own name or in the name of an estate planning entity of which the named executive

officer is the sole beneficiary. We also include restricted stock units. We exclude any pledged shares and shares of stock that the named executive officer has a right to acquire through the exercise of stock options.

** Based on closing price per share of LKQ Corporation common stock on March 7, 2017 of $30.89.

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Insider Trading. We have a comprehensive insider trading policy that is applicable to, among others, our named executive officers. The policy prohibits trading during quarterly "blackout" periods and other periods during which material information about us has not been publicly disclosed.

Hedging/Pledging. The Company's policies prohibit our named executive officers, among others, from engaging in hedging transactions involving our common stock. In addition, shares that are pledged do not count toward the stock ownership requirements of our named executive officers.

Forfeiture of Equity Awards for Restrictive Covenant Violations. Our equity awards generally provide that our executive officers will forfeit to the Company their equity awards, the shares received upon vesting of the equity awards, or the proceeds from the sale of shares received upon vesting of such equity awards if the executive officer violates the restrictive covenants in the award agreements relating to the equity awards. The restrictive covenants prohibit the executive officer from competing with us, soliciting our customers or employees, and improperly using our confidential information for a period continuing at least nine months after the executive officer's affiliation with us ceases.

Independent Compensation Committee. The Compensation Committee of our Board of Directors makes the final decisions regarding executive compensation and is composed entirely of independent directors.

Independent Compensation Consultant. Our Compensation Committee periodically engages a compensation consultant to advise it regarding executive and director compensation. The compensation consultant provides no other services to us and has no affiliation with any of our named executive officers.

Indemnification

Each of our named executive officers is a party to an indemnification agreement with us that assures the officer of indemnification and advancement of expenses to the fullest extent permitted by Delaware law and our Certificate of Incorporation.

Impact of Regulatory Requirements

Section 162(m) of the Internal Revenue Code limits the deduction for federal income tax purposes of certain compensation paid in any fiscal year by a publicly-held corporation to its chief executive officer and its three other highest compensated officers (other than its chief financial officer) to $1 million per executive (the "$1 million cap"). The $1 million cap does not apply to "performance-based" compensation as defined under Section 162(m). We believe that annual bonuses paid under our MIP, awards issued under our LTIP, stock options issued under our Equity Incentive Plan, and RSUs issued under our Equity Incentive Plan that include an appropriate performance-based vesting condition qualify as "performance-based" compensation. The tax authorities may view some or all of these components of compensation as not "performance-based."

The compensation that is subject to the $1 million cap paid to our named executive officers exceeded the cap in 2016 for our Chief Executive Officer by an immaterial amount and for our Chief Executive Officer and Managing Director, LKQ Europe by approximately $410,000. Although the Compensation Committee takes into consideration Section 162(m) when making decisions about executive compensation, there is no formal policy regarding the $1 million cap and the compensation of our named executive officers.

Risks Relating to our Compensation Policies and Practices

We have undertaken an analysis of our compensation policies and practices to assess whether risks arising from such policies and practices are reasonably likely to have a material adverse effect on our Company. The analysis was performed by our management with oversight by the Compensation Committee of our Board of Directors. We analyzed risks relating to the different components of our compensation structure, to the time horizons of our compensation components, to the goals and objectives used to determine performance-based compensation, to the disparate treatment, if any, among compensation policies and practices of our business units, and to any contractual obligations by us to accelerate the payment of compensation. Based on that analysis, we have concluded that the risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on our Company.

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Compensation Committee Report

We have reviewed and discussed with management the Compensation Discussion and Analysis to be included in the Company's 2017 Annual Stockholder Meeting Schedule 14A Proxy Statement, to be filed pursuant to Section 14(a) of the Exchange Act (the "Proxy Statement"). Based on the review and discussions referred to above, we recommend to the Board of Directors that the Compensation Discussion and Analysis referred to above be included in the Proxy Statement.

Compensation Committee (as of March 16, 2017):

Paul M. Meister (Chair)

John F. O'Brien

William M. Webster, IV

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EXECUTIVE COMPENSATION—COMPENSATION TABLES

Summary Compensation Table

The following table includes information concerning compensation for the three year period ended December 31, 2016 paid to our Chief Executive Officer, our Chief Financial Officer, and our three other highest compensated executive officers ("NEOs").

Name and Principal Position	Year	Salary (1)	Stock Awards (2)	Non-Equity Incentive Plan Compensation (3)	All Other Compensation (4)	Total
Robert L. Wagman	2016	$1,000,000	$1,679,017	$ 1,938,767	$ 31,309	$4,649,093
President and Chief Executive Officer	2015	$904,932	$1,679,110	$ 1,453,686	$ 29,881	$4,067,609
	2014	$800,000	$1,631,655	$ 1,027,891	$ 26,755	$3,486,301
Dominick Zarcone *	2016	$500,000	$1,177,317	$ 603,808	$ 23,892	$2,305,017
Executive Vice President and Chief Financial Officer	2015	$382,693	$4,177,393	$ 419,868	$ 12,684	$4,992,638
John S. Quinn	2016	$565,000	$1,177,317	$ 798,488	$ 846,724	$3,387,529
Chief Executive Officer and Managing	2015	$548,972	$1,177,408	$ 582,845	$ 547,273	$2,856,498
Director, LKQ Europe	2014	$500,000	$1,143,774	$ 552,084	$ 34,376	$2,230,234
Walter P. Hanley	2016	$400,000	$1,072,376	$ 589,087	$ 19,392	$2,080,855
Senior Vice President - Development	2015	$400,000	$1,073,012	$ 427,415	$ 19,076	$1,919,503
	2014	$400,000	$1,147,005	$ 466,250	$ 28,076	$2,041,331
Victor M. Casini	2016	$400,000	$817,943	$ 566,367	$ 13,392	$1,797,702
Senior Vice President, General Counsel and	2015	$400,000	$1,073,012	$ 427,415	$ 19,076	$1,919,503
Corporate Secretary	2014	$400,000	$1,043,613	$ 466,250	$ 28,076	$1,937,939

* On March 30, 2015, Mr. Zarcone became our Chief Financial Officer; Mr. Zarcone had not been employed by us prior to that date.

(1) The base compensation of our executive officers is discussed beginning on page 21.

(2) The amounts represent the aggregate grant date fair value of awards granted during the period indicated, calculated in accordance with FASB ASC Topic 718. See Note 6 of the consolidated financial statements in our 2016 Annual Report regarding assumptions underlying the valuation of equity awards. Our Equity Incentive Plan is discussed beginning on page 23.

(3) Our Non-Equity Incentive Plan Compensation includes amounts related to our LTIP (long-term) and MIP (annual) awards. The amounts for each NEO for each of these award categories are set forth in the table below. The amounts shown for the LTIP are equal to the amount recorded by us to the income statement for accounting purposes in the years presented. The amounts shown for the MIP are equal to the amounts earned and subsequently paid for each annual performance period related to the years presented. For more information regarding our MIP, see the section entitled "Annual Bonus Awards" beginning on page 21. For more information regarding our LTIP, see the section entitled "Long Term Incentive Awards" beginning on page 22.

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Name	Year	LTIP	MIP
Robert L. Wagman	2016	$813,767	$1,125,000
	2015	$548,754	$904,932
	2014	$627,891	$400,000
Dominick Zarcone	2016	$278,808	$325,000
	2015	$169,868	$250,000
John S. Quinn	2016	$431,238	$367,250
	2015	$308,359	$274,486
	2014	$377,084	$175,000
Walter P. Hanley	2016	$329,087	$260,000
	2015	$227,415	$200,000
	2014	$326,250	$140,000
Victor M. Casini	2016	$306,367	$260,000
	2015	$227,415	$200,000
	2014	$326,250	$140,000

(4) The amounts include Company matching contributions under our retirement plans, the amount of life insurance premiums paid by us for the benefit of the NEOs, and the amount we pay to the NEOs as reimbursement for their payment of the premiums for disability insurance. The amounts for each NEO for each such category of compensation are set forth in the table below.

Name and Principal Position	Year	Retirement Plans	Life Insurance Premiums	Disability Insurance Premiums	Other (5)
Robert L. Wagman	2016	$ 29,917	$ 1,142	$ 250	—
	2015	$ 27,005	$ 2,366	$ 510	—
	2014	$ 23,879	$ 2,366	$ 510	—
Dominick Zarcone	2016	$ 22,500	$ 1,142	$ 250	—
	2015	$ 9,808	$ 2,366	$ 510	—
John S. Quinn	2016	$ 24,943	$ 1,142	$ 250	$820,389
	2015	$ 23,833	$ 2,366	$ 510	$520,564
	2014	$ 31,500	$ 2,366	$ 510	—
Walter P. Hanley	2016	$ 18,000	$ 1,142	$ 250	—
	2015	$ 16,200	$ 2,366	$ 510	—
	2014	$ 25,200	$ 2,366	$ 510	—
Victor M. Casini	2016	$ 12,000	$ 1,142	$ 250	—
	2015	$ 16,200	$ 2,366	$ 510	—
	2014	$ 25,200	$ 2,366	$ 510	—

(5) Other compensation for Mr. Quinn consists of tax equalization benefits and reimbursement of (i) relocation expenses, (ii) losses on the sale of up to two vehicles, (iii) housing, (iv) home finding assistance, (v) one vehicle lease, (vi) family travel between the United States and the United Kingdom, and (vii) immigration fees, pursuant to his offer letter from the Company relating to his assignment in Europe. The amounts of each of these items that exceeded 10% of the total perquisites and personal benefits for Mr. Quinn during 2016 were as follows: tax

equalization benefits - $574,637 and housing - $221,389. In addition, the Company engaged in certain foreign currency exchange transactions on behalf of Mr. Quinn. Mr. Quinn paid all fees incurred by the Company in connection with such transactions.

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Grants of Plan-Based Awards for Fiscal Year Ended December 31, 2016

The following table sets forth information regarding plan-based awards granted by us to the NEOs during the last fiscal year.

Name	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)	Grant Date Fair Value of Stock and Option Awards (3)
			Threshold	Target	Maximum		
Robert L. Wagman	RSU	1/8/2016	—	—	—	60,223	$1,679,017
	LTIP		$390,000	$780,000	$1,560,000	—	—
	MIP		$500,000	$1,000,000	$1,500,000	—	—
Dominick Zarcone	RSU	1/8/2016	—	—	—	42,228	$1,177,317
	LTIP		$180,000	$355,000	$710,000	—	—
	MIP		$175,000	$250,000	$550,000	—	—
John S. Quinn	RSU	1/8/2016	—	—	—	42,228	$1,177,317
	LTIP		$203,400	$401,150	$802,300	—	—
	MIP		$197,750	$282,500	$621,500	—	—
Walter P. Hanley	RSU	1/8/2016	—	—	—	38,464	$1,072,376
	LTIP		$144,000	$284,000	$568,000	—	—
	MIP		$140,000	$200,000	$440,000	—	—
Victor M. Casini	RSU	1/8/2016	—	—	—	29,338	$817,943
	LTIP		$144,000	$284,000	$568,000	—	—
	MIP		$140,000	$200,000	$440,000	—	—

(1) The amounts shown related to our LTIP represent potential payments after the completion of the three-year performance period ending December 31, 2018. Awards under the LTIP are calculated as a percentage of the NEO's base salary. A minimum amount is paid if a threshold level of growth is achieved, and a maximum award is paid if a specified higher level of growth is achieved. Between these growth levels, there are two intermediate growth levels on the upside (between target and maximum) and three on the downside (between target and minimum) which would result in a proportionate award if the respective growth level is achieved. The amount accrued for each NEO with respect to the LTIP awards received by such NEO is included in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table. The amounts shown related to our MIP represent payments that were possible for the 2016 annual performance period. Awards under the MIP are calculated as a percentage of the NEO’s weighted average base salary. A minimum amount is paid if a threshold level of performance is achieved, and a maximum award is paid if a specified higher level of performance is achieved. Performance between these two levels results in a proportionate payment of the award. The 2016 MIP awards for our NEOs have been earned and paid, and the actual amount earned by each NEO is included in the “Non-Equity Incentive Plan Compensation” column of the Summary Compensation Table.

(2) The amounts shown represent the number of shares to be paid out upon the vesting of performance-based RSUs granted during the year. There is a single performance condition, so no threshold or maximum payouts are disclosed, and there is either a full payout of the amount shown (subject to time-based vesting) or no payout.

(3)

The amounts disclosed under the “Grant Date Fair Value of Stock and Option Awards” column represent the grant date fair value calculated in accordance with FASB ASC Topic 718.

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Outstanding Equity Awards at Fiscal Year-End December 31, 2016

The following table sets forth information regarding the status of equity awards held by the NEOs at December 31, 2016.

	Option Awards (1)				Stock Awards (2)			
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Robert L. Wagman	72,000	—	$ 9.435	11/1/2017	—	—	—	—
	26,000	—	$ 9.568	1/11/2018	—	—	—	—
	36,000	—	$ 5.978	1/9/2019	—	—	—	—
	68,000	—	$ 9.983	1/8/2020	—	—	—	—
	—	—	—	—	56,968	$1,746,069	60,223	$1,845,835
Dominick Zarcone	—	—	—	—	95,644	$2,931,489	42,228	$1,294,288
John S. Quinn	80,000	—	$ 9.298	10/1/2019	—	—	—	—
	80,000	—	$ 9.983	1/8/2020	—	—	—	—
	—	—	—	—	36,823	$1,128,625	42,228	$1,294,288
Walter P. Hanley	—	—	—	—	34,340	$1,052,521	38,464	$1,178,922
Victor M. Casini	60,000	—	$ 5.029	1/12/2017	—	—	—	—
	40,000	—	$ 9.568	1/11/2018	—	—	—	—
	40,000	—	$ 5.978	1/9/2019	—	—	—	—
	40,000	—	$ 9.983	1/8/2020	—	—	—	—
	—	—	—	—	33,806	$1,036,154	29,338	$899,210

(1) The grant date of each of the options was ten years prior to the expiration date. Each of the unexercisable options became exercisable with respect to 10% of the number of shares of common stock subject to the option on each six month anniversary of the grant date over a total of five years.

(2) Outstanding stock awards include unvested RSUs. The RSUs vest over a period between three and five years from the grant date. The following table sets forth the vesting schedule of the earned and unearned number of units for each NEO assuming the satisfaction of the performance vesting condition of the unearned units, which occurred subsequent to December 31, 2016:

	2017	2018	2019	Thereafter	Total
Robert L. Wagman	76,896	30,257	10,038	—	117,191
Dominick Zarcone	68,860	43,956	19,050	6,006	137,872
John S. Quinn	50,796	21,217	7,038	—	79,051
Walter P. Hanley	47,066	19,329	6,409	—	72,804

Victor M. Casini	41,969	16,287	4,888	—	63,144

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Option Exercises and Stock Vested for Fiscal Year Ended December 31, 2016

The following table sets forth information regarding the exercise of stock options by the NEOs and the vesting of RSUs during the last fiscal year.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Robert L. Wagman	—	$ —	115,685	$ 3,294,219
Dominick Zarcone	—	$ —	55,603	$ 1,804,151
John S. Quinn	—	$ —	69,873	$ 1,997,198
Walter P. Hanley	—	$ —	66,837	$ 1,907,240
Victor M. Casini	—	$ —	64,941	$ 1,854,460

Nonqualified Deferred Compensation for Fiscal Year Ended December 31, 2016

The following table sets forth information regarding the accounts of the NEOs in the retirement plans that supplement our 401(k) plan. These supplemental plans are discussed beginning on page 23.

Name	Executive Contributions in Last FY (1)	Registrant Contributions in Last FY (2)	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions (3)	Aggregate Balance at Last FYE (4)
Robert L. Wagman	$ 59,834	$ 29,917	$ 29,254	$ (23,888)	$ 490,968
Dominick Zarcone	$ 45,000	$ 22,500	$ 7,318	$ (36,003)	$ 67,773
John S. Quinn	$ 50,369	$ 24,943	$ 9,602	$ (18,388)	$ 313,529
Walter P. Hanley	$ 36,000	$ 18,000	$ 248,359	$ (17,888)	$ 2,614,033
Victor M. Casini	$ 60,000	$ 12,000	$ 313,090	$ (17,888)	$ 2,257,309

(1) These amounts represent contributions to the supplemental plan by the NEOs from their respective 2016 salaries and 2015 bonuses (paid in 2016) reported in the Summary Compensation Table under the columns entitled “Salary” and “Non-Equity Incentive Plan Compensation.”

(2) These amounts were also reported in the Summary Compensation Table under the column entitled “All Other Compensation.”

(3) These amounts represent distributions, and the transfers on behalf of the NEOs from the supplemental plan to our 401(k) plan that are permitted by the tax laws.

(4) The Aggregate Balance at Last Fiscal Year End column includes money we owe these individuals for salaries and incentive compensation they earned in prior years but did not receive because they elected to defer receipt. The following amounts of executive and Company contributions were included in the Summary Compensation Table in prior years: Mr. Wagman - $487,726; Mr. Zarcone - $29,423; Mr. Quinn - $423,247; Mr. Hanley - $2,199,532; and Mr. Casini - $1,561,515.

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Potential Payments Upon Change in Control

Severance Policy

The Severance Policy applies to the executive officers of the Company and any other executive designated by the Compensation Committee ("Covered Executives"). It provides that, in the event the employment of a Covered Executive is terminated by the Company without "cause" or by the Covered Executive with "good reason" (as each term is defined in the Severance Policy), the Company will provide to such Covered Executive (a) a pro rata bonus for the year in which the termination occurs (if the applicable performance goals are met), (b) during the Severance Period (defined as 18 months in the case of the Chief Executive Officer and our Executive Vice Presidents and 12 months for all other Covered Executives), a monthly severance payment equal to one-twelfth of the sum of the Covered Executive's latest annual base salary and the average annual bonus (for the two prior full fiscal years), (c) a pro rata payment of any pending long term incentive award (if the applicable performance goals are met) and payment of any outstanding deferred awards under the Company's long term incentive plan, (d) Company-subsidized health and dental coverage during the applicable Severance Period, (e) continuation of vesting of outstanding stock options, restricted stock and restricted stock units during the applicable Severance Period, and (f) outplacement services. The foregoing payments and benefits for a Covered Executive could be reduced in connection with the application of Internal Revenue Code Section 280G if such a reduction would enable the Covered Executive to financially benefit on an after-tax basis.

The receipt by a Covered Executive of any severance benefits is conditioned upon (a) the delivery by the Covered Executive of a full and unconditional release of all claims against the Company, and (b) compliance by the Covered Executive during the Severance Period with provisions relating to confidentiality, non-competition, non-solicitation of the Company's customers, and non-hiring of the Company's employees.

Change of Control Agreements

The Change of Control Agreements with our executive officers provide certain severance payments and other benefits upon a qualifying termination. Each of our NEOs is a party to a change of control agreement. If the employee's employment with the Company is terminated within two years following a Change of Control (or within 12 months prior to a Change of Control in certain circumstances) as a result of an Involuntary Termination (as defined in the agreements), then the employee will be entitled to receive payments and benefits that include the following:

- Payment of salary and other compensation accrued through the termination date;
- Payment of a pro rata bonus;
- A severance payment equal to two times (two-and-one-half times in the case of Mr. Wagman) the sum of the employee's (a) salary and (b) the greater of the employee's target bonus or average annual bonus over the preceding three years;
- If applicable, all unreimbursed relocation expenses;
- Continuing coverage of the employee and the employee's dependents under the Company's health and dental care plans for a period of 24 months (30 months in the case of Mr. Wagman);
- Outplacement services; and
- The employee's outstanding equity-based compensation awards shall become vested and exercisable.

If the employee's employment with the Company is terminated as a result of death or disability, the employee or his or her estate will be entitled to receive salary and other compensation accrued through the termination date and a pro rata bonus. If the employee's employment with the Company is terminated for Cause or the employee resigns for other than Good Reason (as those terms are defined in the agreement) the employee will be entitled to receive salary and other compensation accrued through the termination date.

The agreement also contains confidentiality obligations on the part of the employee that survive indefinitely and requires that the employee deliver a release to the Company as a condition to receiving payments of benefits under the agreement. The agreement also provides that in the event of a dispute concerning an agreement, the Company will pay the legal fees of the employee.

Under the agreements, a "Change of Control" would include any of the following events:

- any "person," as defined in the Exchange Act, acquiring 30% or more of our outstanding common stock or combined voting power of our outstanding securities, subject to certain exceptions;
-

during a two-year period, our current directors (or new directors approved by them) cease to constitute a majority of our board; and

- a merger, consolidation, share exchange, reorganization or similar transaction involving the Company or any of its subsidiaries, a sale of substantially all the Company’s assets, or the acquisition of assets or stock of another entity by the Company (unless following such business combination transaction a majority of the Company’s directors continue as directors of the resulting entity, the holders of the outstanding voting securities of the Company immediately prior to such an event continue to own shares or other securities that represent more than 50% of the combined voting power of the resulting entity after such event in substantially the same proportions as their ownership prior to such business combination transaction, and no person owns 30% or more of the resulting entity’s common stock or voting securities).

In the event of a change of control of the Company, certain unpaid benefits under the Severance Policy would be accelerated and paid out upon the change of control. The Change of Control Agreements with the Company’s executive officers were amended to address the potential overlap of benefits under the Change of Control Agreement and the Severance Policy. As a result of these revisions, in the event of a change of control of the Company, a Covered Executive who is a party to a Change of Control Agreement will generally be eligible only for the benefits under the Change of Control Agreement (and not Severance Policy benefits). Moreover, if a Covered Executive had already received benefits under the Severance Policy, such received benefits would reduce or offset the benefits (to the extent that they are the same type of benefit) that are otherwise provided to the Covered Executive under the Change of Control Agreement.

Other Change of Control Payments

Pursuant to the terms of our Equity Incentive Plan, upon a change of control, equity awards granted prior to 2016 become immediately exercisable, restrictions thereon lapse and maximum payout opportunities are deemed earned, as the case may be, as of the effective date of the change of control. Pursuant to the terms of our Long Term Incentive Plan, upon a change of control, all performance periods are deemed to end as of the end of the calendar quarter coincident with or next following the change of control, each performance award will vest, the Compensation Committee will calculate the amount of each such performance award (taking into account the decreased length of the performance period and the time value of money because of early payment), and the performance awards will be paid to the participants.

The following table summarizes the value of payments and benefits that our named executive officers would have received under the circumstances described in the table assuming the event occurred on December 31, 2016. The table excludes amounts accrued through December 31, 2016 that would be paid in the normal course of continued employment, such as accrued but unpaid salary, and earned MIP awards for the one year performance period ended December 31, 2016.

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	Involuntary Termination (1)(2)	Change of Control	Involuntary Termination Following a Change of Control (1)	Death or Disability
Robert L. Wagman				
Cash Severance	$ 2,478,699	$—	$ 4,762,330	$—
Unvested and Accelerated Share Based Awards	2,976,605	3,591,904	3,591,904	3,591,904
Long-Term Incentive Plan (3)	1,291,916	1,291,916	1,291,916	1,128,333
Medical and Dental Benefits (4)	31,342	—	52,237	—
Other Benefits and Perquisites (5)	—	—	—	—
Total	$ 6,778,562	$4,883,820	$ 9,698,387	$4,720,237
Dominick Zarcone				
Cash Severance	$ 1,125,000	$—	$ 1,500,000	$—
Unvested and Accelerated Share Based Awards	3,058,012	4,225,777	4,225,777	4,225,777
Long-Term Incentive Plan (3)	392,069	392,069	392,069	325,416
Medical and Dental Benefits (4)	55,765	—	74,353	—
Other Benefits and Perquisites (5)	—	—	—	—
Total	$ 4,754,138	$4,741,138	$ 6,315,491	$4,551,193
John S. Quinn				
Cash Severance	$ 1,184,615	$—	$ 1,796,324	$—
Unvested and Accelerated Share Based Awards	1,991,484	2,422,913	2,422,913	2,422,913
Long-Term Incentive Plan (3)	683,613	683,613	683,613	599,066
Medical and Dental Benefits (4)	47,446	—	63,261	—
Other Benefits and Perquisites (5)	—	—	—	—
Total	$ 3,907,158	$3,106,526	$ 4,966,111	$3,021,979
Walter P. Hanley				
Cash Severance	$ 570,000	$—	$ 1,320,000	$—
Unvested and Accelerated Share Based Awards	1,442,573	2,231,443	2,231,443	2,231,443
Long-Term Incentive Plan (3)	502,189	502,189	502,189	442,333
Medical and Dental Benefits (4)	31,631	—	63,261	—
Other Benefits and Perquisites (5)	—	—	—	—
Total	$ 2,546,393	$2,733,632	$ 4,116,893	$2,673,776
Victor M. Casini				
Cash Severance	$ 570,000	$—	$ 1,320,000	$—
Unvested and Accelerated Share Based Awards	1,286,350	1,935,364	1,935,364	1,935,364
Long-Term Incentive Plan (3)	502,189	502,189	502,189	442,333
Medical and Dental Benefits (4)	31,631	—	63,261	—
Other Benefits and Perquisites (5)	—	—	—	—
Total	$ 2,390,170	$2,437,553	$ 3,820,814	$2,377,697

(1) Involuntary Termination means termination of employment by the Company without Cause (as defined in the Severance Policy or Change of Control Agreement) or resignation of employment by the named executive officer for Good Reason (as defined in the Severance Policy or Change of Control Agreement).

(2) The amount shown for the Cash Severance payment would be paid out in equal monthly installments over the Severance Period (18 or 12 months). The Unvested and Accelerated Share Based Awards amount represents the value of share-based awards (using the market value of LKQ common stock on the last trading day of 2016, $30.65) that would continue to vest during the Severance Period (18 or 12 months).

(3) The payout amount under the Long Term Incentive Plan in the event of an involuntary termination, a change of control, or an involuntary termination following a change of control is calculated based on the actual performance

of the Company. The payment amount in the event of death or disability is calculated assuming that the target performance metrics were met.

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(4) Medical and Dental Benefits reflect the lump sum payment to each named executive officer in the event that the terms of the Company's Health Plans (as defined in the agreement) do not allow participation subsequent to a termination or Change of Control. In the event the Health Plans do allow participation, such benefits paid by the Company will be dependent on actual claims incurred due to the self-insured nature of the Company's plans. Medical and dental benefits are reduced to the extent that the individual becomes covered under a group health or dental plan providing comparable benefits.

(5) In addition to the benefits shown, each named executive officer is entitled to receive outplacement services at the expense of the Company. The amounts to be incurred by the Company for such services would be dependent on the terms and conditions of the services, which would be determined prior to the termination date or Change of Control date.

Other than as described above, we do not have any pension, change in control, severance or other post-termination plans or arrangements.

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OTHER INFORMATION

Principal Stockholders

The following table sets forth, as of March 7, 2017, certain information regarding the beneficial ownership of our common stock by:

- each person known by us to be the beneficial owner of 5% or more of the outstanding common stock (based solely on a review of filings on Schedule 13G or 13D with the SEC);
- each of our directors and named executive officers; and
- all of our directors and executive officers as a group.

Name and Address of Beneficial Owner (1)	Shares Beneficially Owned (2) Number	Percent
Artisan Partners Limited Partnership, 875 East Wisconsin Ave, Milwaukee, WI 53202 (3)	29,922,380	9.7 %
The Vanguard Group, 100 Vanguard Blvd, Malvern, PA 19355 (3)	27,146,057	8.8 %
Sukhpal Singh Ahluwalia	—	*
A. Clinton Allen (4)	352,721	*
Robert M. Hanser	4,576	*
Joseph M. Holsten	260,927	*
Blythe J. McGarvie	23,215	*
Paul M. Meister	328,405	*
John F. O'Brien	124,999	*
Guhan Subramanian	16,149	*
William M. Webster, IV (5)	415,560	*
Robert L. Wagman	457,947	*
Dominick Zarcone (6)	118,338	*
John S. Quinn	341,134	*
Walter P. Hanley (7)	162,040	*
Victor M. Casini (8)	488,644	*
All directors and executive officers as a group (18 persons)	3,304,543	1.1 %

* Represents less than 1% of our outstanding common stock.

(1) Unless otherwise specified, the address of each such person is c/o LKQ Corporation, 500 West Madison Street, Suite 2800, Chicago, Illinois 60661.

(2) Shares are considered beneficially owned, for the purpose of this table only, if held by the person indicated as beneficial owner, or if such person, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares the power to vote, to direct the voting of and/or to dispose of or to direct the disposition of such security, or if the person has the right to acquire beneficial ownership within 60 days, unless otherwise indicated in these footnotes. The numbers and percentages of shares owned by our directors and executive officers include in each case shares subject to currently outstanding equity awards that were exercisable or scheduled to vest within 60 days of March 7, 2016 as follows: Sukhpal Singh Ahluwalia - 0; A. Clinton Allen - 63,407; Robert M. Hanser - 3,407; Joseph M. Holsten - 3,407; Blythe J. McGarvie - 3,407; Paul M. Meister - 63,407; John F. O'Brien - 3,407; Guhan Subramanian - 3,407; William M. Webster, IV - 63,407; Robert L. Wagman - 202,000; John S. Quinn - 160,000; Dominick Zarcone - 23,873; Walter P. Hanley - 0; Victor M. Casini - 120,000; and all directors and executive officers as a group - 836,329.

(3) Based solely on Schedule 13G/As filed by Artisan Partners Limited Partnership on February 3, 2017, and by The Vanguard Group on February 10, 2017.

(4) Includes 11,000 shares held by an IRA, of which Mr. Allen is the beneficiary, and 39,300 shares owned by Mr. Allen's wife.

(5) Does not include shares owned by a trust of which Mr. Webster's children are beneficiaries, of which Mr. Webster is not a trustee, and as to which none of Mr. Webster or any of his children have voting or investing power.

(6) Includes 1,600 shares owned by Mr. Zarcone's wife.

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(7) Includes 64,017 shares owned by Mr. Hanley's wife.

(8) Includes 207,766 shares owned by a trust of which Mr. Casini and his wife are co-trustees and Mr. Casini is a beneficiary.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and any other person who owns more than 10% of our common stock, to file reports with the SEC regarding their ownership of our common stock and changes in such ownership. Based on our review of copies of these reports, we believe that during 2016 such persons have complied with their filing requirements, except that a Form 4 for A. Clinton Allen disclosing the exercise of a stock option on September 23, 2016 was filed on September 28, 2016; a Form 5 for Mr. Allen disclosing gifts of shares in 2015 was not filed in February 2016 (which gifts were subsequently reported on a Form 4 filed on March 8, 2016); a Form 4 for Victor M. Casini disclosing a sale of shares on April 15, 2016 was filed on May 17, 2016; and a Form 4 for Dominick Zarcone reporting net settlement of tax witholding upon vesting of RSUs on September 30, 2016 was not filed (such net settlement was subsequently reported on a Form 5 filed on February 24, 2017).

Certain Transactions

Transactions with Related Persons

On November 7, 2014, the Company and Mr. Ahluwalia, a member of our Board of Directors and the Chairman of Euro Car Parts Limited, an indirect wholly-owned subsidiary of the Company (“ECP”), entered into an employment agreement (the “Service Agreement”). The key terms of the Service Agreement include (a) a three-year term, (b) duties that include overseeing the formulation of ECP’s business strategy, (c) an annual base salary of £350,000 and a potential bonus of up to £150,000 upon the achievement of budgeted financial targets by the Company’s business in the United Kingdom, and (d) agreements by Mr. Ahluwalia for a period ending 12 months after his termination date not to compete with, solicit customers of or solicit key employees of the Company’s United Kingdom business. In connection with Mr. Ahluwalia's election to the Board of Directors of the Company, Mr. Ahluwalia and the Company also entered into an Indemnification Agreement in a form substantially identical to the Indemnification Agreements currently in place with the executive officers and other directors of the Company.

In addition, ECP leases warehouse space in Wembley, England and Glasgow, Scotland from affiliates of Mr. Ahluwalia. The annual rent under the Wembley lease is £520,000 plus common area expenses, and under the Glasgow lease is approximately £211,000 plus common area expenses. ECP also leases warehouse space for two other locations in England from affiliates of Mr. Ahluwalia; the combined annual rent for these locations is approximately £84,000 plus common area expenses. In 2009 (prior to our acquisition of ECP), ECP retained a public accounting firm to design and implement an employee incentive plan with certain intended tax characteristics. Her Majesty’s Revenue and Customs is alleging that the plan does not comply with the requirements necessary to achieve those tax characteristics and that therefore ECP is responsible for approximately £2 million of income tax payable. At the time of our acquisition of ECP, Mr. Ahluwalia agreed to indemnify us for any losses arising from this potential liability. In March 2016, we assigned to Mr. Ahluwalia any rights we had against the public accounting firm in connection with this matter.

On February 23, 2016, the Audit Committee of our Board of Directors approved the engagement of PricewaterhouseCoopers LLP (“PwC”) to perform valuation services relating to the Company’s acquisition of Rhiag-Inter Auto Parts Italia S.p.A for financial reporting and tax services. Mr. Wagman, a member of our Board of Directors and our President and Chief Executive Officer, has a brother who is a partner of PwC. The approximate amount involved in this transaction is $225,000.

The brother of A. Clinton Allen, a member of our Board of Directors, is an employee of ours in the position of Regional Sales Manager. For his services in 2016, the total compensation of Mr. Allen’s brother was $142,595.

Related Party Transactions Policy

We have a written Related Party Transactions Policy that provides, and our Audit Committee charter specifies, that the Audit Committee's responsibilities include the review and approval of all transactions between us and any persons affiliated with us that would be required to be disclosed pursuant to the rules and regulations of the SEC. The factors that the Audit Committee would consider as part of its review of related party transactions include whether the terms of the transaction are fair to the Company, the business reasons for the Company to enter into the transaction, the effect of the transaction on the independence of a related party that is an outside director, and whether the transaction would present an improper conflict of interest for the related party.

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Solicitation of Proxies

Our Board of Directors is soliciting your proxy by mail. Your proxy may also be solicited by our directors, officers or other employees personally or by mail, telephone, facsimile or otherwise. These persons will not be compensated for their services. Brokerage firms, banks, fiduciaries, voting trustees or other nominees will be requested to forward the proxy soliciting material to the beneficial owners of stock held of record by them. The entire cost of the solicitation by our Board of Directors will be borne by us.

Delivery of Proxy Materials to Households

Rules of the SEC permit us to use a method of delivery that is often referred to as “householding.” For stockholders who request to receive our proxy materials by mail, householding permits us to mail a single set of proxy materials to any household where two or more different stockholders reside and are members of the same household or in which one stockholder has multiple accounts, unless we receive contrary instructions from any such stockholder. In addition, certain intermediaries (i.e., brokers, banks or other nominees) have notified us that they will household proxy materials for our 2017 Annual Meeting. For voting purposes, these materials will include a separate proxy card for each account at the shared address. We will deliver promptly, if you request orally or in writing, a separate copy of our 2017 Proxy Statement and our 2016 Annual Report to any stockholder at the same address. If you wish to receive a separate copy of our 2017 Proxy Statement and our 2016 Annual Report, then you may contact our Investor Relations Department (a) by mail at LKQ Corporation, 500 West Madison Street, Suite 2800, Chicago, Illinois 60661, (b) by telephone at 877-LKQ-CORP (toll free), or (c) by e-mail at irinfo@lkqcorp.com. You can also contact your broker, bank or other nominee to make a similar request. Stockholders sharing an address who now receive multiple copies of our proxy statement and annual report may request delivery of a single copy by contacting us as indicated above, or by contacting their broker, bank or other nominee, so long as the broker, bank or other nominee has elected to household proxy materials.

Submitting Your Proposals for the 2018 Annual Meeting

According to the rules of the SEC, if you want to submit a proposal for inclusion in the proxy materials to be distributed by us in connection with our 2018 annual meeting of stockholders, you must do so no later than November 16, 2017. Your proposal should be submitted in writing to the Corporate Secretary of the Company at our principal executive offices.

For proposals that are not submitted for inclusion in the proxy materials but instead are sought to be presented directly at our 2018 annual meeting, our bylaws require that in order for you to properly bring any business before any meeting of stockholders, including nominations for the election of directors, you must provide written notice, delivered to the Corporate Secretary of the Company at our principal executive offices, not less than 90 nor more than 120 days prior to the one year anniversary of the previous year's meeting date. In the event that the date of the annual meeting is more than 30 days before or more than 70 days after such anniversary date, your notice, in order to be timely, must be received by us not earlier than the 120th day prior to the annual meeting and not later than the later of the 90th day prior to the annual meeting or the 10th day following the day on which we mailed our notice or gave other disclosure of the meeting date. Your notice must include your name and address as it appears on our records and the number of shares of our capital stock you beneficially own as well as information about any derivative transactions by you involving our capital stock. In addition, (1) for proposals other than nominations for the election of directors, your notice must include a description of the business you want brought before the meeting, your reasons for conducting that business at the meeting, and any material interest you have in that business, and (2) for proposals relating to nominations of directors, your notice must also include with respect to each person nominated, among other things, the information required by Regulation 14A under the Exchange Act.

Nominations for Inclusion in our Proxy Materials (Proxy Access)

Under our proxy access bylaw, a stockholder (or group of up to 20 stockholders) owning three percent or more of our common stock continuously for at least three years may nominate and include in our proxy statement the greater of (i) two directors or (ii) 20% of the number of Directors on our Board. Nominations must comply with the requirements and conditions of our proxy access bylaw, including delivering proper notice to the Corporate Secretary of the Company no later than 90 and no earlier than 120 days prior to the one year anniversary of the preceding year’s annual meeting.

In order for a nominee to be considered for inclusion in our proxy statement for the 2018 annual meeting of shareholders, the Corporate Secretary must receive written notice of the nomination at our principal executive offices no earlier than January 8, 2018 and no later than February 7, 2018. The notice must contain the specific information required by our bylaws. Our bylaws can be found on our website at www.lkqcorp.com.

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General

It is important that your proxy be returned promptly. Whether or not you are able to attend the meeting, you are urged, regardless of the number of shares owned, to submit your vote.

By Order of the Board of Directors

Victor M. Casini
Senior Vice President,
General Counsel and Corporate Secretary

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BROADRIDGE
CORPORATE ISSUER
SOLUTIONS, INC.
P.O. BOX 1342
BRENTWOOD, NY
11717

VOTE BY INTERNET - www.proxyvote.com
Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E20881-P87306 KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

LKQ CORPORATION

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

Nominees:	For	Against	Abstain
1a. Sukhpal Singh Ahluwalia	..	..	..
1b. A. Clinton Allen	..	..	..

The Board of Directors

1c. Robert M. Hanser	¨	¨	¨	recommends you vote FOR proposals 2 and 3 and EVERY YEAR on proposal 4.		For	Against	Abstain
1d. Joseph M. Holsten	¨	¨	¨	2. Ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for the fiscal year ending December 31, 2017.		¨	¨	¨
1e. Blythe J. McGarvie	¨	¨	¨					
1f. Paul M. Meister	¨	¨	¨	3. Approval, on an advisory basis, of the compensation of our named executive officers.		¨	¨	¨
1g. John F. O Brien	¨	¨	¨		Every Year	Every Two Years	Every Three Years	Abstain
1h. Guhan Subramanian	¨	¨	¨					
1i. William M. Webster, IV	¨	¨	¨	4. Advisory vote on the frequency of holding an advisory vote on executive compensation.	¨	¨	¨	¨
1j. Dominick Zarcone	¨	¨	¨					
							Yes	No
				Please indicate if			¨	¨

you plan to attend this meeting.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

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1.0.0.51160

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice and Proxy Statement and Form 10-K are available at www.proxyvote.com.

E20882-P87306
LKQ CORPORATION
Annual Meeting of Stockholders
May 8, 2017 1:30 PM
This proxy is solicited by the Board of Directors

The undersigned appoints Victor M. Casini and Matthew J. McKay (the "Named Proxies") and each of them as proxies for the undersigned, with full power of substitution, to vote the shares of common stock of LKQ CORPORATION, a Delaware corporation (the "Company"), the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Company to be held at 135 South LaSalle Street, 43rd Floor, Chicago, IL 60603, on Monday, May 8, 2017 at 1:30 P.M. Central Time and all adjournments thereof.

The Board of Directors of the Company recommends a vote "FOR" all nominees for director, "FOR" proposals 2 and 3, and "EVERY YEAR" on proposal 4.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted "FOR" all nominees for director, "FOR" proposals 2 and 3, and "EVERY YEAR" on proposal 4. In their discretion, the Named Proxies are authorized to vote upon such other matters that may properly come before the Annual Meeting or any adjournment or postponement thereof.

You are encouraged to specify your choice by marking the appropriate box (SEE REVERSE SIDE), but you need not mark any box if you wish to vote in accordance with the Board of Directors' recommendation. The Named Proxies cannot vote the shares unless you sign and return this card.

Continued and to be signed on reverse side