UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File Number: 000-50404

LKQ CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**36-4215970**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
500 West Madison Street, Suite 2800, Chicago, IL	**60661**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (312) 621-1950
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of each exchange on which registered**
Common Stock, par value $.01 per share	**NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2018 , the aggregate market value of common stock outstanding held by stockholders who were not affiliates (as defined by regulations of the Securities and Exchange Commission) of the registrant was approximately $10.1 billion (based on the closing sale price on the NASDAQ Global Select Market on such date). The number of outstanding shares of the registrant's common stock as of February 22, 2019 was 314,775,176 .

Documents Incorporated by Reference

Those sections or portions of the registrant's proxy statement for the Annual Meeting of Stockholders to be held on May 6, 2019 , described in Part III hereof, are incorporated by reference in this report.

PART I

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

Statements and information in this Annual Report on Form 10-K that are not historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are made pursuant to the “safe harbor” provisions of such Act.

Forward-looking statements include, but are not limited to, statements regarding our outlook, guidance, expectations, beliefs, hopes, intentions and strategies. Words such as "may," "will," "plan," "should," "expect," "anticipate," "believe," "if," "estimate," "intend," "project" and similar words or expressions are used to identify these forward-looking statements. These statements are subject to a number of risks, uncertainties, assumptions and other factors including those identified below. All forward-looking statements are based on information available to us at the time the statements are made. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

You should not place undue reliance on our forward-looking statements. Actual events or results may differ materially from those expressed or implied in the forward-looking statements. The risks and uncertainties that could cause actual results to differ from the results predicted or implied by our forward-looking statements include the following (not necessarily in order of importance):

- changes in economic and political activity in the U.S. and other countries in which we are located or do business, including the U.K. withdrawal from the European Union (also known as Brexit), and the impact of these changes on our businesses, the demand for our products and our ability to obtain financing for operations;
- increasing competition in the automotive parts industry (including the potential competitive advantage to original equipment manufacturers ("OEMs") with "connected car" technology);
- fluctuations in the pricing of new OEM replacement products;
- changes in the level of acceptance and promotion of alternative automotive parts by insurance companies and vehicle repairers;
- changes to our business relationships with insurance companies or changes by insurance companies to their business practices relating to the use of our products;
- our ability to identify sufficient acquisition candidates at reasonable prices to maintain our growth objectives;
- our ability to integrate, realize expected synergies, and successfully operate acquired companies and any companies acquired in the future, and the risks associated with these companies;
- the implementation of a border tax or tariff on imports and the negative impact on our business due to the amount of inventory we import;
- restrictions or prohibitions on selling certain aftermarket products through enforcement by OEMs of intellectual property rights;
- restrictions or prohibitions on importing certain aftermarket products by border enforcement agencies based on, among other things, intellectual property infringement claims;
- variations in the number of vehicles manufactured and sold, vehicle accident rates, miles driven, and the age profile of vehicles in accidents;
- the increase of accident avoidance systems being installed in vehicles;
- the potential loss of sales of certain mechanical parts due to the rise of electric vehicle sales;
- fluctuations in the prices of fuel, scrap metal and other commodities;
- changes in laws or regulations affecting our business;
- higher costs and the resulting potential inability to service our customers to the extent that our suppliers decide to discontinue business relationships with us;
- price increases, interruptions or disruptions to the supply of vehicle parts from aftermarket suppliers and vehicles from salvage auctions;
- changes in the demand for our products and the supply of our inventory due to severity of weather and seasonality of weather patterns;

- the risks associated with operating in foreign jurisdictions, including foreign laws and economic and political instabilities;
- declines in the values of our assets;
- additional unionization efforts, new collective bargaining agreements, and work stoppages;
- our ability to develop and implement the operational and financial systems needed to manage our operations;
- interruptions, outages or breaches of our operational systems, security systems, or infrastructure as a result of attacks on, or malfunctions of, our systems;
- costs of complying with laws relating to the security of personal information;
- product liability claims by the end users of our products or claims by other parties who we have promised to indemnify for product liability matters;
- costs associated with recalls of the products we sell;
- potential losses of our right to operate at key locations if we are not able to negotiate lease renewals;
- inaccuracies in the data relating to our industry published by independent sources upon which we rely;
- currency fluctuations in the U.S. dollar, pound sterling and euro versus other currencies;
- our ability to obtain financing on acceptable terms to finance our growth;
- our ability to satisfy our debt obligations and to operate within the limitations imposed by financing arrangements;
- changes to applicable U.S. and foreign tax laws, changes to interpretations of tax laws, and changes in our mix of earnings among the jurisdictions in which we operate; and
- disruptions to the management and operations of our business and the uncertainties caused by activist investors.

Other matters set forth in this Annual Report may also cause our actual results to differ materially from our forward-looking statements, including the risk factors disclosed in Item 1A of this Annual Report.

Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through our website (www.lkqcorp.com) as soon as reasonably practicable after we electronically file the material with, or furnish it to, the Securities and Exchange Commission.

ITEM 1. BUSINESS

OVERVIEW

LKQ Corporation ("LKQ" or the "Company") is a global distributor of vehicle products, including replacement parts, components, and systems used in the repair and maintenance of vehicles and specialty products and accessories to improve the performance, functionality and appearance of vehicles.

Buyers of vehicle replacement products have the option to purchase from primarily five sources: new products produced by original equipment manufacturers ("OEMs"); new products produced by companies other than the OEMs, which are referred to as aftermarket products; recycled products obtained from salvage vehicles; used products that have been refurbished; and used products that have been remanufactured. Collectively, we refer to these four sources that are not new OEM products as alternative parts. We distribute a variety of products to collision and mechanical repair shops, including aftermarket collision and mechanical products; recycled collision and mechanical products; refurbished collision products such as wheels, bumper covers and lights; and remanufactured engines and transmissions.

We are a leading provider of alternative vehicle collision replacement products and alternative vehicle mechanical replacement products, with our sales, processing, and distribution facilities reaching most major markets in the United States and Canada. We are also a leading provider of alternative vehicle replacement and maintenance products in the United Kingdom, Germany, the Benelux region (Belgium, Netherlands, and Luxembourg), Italy, Czech Republic, Poland, Slovakia, Austria, and various other European countries. In addition to our wholesale operations, we operate self service retail facilities across the U.S. that sell recycled automotive products from end-of-life vehicles. We are also a leading distributor of specialty vehicle aftermarket equipment and accessories reaching most major markets in the U.S. and Canada.

We are organized into four operating segments: Wholesale - North America, Europe, Specialty, and Self Service. We aggregate our Wholesale - North America and Self Service operating segments into one reportable segment, North America, resulting in three reportable segments: North America, Europe and Specialty. See Note 16, "Segment and Geographic Information " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for financial information by reportable segment and by geographic region.

HISTORY

We were initially formed in 1998 through the combination of a number of wholesale recycled products businesses located in Florida, Michigan, Ohio and Wisconsin. We subsequently expanded through internal development and approximately 270 acquisitions of aftermarket, recycled, refurbished, and remanufactured product suppliers and manufacturers; self service retail businesses; and specialty vehicle aftermarket equipment and accessories suppliers. Our most significant acquisitions include:

- 2007 acquisition of Keystone Automotive Industries, Inc., which, at the time of acquisition, was the leading domestic distributor of aftermarket products, including collision replacement products, paint products, refurbished steel bumpers, bumper covers and alloy wheels.
- 2011 acquisition of Euro Car Parts Holdings Limited ("ECP"), a vehicle mechanical aftermarket parts distribution company operating in the United Kingdom. This acquisition served as our entry into the European automotive aftermarket business, from which we have expanded our European footprint through organic growth and subsequent acquisitions.
- 2013 acquisition of Sator Beheer B.V. ("Sator"), a vehicle mechanical aftermarket parts distribution company based in the Netherlands, with operations in the Netherlands, Belgium and Northern France. This acquisition allowed us to further expand our geographic presence into continental Europe.
- 2014 acquisition of Keystone Automotive Holdings, Inc. (“Keystone Specialty”), which expanded our product offering and increased our addressable market to include specialty vehicle aftermarket equipment and accessories.
- 2016 acquisition of Rhiag-Inter Auto Parts Italia S.r.l. (“Rhiag”), a distributor of aftermarket spare parts for passenger cars and commercial vehicles in Italy, Czech Republic, Slovakia, Switzerland, Hungary, Romania, Ukraine, Bulgaria, Poland and Spain. This acquisition expanded our geographic presence in continental Europe.
- 2018 acquisition of Stahlgruber GmbH (“Stahlgruber”), a wholesale distributor of aftermarket spare parts for passenger cars, tools, capital equipment and accessories with operations in Germany, Austria, Italy, Slovenia, and Croatia with further sales to Switzerland. This acquisition expanded our geographic presence in continental Europe and serves as an additional strategic hub for our European operations.

Further information regarding our recent acquisitions is included in Note 2, "Business Combinations" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

STRATEGY

Our mission is to be the leading global value-added distributor of vehicle parts and accessories by offering our customers the most comprehensive, available and cost-effective selection of part solutions while building strong partnerships with our employees and the communities in which we operate.

We have four primary pillars of a strategy to build economic value: growth through diversified product offerings; growth through geographic expansion; adaptation to evolving technology; and rationalization of our asset base to enhance margins and return on capital. We believe our supply network, with a broad inventory of quality alternative collision and mechanical repair products and specialty vehicle aftermarket products, high fulfillment rates, and superior customer service, provides us with a competitive advantage. To execute our strategy, we are focused on a number of key areas, including:

- *Extensive distribution network.* We have invested significant capital to develop a network of alternative and specialty vehicle parts facilities across our operating segments. Additionally, our ability to move inventory throughout our distribution networks increases the availability of our products and helps us to fill a relatively high percentage of our customers' requests. In order to expand our distribution network, we will continue to seek to enter new markets and to improve penetration through both organic development and acquisitions. We will continue to seek opportunities to leverage the distribution network by delivering more parts through our existing network. We believe our North America segment has the largest distribution network of alternative vehicle parts and accessories for the automotive collision repair market in North America. In our Europe segment, we are implementing a similar strategy to our North America operations by establishing a Pan-European distribution network. We currently have operations in 24 different European countries, which we believe represents the broadest and largest footprint in the aftermarket industry in Europe. On a global basis, we have approximately 1,700 locations as part of our distribution network.
- *Broad product offering.* The breadth and depth of our inventory across all of our operating segments reinforces our ability to provide a "one-stop" solution for our customers' alternative vehicle replacement, maintenance, and specialty vehicle product needs.
- *High fulfillment rates.* We manage local inventory levels to improve delivery and maximize customer service. Improving local order fulfillment rates reduces transfer costs and delivery times, and improves customer satisfaction.
- *Strong business relationships.* We have developed business relationships with key constituents, including customers, automobile insurance companies, suppliers and other industry participants in North America, Europe, and Asia.
- *Acquisitions.* The primary objective of our acquisitions is to expand our presence to new or adjacent geographic markets and to expand into other product lines and businesses that may benefit from our operating strengths, in each case with the aim of increasing the size of our addressable market. When we identify potential acquisitions, we attempt to target companies with a leading market presence, an experienced management team and workforce that provide a fit with our existing operations, and strong cash flows. After completing an acquisition, we focus on integrating the company with our existing business to provide additional value to the combined entity through cost savings and synergies, such as logistics cost synergies resulting from integration with our existing distribution network, administrative cost savings, shared procurement, and cross-selling opportunities.
- *Technology driven business processes.* We focus on technology development as a way to support our competitive advantage. We believe that we can more cost effectively leverage our data to make better business decisions than our smaller competitors.
- *Adaptation to evolving technology in the automotive industry.* We are committed to monitoring and adapting our business to the technological changes in the automotive industry. We have recently established a strategy and innovation team that will help us to be more forward-looking and to assess the potential opportunities and risks associated with several areas including, but not limited to, e-commerce, accident avoidance systems, vehicle connectivity, autonomous vehicles, electric vehicles and ride-sharing trends.

NORTH AMERICA SEGMENT

Our North America segment is composed of wholesale operations, which consists of aftermarket and salvage operations, self service retail operations, and aviation operations.

Wholesale Operations

Inventory

Our wholesale operations in North America sell five product types (aftermarket, recycled, remanufactured, refurbished and, to a lesser extent, OEM parts) to professional collision and mechanical automobile repair businesses. Our principal aftermarket product types consist of those most frequently damaged in collisions, including bumper covers, automotive body

panels, lights and automotive glass products such as windshields. Platinum Plus is our exclusive product line offered under the Keystone brand of aftermarket products. Certain of our products are certified by independent organizations such as the Certified Automotive Parts Association (“CAPA”) and NSF International (“NSF”). CAPA and NSF are associations that evaluate the quality of aftermarket collision replacement products compared to OEM collision replacement products. We also developed a product line called "Value Line" for more value conscious, often self-pay, consumers. Our salvage products include both mechanical and collision parts, including engines; transmissions; door assemblies; sheet metal products such as trunk lids, fenders and hoods; lights; and bumper assemblies.

The aftermarket products we distribute are purchased from independent manufacturers and distributors located primarily in North America and Asia, principally Taiwan. In 2018, approximately 39% of our aftermarket purchases were made from our top 4 vendors, with our largest vendor providing approximately 15% of our annual inventory purchases. We believe we are one of the largest customers of each of these suppliers. Outside of this group, no other supplier provided more than 5% of our supply of aftermarket products in 2018. We purchased approximately 47% of our aftermarket products in 2018 directly from manufacturers in Taiwan and other Asian countries. Approximately 50% of our aftermarket products were purchased from vendors located in the U.S.; however, we believe the majority of these products were manufactured in Taiwan, Mexico or other foreign countries.

Within our wholesale operations, we focus our procurement on products that are in the most demand, based on a number of factors such as historical sales records of vehicles by model and year, customer requests, and projections of future supply and demand trends. Because lead times may be 40 days or more on imported aftermarket products, sales volumes and in-stock inventory are important factors in the procurement process.

In our aftermarket operations, we use a third party enterprise management system and other third party software packages to leverage the centralized data and information that a single system provides, such as a data warehouse to conduct enhanced analytics and reporting, an integrated budgeting system, an electronic data interchange tool, and E-commerce tools to enhance our online business-to-business initiatives - OrderKeystone.com and Keyless.

We procure recycled products for our wholesale operations by acquiring total loss vehicles, typically sold at regional salvage auctions, and then dismantling and inventorying the parts. The availability and pricing of the salvage vehicles we procure for our wholesale recycled products operations may be impacted by a variety of factors, including the production level of new vehicles and the percentage of damaged vehicles declared total losses. Our bidding specialists are equipped with a proprietary software application that allows them to compare the vehicles at salvage auctions against our current inventory levels, historical demand, and recent average selling prices to arrive at an estimated maximum bid.

Our wholesale recycled product locations in North America operate an internally-developed, proprietary enterprise management system called LKQX. We believe that the use of a single system across all of our wholesale recycled product operations helps facilitate the sales process; allows for continued implementation of standard operating procedures; and yields improved training efficiency, employee transferability, access to our national inventory database, management reporting and data storage. The system also supports an electronic exchange process for identifying and locating parts at other select recyclers and facilitates brokered sales to fill customer orders for items not in stock.

Scrap and Other Materials

Our salvage operations generate scrap metal and other materials that we sell to metals recyclers. Vehicles that have been dismantled for recycled products and "crush only" end-of-life vehicles acquired from other companies are typically crushed using equipment on site. In other cases, we will hire mobile crushing equipment to crush the vehicles before they are transported to shredders and scrap metal processors. Damaged and unusable wheel cores are melted in our aluminum furnace and sold to consumers of aluminum ingot and sow for the production of various automotive products, including wheels. We also extract and sell the precious metals contained in certain of our recycled parts such as catalytic converters.

Customers

We sell our products to wholesale customers that include collision and mechanical repair shops and new and used car dealerships, as well as to retail customers. The majority of these customers tend to be individually-owned small businesses, although the number of independent and dealer-operated collision repair facilities has declined over the last decade, as regional or national multiple-location operators have increased their geographic presence through consolidation.

Automobile insurance companies affect the demand for our collision products; while insurance companies do not pay for our products directly, they ultimately pay for the repair costs of insured vehicles in excess of any deductible amount. As a result, insurance companies often influence the types of products used in a repair. The use of our products instead of OEM products provides a direct benefit to insurance companies by lowering the cost of repairs, decreasing the time required to return the repaired vehicle to the customer, and providing a replacement product that is of high quality and comparable performance to the part replaced.

Our sales personnel are encouraged to promote LKQ to customers as a “one-stop shop” by offering comparable options from our other product lines if the desired part is not in stock. To support these efforts, we have provided our sales staff with access to both recycled and aftermarket sales systems to encourage cross selling.

To better serve our customers, we take a consolidated approach to the electronic sale of wholesale products in our North America segment. A full suite of e-commerce services is available to approved partners that helps us improve order accuracy, reduce return rate and better fit our customer workflow. Using these services in coordination with our partners, products can be searched, priced and ordered without leaving the customers' own operating systems.

Distribution

We have a distribution network of warehouses and cross dock facilities, which allows us to develop and maintain our service levels with local repair shops while providing fulfillment rates that are made possible by our nationwide presence. Our delivery fleet utilizes a third party software provider to optimize delivery routes, and to track the progress of delivery vehicles throughout their runs. Our local presence allows us to provide daily deliveries as required by our customers, using drivers who routinely deliver to the same customers. Our sales force and local delivery drivers develop and maintain critical personal relationships with the local repair shops that benefit from access to our wide selection of products, which we are able to offer as a result of our regional inventory network. We operate a delivery fleet of medium-sized trucks and smaller trucks and vans, which deliver multiple product types on the same delivery routes to help minimize distribution costs and improve customer service.

Competition

We consider all suppliers of vehicle collision and mechanical products to be competitors, including aftermarket suppliers, recycling businesses, refurbishing operations, parts remanufacturers, OEMs and internet-based suppliers. We compete with alternative parts distributors on the basis of our nationwide distribution system, our product lines and inventory availability, customer service, our relationships with insurance companies, and to a lesser extent, price; we compete with OEMs primarily on the basis of price and, to a lesser extent, on service and product quality. We do not consider retail chains that focus on the do-it-yourself market to be our direct competitors since many of our wholesale product sales are influenced by insurance companies, who ultimately pay for the repair costs of insured vehicles in excess of any deductible amount, rather than the end user, and there is limited overlap in the products that we sell.

Self Service Operations

Our self service retail operations, most of which operate under the name “LKQ Pick Your Part,” allow consumers to come directly to the yard to pick parts off of salvage vehicles. In addition to revenue from the sale of parts, core, and scrap, we charge a nominal admission fee to access the property.

Inventory

We acquire inventory for our self service retail product operations from a variety of sources, including but not limited to towing companies, vehicle auctions, the general public, municipality sales, insurance carriers, and charitable organizations. We typically procure salvage vehicles for our self service retail product operations that are generally older and of lower price than the salvage vehicles we purchase for our wholesale recycled product operations. Vehicles are delivered to our locations by the seller, or we arrange for transportation. Once on our property, minimal labor is required to process the vehicle other than removing the battery, fluids, refrigerants, catalytic converters and hazardous materials. The extracted fluids are stored in bulk and subsequently sold to recyclers. Vehicles are then placed in the yard for customers to remove parts. In our self service business, availability of a specific part will depend on which vehicles are currently at the site and to what extent parts may have been previously sold. We usually keep a vehicle at our facility for 30 to 120 days, depending on the capacity of the yard and size of the market, before it is crushed and sold to scrap metal processors.

Scrap and Other Materials

Our self service operations generate scrap metal, alloys and other materials that we sell to recyclers. Vehicles that we no longer make available to the public and "crush only" vehicles acquired from other companies, including OEMs, are typically crushed using equipment on site. Damaged and unusable wheel cores are melted in our aluminum furnace and sold to consumers of aluminum ingot and sow for the production of various automotive products, including wheels. We also extract and sell the precious metals contained in certain of our recycled parts such as catalytic converters.

Customers

The customers of our self service yards are frequently do-it-yourself mechanics, small independent repair shops servicing older vehicles, auto rebuilders, and resellers. The scrap from the vehicle hulks, when not processed by us, is sold to metals recyclers, with whom we may also compete when procuring salvage vehicles for our operations.

Competition

There are competitors operating self service businesses in all of the markets in which we operate. In some markets, there are numerous competitors, often operating in close proximity to our operations. We try to differentiate our business by the quality of the inventory and the size and cleanliness of the property. We also differentiate our business from our competitors through our app, which allows customers to receive daily push notifications when cars they are interested in are placed into their favorite yards. In addition to allowing customers to see our available inventory, the app also allows customers to input search parameters such as the specific part they are searching for, and the year, make, and model of the vehicle, in an effort to expand the number of cars that might be available to pull parts from. We do not consider retail chains that focus on the do-it-yourself market to be our direct competitors, as there is limited overlap in the products that we sell.

Aviation Operations

Our aviation operations specialize in the sale of recycled aviation parts, including aircraft structural components and spare parts, complete engines, engine components, and whole airplanes to regional Maintenance, Repair and Overhaul providers, aircraft operators, fixed-base operators, corporate customers, and other aviation dealers and distributors around the globe. Our aviation business is located in the U.S., with sales representation in Mexico and the U.K. Our aviation business comprises approximately 1% of our North America segment revenue.

EUROPE SEGMENT

Our Europe segment was built on four key acquisitions: ECP (2011), Sator (2013), Rhiag (2016) and Stahlgruber (2018). Additionally, in 2014 we expanded our European segment to include wholesale recycling operations through our acquisition of a business with salvage and vehicle repair facilities in Sweden and Norway, and in 2016, we acquired an equity investment in Mekonomen AB ("Mekonomen"), the leading independent car parts and service chain in the Nordic region of Europe. Mekonomen is independent of our existing European operations, but we are exploring areas where the companies can work together in a mutually beneficial manner, primarily related to procurement. Our European strategy is to target platform acquisitions to cover broad markets initially, then integrate these businesses with our other operations and subsequently expand our footprint in these regions through new branch openings and smaller tuck-in acquisitions with the goal of eventually attaining continent-wide coverage. Our acquisitions provide a platform to capitalize on the large and fragmented aftermarket mechanical replacement parts market in Europe, and allow for potential cost savings from the leveraging of our combined purchasing power given the significant overlap in suppliers and product mix. We have acquired many smaller businesses within the regions we operate and over time, we anticipate further integration of our European operations as we optimize purchasing, warehousing, cataloging, logistics and back-office functions, and align our private label brands across the segment.

Inventory

Our inventory is primarily composed of mechanical aftermarket parts for the repair of vehicles 3 to 15 years old. Our top selling products include brake pads, discs and sensors, clutches, electrical products such as spark plugs and batteries, steering and suspension products, filters, and oil and automotive fluids. In addition to mechanical aftermarket parts, we also sell collision parts in our Europe segment, although these sales represent less than 2% of total Europe segment revenue.

In 2018, our top two suppliers represented 12% of our aftermarket inventory purchases, with our top supplier representing approximately 7% of our purchases. No other suppliers comprised more than 5% of our purchases during 2018. The aftermarket products we distribute are purchased from vendors located primarily in the U.K. and continental Europe. In 2018, we purchased 93% of our products from companies in Europe. The remaining 7% of our 2018 purchases were sourced from vendors located primarily in China or Taiwan, some of which also supply collision parts for our Wholesale - North America operations. In 2018, 66%, 22%, 6%, and 3% of our total inventory purchases were made in Euros, Pounds Sterling, U.S. Dollars and Czech Koruna, respectively.

Our aftermarket operations in Europe use various information technology (“IT”) systems. Our systems are complex, and are designed to do a variety of tasks (depending on the market), including: manage customer orders and inventory movement, optimize our warehouse and logistics, and financial reporting. Certain of our IT systems can interface with our repair shop customers' respective IT systems, which enables them to identify the part required for the repair. In 2018, as part of our strategy to create an integrated European company, we initiated a multi-year program to develop a European wide ERP system, which will reduce the number of IT systems we operate.

In our Nordic operations, we purchase severely damaged or totaled vehicles from insurance companies, which are transferred to our dismantling facilities or sold to other third party dismantlers.

Customers

We primarily operate a two-step (i.e. direct sales to customers) distribution model in Europe, although certain of our operations, such as Italy, the Netherlands, Germany, Switzerland, and Hungary, operate wholly or partially a three-step (i.e.

sales to distributors who in turn sell to customers) distribution model. In our two-step operations, we sell the majority of our products to commercial customers primarily consisting of professional repairers, including both independent mechanical repair shops and collision repair shops. In our three-step operations, we sell products to wholesale distributors or jobbers. In addition to our sales to repair shops and wholesale distributors, we generate a portion of our revenue through sales to retail customers from e-commerce platforms and from counter sales at the branch locations.

Distribution

Our European operations employ a distribution model in which inventory is stored at national or international distribution centers or regional hubs, with fast moving product stored at branch locations (where we operate a two-step distribution model). The large distribution centers regularly re-stock the smaller branches and hubs and hold slower moving items allowing us high fulfillment rates. Product is moved through the distribution network on our vans or via common carrier.

Competition

We view all suppliers of replacement repair products as our competitors, including other alternative parts suppliers and OEMs and their dealer networks. We face significant competition in many markets where even smaller competitors can compete on price and service and the OEM's compete via ties to, and brand loyalty of, the consumer while also remaining competitive on price, service and availability. We believe we have been able to distinguish ourselves from other alternative parts suppliers primarily through our distribution network, efficient stock management systems and proprietary technology, which allows us to deliver our products quickly, as well as through our product lines and inventory availability, pricing, and service.

SPECIALTY SEGMENT

Our Specialty operating segment was formed in 2014 with our acquisition of Keystone Specialty, a leading distributor and marketer of specialty vehicle aftermarket products and accessories in North America. Our Specialty operations reach most major markets in the U.S. and Canada and serve the following six product segments: RV; truck and off-road; towing; speed and performance; wheels, tires and performance handling; and miscellaneous accessories. In 2017, we acquired Warn Industries, Inc. ("Warn"), a leading designer, manufacturer and marketer of high performance vehicle equipment and accessories. The acquisition of Warn expanded our presence in the specialty market and creates viable points of entry into related markets.

Inventory

The specialty vehicle aftermarket equipment and accessories we distribute and raw materials for products we manufacture are purchased from suppliers located primarily in the U.S., Canada, and China. Our top selling products are RV appliances & air conditioners, towing hitches, truck bed covers, vehicle protection products, cargo management products, and wheels, tires & suspension products. Specialty aftermarket suppliers are typically small to medium-sized, independent businesses that focus on a narrow product or market niche. Due to the highly fragmented supplier base for specialty vehicle aftermarket products, we have limited supplier concentration. In 2018, approximately 14% of our specialty vehicle aftermarket purchases were made from our top two suppliers, with our largest supplier providing approximately 9% of our annual inventory purchases. No other suppliers comprised more than 5% of our purchases during 2018. With our 2017 acquisition of Warn, we have internal manufacturing capabilities to source aftermarket winches, hoists, and bumpers.

Most of our Specialty operations utilize an internally developed inventory management and order entry system that interfaces with third party software systems for accounting, transaction processing, data analytics, and reporting.

Customers

Overall, the specialty vehicle aftermarket parts and accessories market serves a fragmented customer base composed of RV and specialty automotive dealers, installers, jobbers, builders, parts chains, and mail-order businesses. Our customers are principally small, independent businesses. These customers depend on us to provide a broad range of products, rapid delivery, marketing support and technical assistance. In addition to traditional customers, in recent years we have increased sales to several large parts and accessory online retailers. Our Specialty segment also operates retail stores in northeast Pennsylvania.

We promote our products to customers through marketing programs, which include: (i) catalogs, advertising, sponsorships and promotional activities, (ii) product level marketing and merchandising support, and (iii) online and digital marketing initiatives. Our national footprint allows us to stage trade shows across the U.S., which provide an opportunity to improve sales through the showcasing of new and innovative products from our vendors to our customers.

Online sales of our Specialty products take place primarily through our ekeystone.com and viantp.com sites and mobile app. These sites provide customers (i) the ability to match products with the make and model of vehicle thus allowing the customer to order the right part, (ii) product information (e.g. pictures, attributes) available for review and (iii) the convenience of searching inventory availability and ordering the product on the site. Additionally, the site can provide sales opportunities by suggesting other parts to purchase based on an inquiry submitted by the customer.

Distribution

Our Specialty segment operations employ a hub-and-spoke distribution model which enables us to transport products from our primary distribution centers to our non-inventory stocking cross docks, a majority of which are co-located with our North America wholesale operations and provide distribution points to key regional markets and synergies with our existing infrastructure. We believe this provides added value to our customers through a broader product offering and more efficient distribution process. We use our delivery routes to provide delivery and returns of our products directly to and from our customers in all 48 continental U.S. states and 9 Canadian provinces, and we ship globally to customers in other countries. Our delivery fleet utilizes a third party software provider to optimize delivery routes, and to track the progress of delivery vehicles throughout their runs.

Competition

Industry participants have a variety of supply choices. Vendors can deliver products to market via warehouse distributors and mail order catalog businesses, or directly to retailers and/or consumers. We view all suppliers of specialty vehicle aftermarket equipment and accessories as our competitors. We believe we have been able to distinguish ourselves from other specialty vehicle aftermarket parts and equipment suppliers primarily through our broad product selection, which encompasses both popular and hard-to-find products, our national distribution network, and efficient inventory management systems, as well as through our service. We compete on the basis of product breadth and depth, rapid and dependable delivery, marketing initiatives, support services, and price.

INTELLECTUAL PROPERTY

We own and have the right to use various intellectual property, including intellectual property acquired as a result of past acquisitions. In addition to trade names, trademarks and patents, we also have technology-based intellectual property that has been both internally developed and obtained through license agreements and acquisitions. We do not believe that our business is materially dependent on any single item of intellectual property, or any single group of related intellectual property, owned or licensed, nor would the expiration of any particular item or related group of intellectual property, or the termination of any particular intellectual property license agreement materially affect our business.

EMPLOYEES

As of December 31, 2018, we employed approximately 51,000 persons, of which approximately 22,500 were employed in North America and approximately 28,500 were employed outside of North America. Of our employees in North America, approximately 1,200 were represented by unions. Outside of North America, we have government-mandated collective bargaining agreements and union contracts in certain countries, particularly in Europe where many of our employees are represented by unions and/or works councils. We consider our employee relations to be good.

FACILITIES

As of December 31, 2018, our operations included approximately 1,700 facilities, most of which are leased. Of our total facilities, approximately 550 facilities were located in the U.S. and approximately 1,150 facilities were located in 24 other countries. Many of our locations stock multiple product types or serve more than one function.

Our global headquarters are located at 500 West Madison Street, Chicago, Illinois 60661. Our North American headquarters, in Nashville, Tennessee, performs certain centralized functions for our North American operations, including accounting, procurement, and information systems support. In 2018, we expanded the size of our North American headquarters via construction of a new 100,000 square foot facility in Nashville. Our European operations are distributed throughout Europe with some main offices in Tamworth, England; in Schiedam, and Amsterdam, the Netherlands; in Milan, Italy; in Prague, Czech Republic; and in Poing, Germany. In addition to these offices, we have two national distribution centers in Tamworth totaling 1,000,000 and 500,000 square feet, respectively, which house inventory to supply the hubs and branches of our U.K. and Republic of Ireland operations, and one international distribution center in Sulzbach-Rosenberg, Germany which supplies our recently acquired Stahlgruber's operations in Germany, Austria, Italy, Slovenia and Croatia. Our Specialty operations maintain primary procurement, accounting and finance functions in Exeter, Pennsylvania. Certain back-office support functions for our segments are performed in Bangalore, India. Additionally, we operate an aftermarket parts warehouse in Taiwan to aggregate inventory for shipment to our locations in North America.

REGULATION

Our operations and properties are subject to laws and regulations relating to the protection of the environment in the U.S. and the other countries in which we operate. See the risk factor " We are subject to environmental regulations and incur costs relating to environmental matters " in Part I, Item 1A of this Annual Report on Form 10-K for further information regarding the effects of environmental laws and regulations on us.

We may be affected by tariffs and other import laws and restrictions because we import into the U.S. a significant number of products for sale and distribution. See the risk factors " If significant tariffs or other restrictions are placed on products or materials we import or any related counter-measures are taken by countries to which we export products, our revenue and results of operations may be materially harmed " and " Intellectual property claims relating to aftermarket products could adversely affect our business " in Part 1, Item 1A of this Annual Report on Form 10-K for further information regarding importation risks.

Our business processes and operations are subject to laws and regulations relating to privacy and data protection. See the risk factor " The costs of complying with the requirements of laws pertaining to the privacy and security of personal information and the potential liability associated with the failure to comply with such laws could materially adversely affect our business and results of operations " in Part 1, Item 1A of this Annual Report on Form 10-K for further information about privacy and data protection risks.

Some jurisdictions have enacted laws to restrict or prohibit the sale of alternative vehicle parts. See the risk factor " Existing or new laws and regulations may prohibit, restrict or burden the sale of aftermarket, recycled, refurbished or remanufactured products " in Part 1, Item 1A of this Annual Report on Form 10-K for further information concerning regulatory restrictions on the sale of our products.

We have thousands of employees located in the U.S. and many other countries and are subject to labor and employment laws in numerous jurisdictions. See the risk factor " Our business may be adversely affected by union activities and labor and employment laws " in Part 1, Item 1A of this Annual Report on Form 10-K for further information regarding these labor and employment risks.

SEASONALITY

Our operating results are subject to quarterly variations based on a variety of factors, influenced primarily by seasonal changes in weather patterns. During the winter months, we tend to have higher demand for our vehicle replacement products because there are more weather related repairs. Our specialty vehicle operations typically generate greater revenue and earnings in the second quarter, when vehicle owners tend to install this equipment, and lower revenue and earnings in the fourth quarter, when the number of RV trips tends to decline as a result of the winter weather. Our aftermarket glass operations typically generate greater revenue and earnings in the second and third quarters, when the demand for automotive replacement glass increases after the winter weather.

ITEM 1A. RISK FACTORS

Risks Relating to Our Business

Our operating results and financial condition have been and could continue to be adversely affected by the economic and political conditions in the U.S. and elsewhere.

Changes in economic and political conditions in the U.S., Europe and other countries in which we are located or do business could have a material effect on our company. Changes in such conditions have, in some periods, resulted in fewer miles driven, fewer accident claims, and a reduction of vehicle repairs, all of which could negatively affect our business. The number and types of new vehicles produced and sold by manufacturers affects our business. A decrease in the number of vehicles on the road results in a decrease in repairs.

Our sales are also impacted by changes to the economic health of vehicle owners. The economic health of vehicle owners is affected by many factors, including, among others, general business conditions, interest rates, inflation, consumer debt levels, the availability of consumer credit, taxation, fuel prices, unemployment trends and other matters that influence consumer confidence and spending. Many of these factors are outside of our control. If any of these conditions worsen, our business, results of operations, financial condition and cash flows could be adversely affected.

In addition, economic conditions, including decreased access to credit, may result in financial difficulties leading to restructurings, bankruptcies, liquidations and other unfavorable events for our customers, suppliers, logistics and other service providers and financial institutions that are counterparties to our credit facilities and hedge transactions. These unfavorable events affecting our business partners could have an adverse effect on our business, results of operations, financial condition and cash flows.

We have a substantial business presence in Europe, including a significant presence in the U.K. and the Republic of Ireland ("ROI"). In June 2016, voters in the U.K. decided by referendum to withdraw from the European Union (also known as Brexit). The precise timing and impacts of this action on our businesses in the U.K. and other parts of Europe are unknown at this time. Since the vote, we have seen fluctuations in exchange rates leading to cost pressures and unfavorable translation effects on our sterling denominated earnings. Depending upon how the details of the U.K.'s withdrawal from the European Union are negotiated and implemented, our European businesses could be adversely affected as a result of further fluctuations in exchange rates, disruptions to access to markets by U.K. and ROI companies, interruptions of the movement of goods and services between countries, a decrease of economic activity in Europe, and political or social unrest. The U.K.'s withdrawal from the European Union is scheduled to occur on March 29, 2019. The U.K. and the European Union have been attempting to negotiate the terms of the withdrawal but have not been able to reach an agreement. Unless there is an agreed extension or cancellation of the withdrawal, the withdrawal will occur on March 29, 2019. If no negotiated withdrawal agreement is reached, businesses (including ours) will likely experience greater disruptions and risks than would occur compared with a negotiated withdrawal.

We face intense competition from local, national, international, and internet-based vehicle products providers, and this competition could negatively affect our business.

The vehicle replacement products industry and vehicle accessory parts industry are highly competitive and are served by numerous suppliers of OEM, recycled, aftermarket, refurbished and remanufactured products. Within each of these categories of suppliers, there are local owner-operated companies, larger regional suppliers, national and international providers, and internet-based suppliers and distributors. Providers of vehicle replacement and accessory products that have traditionally sold only certain categories of such products may decide to expand their product offerings into other categories of vehicle products, which may further increase competition. Some of our current and potential competitors may have more operational expertise; greater financial, technical, manufacturing, distribution, and other resources; longer operating histories; lower cost structures; and better relationships in the insurance and vehicle repair industries or with consumers, than we do.

In certain regions of the U.S., local vehicle recycling companies have formed cooperative efforts to compete in the wholesale recycled products industry. Similarly, in Europe, some local companies are part of cooperative efforts to compete in the aftermarket parts industry. As a result of these factors, our competitors may be able to provide products that we are unable to supply, provide their products at lower costs, or supply products to customers that we are unable to serve.

We believe that a majority of collision parts by dollar amount are supplied by OEMs, with the balance being supplied by distributors of alternative aftermarket, recycled, refurbished and remanufactured collision parts like us. The OEMs are therefore able to exert pricing pressure in the marketplace. We compete with the OEMs primarily on price and to a lesser extent on service and quality. From time to time, the OEMs have implemented programs seeking to increase their market share in the collision repair parts industry. For example, they have reduced prices on specific products to match the lower prices of alternative products and introduced other rebate programs that may disrupt our sales. The growth of these programs or the introduction of new ones could have a material adverse impact on our business.

In addition, vehicles are being equipped with systems that transmit data to the OEMs wirelessly regarding, among other items, accident incidents, maintenance requirements, location of the vehicle, identification of the closest dealership, and other statistics about the vehicle and its driving history. To the extent that this data is not shared with alternative suppliers, the OEMs will have an advantage with respect to such matters as contacting the vehicle driver, recommending repairs and maintenance, and directing the vehicle owner to an affiliated dealership.

We rely upon our customers and insurance companies to promote the usage of alternative parts.

Our success depends, in part, on the acceptance and promotion of alternative parts usage by automotive insurance companies and vehicle repair facilities. There can be no assurance that current levels of alternative parts usage will be maintained or will increase in the future.

We rely on business relationships with insurance companies. These insurance companies encourage vehicle repair facilities to use products we provide. The business relationships include in some cases participation in aftermarket quality and service assurance programs that may result in a higher usage of our aftermarket products than would be the case without the programs. Our arrangements with these companies may be terminated by them at any time, including in connection with their own business concerns relating to the offering, availability, standards or operations of the aftermarket quality and service assurance programs. We rely on these relationships for sales to some collision repair shops, and a termination of these relationships may result in a loss of sales, which could adversely affect our results of operations.

In an Illinois lawsuit involving State Farm Mutual Automobile Insurance Company ("Avery v. State Farm"), a jury decided in October 1999 that State Farm breached certain insurance contracts with its policyholders by using non-OEM replacement products to repair damaged vehicles when use of such products did not restore the vehicle to its "pre-loss condition." The jury found that State Farm misled its customers by not disclosing the use of non-OEM replacement products and the alleged inferiority of those products. The jury assessed damages against State Farm of $456 million, and the judge assessed an additional $730 million of disgorgement and punitive damages for violations of the Illinois Consumer Fraud Act. In April 2001, the Illinois Appellate Court upheld the verdict but reduced the damage award by $130 million because of duplicative damage awards. On August 18, 2005, the Illinois Supreme Court reversed the awards made by the circuit court and found, among other things, that the plaintiffs had failed to establish any breach of contract by State Farm. The U.S. Supreme Court declined to hear an appeal of this case. As a result of this case, some insurance companies reduced or eliminated their use of aftermarket products. Our financial results could be adversely affected if insurance companies modified or terminated the arrangements pursuant to which repair shops buy aftermarket or recycled products from us due to a fear of similar claims.

In addition, to the extent that the collision repair industry continues to consolidate, the buying power of collision repair shop customers may further increase, putting additional pressure on our financial returns.

We may not be able to successfully acquire new businesses or integrate acquisitions, which could cause our growth and profitability objectives to suffer.

We may not be able to successfully complete potential strategic acquisitions if we cannot reach agreement on acceptable terms, if we do not obtain required antitrust or other regulatory approvals, or for other reasons. Moreover, we may not be able to identify a sufficient number of acquisition candidates at reasonable prices to maintain our inorganic growth objectives, and/or be able to successfully integrate acquisitions.

If we buy a company or a division of a company, we may experience difficulty integrating that company's or division's personnel and operations, which could negatively affect our operating results. In addition:

- the key personnel of the acquired company may decide not to work for us;
- customers of the acquired company may decide not to purchase products from us;
- suppliers of the acquired company may decide not to sell products to us;
- we may experience business disruptions as a result of information technology systems conversions;
- we may experience additional financial and accounting challenges and complexities in areas such as tax planning, treasury management, and financial reporting;
- we may be held liable for environmental, tax or other risks and liabilities as a result of our acquisitions, some of which we may not have discovered during our due diligence;
- we may intentionally assume the liabilities of the companies we acquire, which could result in material adverse effects on our business;
- our existing business may be disrupted or receive insufficient management attention;

- we may not be able to realize the cost savings or other financial benefits we anticipated, either in the amount or in the time frame that we expect; and
- we may incur debt or issue equity securities to pay for any future acquisition, the issuance of which could involve the imposition of restrictive covenants or be dilutive to our existing stockholders.

Intellectual property claims relating to aftermarket products could adversely affect our business .

OEMs and others have attempted to use claims of intellectual property infringement against manufacturers and distributors of aftermarket products to restrict or eliminate the sale of aftermarket products that are the subject of the claims. The OEMs have brought such claims in federal court and with the U.S. International Trade Commission. U.S. Customs and Border Protection have used claims of intellectual property infringement to seize certain of our aftermarket parts as we attempted to import them into the U.S.

To the extent OEMs and other manufacturers obtain design patents and trademarks and are successful in asserting infringement of these patents and trademarks and defending their validity, we could be restricted or prohibited from selling certain aftermarket products, which could have an adverse effect on our business. We will likely incur significant expenses investigating and defending intellectual property infringement claims. In addition, aftermarket products certifying organizations may revoke the certification of parts that are the subject of the claims. Lack of certification may negatively impact us because many major insurance companies recommend or require the use of aftermarket products only if they have been certified by an independent certifying organization.

In December 2005 and May 2008, Ford Global Technologies, LLC filed complaints with the International Trade Commission against us and others alleging that certain aftermarket products imported into the U.S. infringed on Ford design patents. The parties settled these matters in April 2009 pursuant to a patent license arrangement that is currently scheduled to expire in March 2020. In January 2014, Chrysler Group, LLC filed a complaint against us in the U.S. District Court in the Eastern District of Michigan contending that certain aftermarket parts we sell infringe Chrysler design patents. The parties settled this matter in June 2014 pursuant to a patent license arrangement that expires in June 2019. In the event that these license arrangements, or other similar license arrangements with OEMs, are terminated or we are unable to agree upon renewal terms, we may be subject to costs and uncertainties of litigation as well as restrictions on our ability to sell aftermarket parts that replicate parts covered by design patents.

If the number of vehicles involved in accidents declines or the number of cars being repaired declines, or the mix of the types of vehicles in the overall vehicle population changes, our business could suffer.

Our business depends on vehicle accidents, mechanical failures and routine maintenance for both the demand for repairs using our products and the supply of recycled, remanufactured and refurbished parts. To the extent that a relatively higher percentage of damaged vehicles are declared total losses, there will be less demand for our products to repair such vehicles. In addition, our business is impacted by factors which influence the number and/or severity of accidents and mechanical failures including, but not limited to, the number of vehicles on the road, the number of miles driven, the ages of drivers, the occurrence and severity of certain weather conditions, the congestion of traffic, drivers distracted by electronic equipment, the use of alcohol or drugs by drivers, the usage rate and effectiveness of accident avoidance systems in new vehicles, the reliability of new OEM parts, and the condition of roadways. For example, an increase in the acceptance of ride-sharing could reduce the number of vehicles on the road. Additionally, an increase in fuel prices may cause the number of vehicles on the road, the number of miles driven, and the need for mechanical repairs and maintenance to decline, as motorists seek alternative transportation options. Mild weather conditions, particularly during winter months, tend to result in a decrease in vehicle accidents. Moreover, legislation banning the use of handheld cellular telephones or other electronic devices while driving could lead to a decline in accidents.

Systems designed to minimize accident frequency and severity are becoming more prevalent and more technologically sophisticated. To the extent OEMs install or are mandated by law to install accident avoidance systems in their vehicles, the number and severity of accidents could decrease, which could have a material adverse effect on our business.

The average number of new vehicles sold annually has fluctuated from year-to-year. Periods of decreased sales could result in a reduction in the number of vehicles on the road and consequently fewer vehicles involved in accidents or in need of mechanical repair or maintenance. Substantial further declines in automotive sales in the future could have a material adverse effect on our business, results of operations and/or financial condition. In addition, if vehicle population trends result in a disproportionately high number of older vehicles on the road, insurance companies may find it uneconomical to repair such vehicles or there could be less costly repairs. If vehicle population trends result in a disproportionately high number of newer vehicles on the road, the demand generally for mechanical repairs and maintenance would likely decline due to the newer, longer-lasting parts in the vehicle population and mechanical failures being covered by OEM warranties for the first years of a vehicle's life. Moreover, alternative collision and mechanical parts are less likely to be used on newer vehicles. Our Specialty segment depends on sales of pickup trucks, sport utility vehicles, crossover utility vehicles, high performance vehicles and

recreational vehicles; any reduction in the number of such vehicles in operation will adversely affect demand for our Specialty products.

Electric vehicles do not have traditional engines, transmissions, and certain related parts. Engines and transmissions represent some of our largest revenue generating SKUs in North America, and parts for engines and transmissions represent a significant amount of the revenue of our European operations. Thus, an increase in electric vehicles as a percentage of vehicles sold will have a negative impact on our sales of engines, transmissions, and other related parts.

Fluctuations in the prices of metals and other commodities could adversely affect our financial results.

Our recycling operations generate scrap metal and other metals that we sell. After we dismantle a salvage vehicle for wholesale parts and after vehicles have been processed in our self service retail business, the remaining vehicle hulks are sold to scrap processors and other remaining metals are sold to processors and brokers of metals. In addition, we receive "crush only" vehicles from other companies, including OEMs, which we dismantle and which generate scrap metal and other metals. The prices of scrap and other metals have historically fluctuated, sometimes significantly, due to market factors. In addition, buyers may stop purchasing metals entirely due to excess supply. To the extent that the prices of metals decrease materially or buyers stop purchasing metals, our revenue from such sales will suffer and a write-down of our inventory value could be required. For example, China has recently imposed a ban on the importation of 32 types of solid waste allegedly in an effort to reduce environmental pollution. This ban includes certain metals that we sell and will likely have the effect of reducing the prices of such products.

The cost of our wholesale recycled and our self service retail inventory purchases will change as a result of fluctuating scrap metal and other metals prices. In a period of falling metal prices, there can be no assurance that our inventory purchasing cost will decrease the same amount or at the same rate as the scrap metal and other metals prices decline, and there may be a delay between the scrap metal and other metals price reductions and any inventory cost reductions. The prices of steel, aluminum, and plastics are components of the cost to manufacture products for our aftermarket business. If the prices of commodities rise and result in higher costs to us for products we sell, we may not be able to pass these higher costs on to our customers.

Existing or new laws and regulations may prohibit, restrict or burden the sale of aftermarket, recycled, refurbished or remanufactured products .

Most states have passed laws that prohibit or limit the use of aftermarket products in collision repair work. These laws include requirements relating to consumer disclosure, vehicle owner’s consent regarding the use of aftermarket products in the repair process, and the requirement to have aftermarket products certified by an independent testing organization. Additional legislation of this kind may be introduced in the future. If additional laws prohibiting or restricting the use of aftermarket products are passed, it could have an adverse impact on our aftermarket products business.

Certain organizations test the quality and safety of vehicle replacement products. If these organizations decide not to test a particular vehicle product, or in the event that such organizations decide that a particular vehicle product does not meet applicable quality or safety standards, we may decide to discontinue sales of such product or insurance companies may decide to discontinue authorization of repairs using such product. Such events could adversely affect our business.

Some jurisdictions have enacted laws prohibiting or severely restricting the sale of certain recycled products that we provide, such as airbags. In addition, laws relating to the regulation of parts affecting vehicle emissions, such as California’s Proposition 65, may impact the ability of our Specialty segment to sell certain accessory products. These and other jurisdictions could enact similar laws or could prohibit or severely restrict the sale of additional recycled products. The passage of legislation with prohibitions or restrictions that are more severe than current laws could have a material adverse impact on our business. Additionally, Congress could enact federal legislation restricting the use of aftermarket or recycled automotive products used in the course of vehicle repairs.

The Federal Trade Commission has issued guides that regulate the use of certain terms such as “rebuilt” or “remanufactured” in connection with the sale of automotive parts. Restrictions on the products we are able to sell and on the marketing of such products could decrease our revenue and have an adverse effect on our business and operations.

In 1992, Congress enacted the Anti-Car Theft Act to deter trafficking in stolen vehicles. The purpose of the law is to implement an electronic system to track and monitor vehicle identification numbers and major automotive parts. In January 2009, the U.S. Department of Justice implemented the portion of the system to track and monitor vehicle identification numbers. The portion of the system that would track and monitor major automotive parts would require various entities, including automotive parts recyclers like us, to inspect salvage vehicles for the purpose of collecting the part number for any "covered major part." The Department of Justice has not promulgated rules on this portion of the system, and therefore there has been no progress on the implementation of the system to track and monitor major automotive parts. However, if this system is fully implemented, the requirement to collect the information would place substantial burdens on vehicle recyclers, including us, that otherwise would not normally exist. It would place similar burdens on repair shops, which may discourage the use by

such shops of recycled products. There is no pending initiative to implement the parts registration from a law enforcement point of view. However, there is a risk that a heightened legislative concern over safety of parts might precipitate an effort to push for the implementation of such rules.

An adverse change in our relationships with our suppliers or a disruption to our supply of inventory could increase our expenses and impede our ability to serve our customers.

Our North American business is dependent on a relatively small number of suppliers of aftermarket products, a large portion of which are sourced from Taiwan. Our European business also acquires product from Asian sources. We incur substantial freight costs to import parts from our suppliers, many of which are located in Asia. If the cost of freight rose, we might not be able to pass the cost increases on to our customers. Furthermore, although alternative suppliers exist for substantially all aftermarket products distributed by us, the loss of any one supplier could have a material adverse effect on us until alternative suppliers are located and have commenced manufacturing and providing the relevant products. In addition, we are subject to disruptions from work stoppages and other labor disputes at port facilities through which we import our inventory. We also face the risk that our suppliers could attempt to circumvent us and sell their product directly to our customers.

Moreover, our operations are subject to the customary risks of doing business abroad, including, among other things, natural disasters, transportation costs and delays, political instability, currency fluctuations and the imposition of tariffs, import and export controls and other non-tariff barriers (including changes in the allocation of quotas), as well as the uncertainty regarding future relations between China, Japan and Taiwan. For example, U.S. Customs and Border Protection have used claims of intellectual property infringement to seize certain of our aftermarket parts as we attempted to import them into the U.S.

Because a substantial volume of our sales involves products manufactured from sheet metal, we can be adversely impacted if sheet metal becomes unavailable or is only available at higher prices, which we may not be able to pass on to our customers. Additionally, as OEMs convert to raw materials other than steel, it may be more difficult or expensive to source aftermarket parts made with such materials and it may be more difficult for repair shops to work with such materials in the repair process.

Most of our salvage and a portion of our self service inventory is obtained from vehicles offered at salvage auctions operated by several companies that own auction facilities in numerous locations across the U.S. We do not typically have contracts with the auction companies. According to industry analysts, a small number of companies control a large percentage of the salvage auction market in the U.S. If an auction company prohibited us from participating in its auctions, began competing with us, or significantly raised its fees, our business could be adversely affected through higher costs or the resulting potential inability to service our customers. Moreover, we face competition in the purchase of vehicles from direct competitors, rebuilders, exporters and other bidders. To the extent that the number of bidders increases, it may have the effect of increasing our cost of goods sold for wholesale recycled products. Some states regulate bidders to help ensure that salvage vehicles are purchased for legal purposes by qualified buyers. Auction companies have been actively seeking to reduce, circumvent or eliminate these regulations, which would further increase the number of bidders.

In addition, there is a limited supply of salvage vehicles in the U.S. As we grow and our demand for salvage vehicles increases, the costs of these incremental vehicles could be higher. In some states, when a vehicle is deemed a total loss, a salvage title is issued. Whether states issue salvage titles is important to the supply of inventory for the vehicle recycling industry because an increase in vehicles that qualify as salvage vehicles provides greater availability and typically lowers the price of such vehicles. Currently, these titling issues are a matter of state law. In 1992, the U.S. Congress commissioned an advisory committee to study problems relating to vehicle titling, registration, and salvage. Since then, legislation has been introduced seeking to establish national uniform requirements in this area, including a uniform definition of a salvage vehicle. The vehicle recycling industry will generally favor a uniform definition, since it will avoid inconsistencies across state lines, and will generally favor a definition that expands the number of damaged vehicles that qualify as salvage. However, certain interest groups, including repair shops and some insurance associations, may oppose this type of legislation. National legislation has not yet been enacted in this area, and there can be no assurance that such legislation will be enacted in the future.

We also acquire inventory directly from insurance companies, OEMs, and others. To the extent that these suppliers decide to discontinue these arrangements, our business could be adversely affected through higher costs or the resulting potential inability to service our customers.

In Europe, we acquire products from a wide variety of suppliers. As vehicle technology changes, some parts will become more complex and the design or technology of those parts may be covered by patents or other rights that make it difficult for aftermarket suppliers to produce for sale to companies such as ours. The complexity of the parts may include software or other technical aspects that make it difficult to identify what is wrong with the vehicle. More complex parts may be difficult to repair and may require expensive or difficult to obtain software updates, limiting our ability to compete with the OEMs.

Our annual and quarterly performance may fluctuate.

Our revenue, cost of goods sold, and operating results have fluctuated on a quarterly and annual basis in the past and can be expected to continue to fluctuate in the future as a result of a number of factors, many of which are beyond our control. Future factors that may affect our operating results include, but are not limited to, those listed in the Special Note on Forward-Looking Statements in this Annual Report on Form 10-K. Additionally, the number of selling days can fluctuate each quarter causing volatility in revenue and net income. Accordingly, our results of operations may not be indicative of future performance. These fluctuations in our operating results may cause our results to fall below our published financial guidance and the expectations of public markets, which could cause our stock price or the value of our debt instruments to decline.

Our key management personnel are important to successfully manage our business and achieve our objectives.

Our future success depends in large part upon the leadership and performance of our executive management team and key employees at the operating level. If we lose the services of one or more of our executive officers or key employees, or if one or more of them decides to join a competitor or otherwise compete directly or indirectly with us, we may not be able to successfully manage our business or achieve our business objectives. If we lose the services of any of our key employees at the operating or regional level, we may not be able to replace them with similarly qualified personnel, which could harm our business. In addition, to the extent wage inflation occurs in jurisdictions in which we operate, we may not be able to retain key employees or we may experience increased costs.

We operate in foreign jurisdictions, which exposes us to foreign exchange and other risks.

We have operations in North America, Europe and Taiwan, and we may expand our operations in the countries in which we do business and into other countries. Our foreign operations expose us to additional risks associated with international business, which could have an adverse effect on our business, results of operations and/or financial condition, including import and export requirements and compliance with anti-corruption laws, such as the U.K. Bribery Act 2010 and the Foreign Corrupt Practices Act. We also incur costs in currencies other than our functional currencies in some of the countries in which we operate. We are thus subject to foreign exchange exposure to the extent that we operate in different currencies, as well as exposure to foreign tax and other foreign and domestic laws. In addition, certain countries in which we operate have a higher level of political instability and criminal activity than the U.S. that could affect our operations and the ability to maintain our supply of products.

If we determine that our goodwill or other intangible assets have become impaired, we may incur significant charges to our pre-tax income.

Goodwill represents the excess of cost over the fair market value of net assets acquired in business combinations. In the future, our goodwill and intangible assets may increase as a result of acquisitions. Goodwill is reviewed at least annually for impairment. Impairment may result from, among other things, deterioration in the performance of acquired businesses, deterioration of expected future cash flows or performance, increases in our cost of capital, adverse market conditions, and adverse changes in applicable laws or regulations, including modifications that restrict the activities of the acquired business. As of December 31, 2018 , our total goodwill subject to future impairment testing was $4.4 billion. For further discussion of our annual impairment test, see "Goodwill Impairment" in the Critical Accounting Policies and Estimates section of Item 7 in this Annual Report on Form 10-K.

Except for indefinite-lived intangibles, we amortize other intangible assets over the assigned useful lives, each of which is based upon the expected period to be benefited. We review indefinite-lived intangible assets for impairment annually or sooner if events or changes in circumstances indicate that the carrying value may not be recoverable. We review finite-lived intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In the event conditions change that affect our ability to realize the underlying cash flows associated with our intangible assets, we may record an impairment charge. As of December 31, 2018 , the value of our other intangible assets, net of accumulated amortization, was $929 million.

Our business may be adversely affected by union activities and labor and employment laws .

Certain of our employees are represented by labor unions and other employee representative bodies and work under collective bargaining or similar agreements, which are subject to periodic renegotiation. From time to time, there have been efforts to organize additional portions of our workforce and those efforts can be expected to continue. In addition, legislators and government agencies could adopt new regulations, or interpret existing regulations in a manner, that could make it significantly easier for unionization efforts to be successful. Also, we may in the future be subject to strikes or work stoppages, union and works council campaigns, and other labor disruptions and disputes. Additional unionization efforts, new collective bargaining or similar agreements, and work stoppages could materially increase our costs and reduce revenue and could limit our flexibility in terms of work schedules, reductions in force and other operational matters.

We also are subject to laws and regulations that govern such matters as minimum wage, overtime and other working conditions. Some of these laws are technical in nature and could be subject to interpretation by government agencies and courts different than our interpretations. Efforts to comply with existing laws, changes to such laws and newly-enacted laws may increase our labor costs and limit our flexibility. If we were found not to be in compliance with such laws, we could be subject to fines, penalties and liabilities to our employees or government agencies. In addition, efforts to better protect local markets from foreign workers and decisions of countries to withdraw from treaties and joint economic areas may lead to increased restrictions on the free movement of people and labor and may limit our ability to place key personnel where it could best serve our needs.

We rely on information technology and communication systems in critical areas of our operations and a disruption relating to such technology could harm our business.

In the ordinary course of business, we rely upon information technology networks and systems, some of which are leased from third parties, to process, transmit and store electronic information and to manage and support a variety of business processes and activities. The secure operation of these information technology networks and the processing and maintenance of this information is critical to our business operations and strategy. Despite security measures and business continuity plans, our information technology networks and infrastructure may be vulnerable to damage, disruptions or shutdowns due to attacks by cyber criminals, breaches due to employee error or malfeasance, disruptions during the process of upgrading or replacing computer software or hardware, terminations of business relationships by third party service providers, power outages, computer viruses, telecommunication or utility failures, terrorist acts, natural disasters or other catastrophic events. The occurrence of any of these events could compromise our networks, and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or loss of information could result in legal claims or proceedings, disruption to our operations and damage to our reputation, any of which could adversely affect our business. In addition, as security threats continue to evolve, we will likely need to invest additional resources to protect the security of our systems.

In the event that we decide to switch providers or to implement upgrades or replacements to our own systems, we may be unsuccessful in the development of our own systems or we may underestimate the costs and expenses of switching providers or developing and implementing our own systems. Also, our revenue may be hampered during the period of implementing an alternative system, which period could extend longer than we anticipated. In 2018, we launched a systems conversion project for our European businesses, which will be subject to all of these risks.

The costs of complying with the requirements of laws pertaining to the privacy and security of personal information and the potential liability associated with the failure to comply with such laws could materially adversely affect our business and results of operations .

We collect personally identifiable information ("PII") and other data as part of our business processes and operations. The legislative and regulatory framework relating to privacy and data protection is rapidly evolving worldwide and is likely to remain uncertain for the foreseeable future. This data is subject to a variety of U.S. and international laws and regulations. Many foreign countries and governmental bodies, including the European Union, Canada and other jurisdictions where we conduct business, have laws and regulations concerning the collection and use of PII and other data obtained from their residents or by businesses operating within their jurisdictions that are more restrictive than those in the U.S. Additionally, the European Union adopted the General Data Protection Regulation ("GDPR") that will impose more stringent data protection requirements for processors and controllers of personal data, including expanded disclosures about how PII is to be used, limitations on retention of PII, mandatory data breach notification requirements, and higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. The GDPR became effective in May 2018, and there can be no assurance that we have timely implemented all processes required for full compliance with the regulation. The GDPR provides severe penalties for noncompliance. In addition, stricter laws in this area are being enacted in certain states in the U.S. and in other countries, and more jurisdictions are likely to follow this trend.

Any inability, or perceived inability, to adequately address privacy and data protection issues, even if unfounded, or comply with applicable laws, regulations, policies, industry standards, contractual obligations or other legal obligations (including at newly-acquired companies) could result in additional cost and liability to us, result in governmental investigations and enforcement actions, give rise to civil litigation, result in damage to our reputation (including the loss of trust by our customers and employees), inhibit sales, and otherwise adversely affect our business. We also may be subject to these adverse effects if other parties with whom we do business, including lenders, suppliers, consultants and advisors, violate applicable laws or contractual obligations or suffer a security breach.

Business interruptions in our distribution centers or other facilities may affect our operations, the function of our computer systems, and/or the availability and distribution of merchandise, which may affect our business.

Weather, terrorist activities, war or other disasters, or the threat of any of them, may result in the closure of our distribution centers or other facilities or may adversely affect our ability to deliver inventory through our system on a timely basis. This may affect our ability to serve our customers, resulting in lost sales or a potential loss of customer loyalty. Some of

our merchandise is imported from other countries and these goods could become difficult or impossible to bring into the U.S. or into the other countries in which we operate, and we may not be able to obtain such merchandise from other sources at similar prices. Such a disruption in revenue could potentially have a negative impact on our results of operations and financial condition.

We are subject to environmental regulations and incur costs relating to environmental matters .

We are subject to various environmental protection and health and safety laws and regulations governing, among other things: the emission and discharge of hazardous materials into the ground, air, or water; exposure to hazardous materials; and the generation, handling, storage, use, treatment, identification, transportation, and disposal of industrial by-products, waste water, storm water, and mercury and other hazardous materials. We are also required to obtain environmental permits from governmental authorities for certain of our operations. If we violate or fail to obtain or comply with these laws, regulations, or permits, we could be fined or otherwise sanctioned by regulators or lose our operating permits. We could also become liable if employees or other parties are improperly exposed to hazardous materials. We have an environmental management process designed to facilitate and support our compliance with these requirements; we cannot assure you, however, that we will at all times be in complete compliance with such requirements.

We have made and will continue to make capital and other expenditures relating to environmental matters. Although we presently do not expect to incur any capital or other expenditures relating to environmental controls or other environmental matters in amounts that would be material to us, we may be required to make such expenditures in the future.

Under certain environmental laws, we could be held responsible for all of the costs relating to any contamination at, or migration to or from, our or our predecessors' past or present facilities and at independent waste disposal sites. These laws often impose liability even if the owner or operator did not know of, or was not responsible for, the release of such hazardous substances. Many of our facilities are located on or near properties with a history of industrial use that may have involved hazardous materials. As a result, some of our properties may be contaminated. Some environmental laws hold current or previous owners or operators of real property liable for the costs of cleaning up contamination. These environmental laws also impose liability on any person who disposes of, treats, or arranges for the disposal or treatment of hazardous substances, regardless of whether the affected site is owned or operated by such person, and at times can impose liability on companies deemed under law to be a successor to such person. Third parties may also make claims against owners or operators of properties, or successors to such owners or operators, for personal injuries and property damage associated with releases of hazardous or toxic substances.

Contamination resulting from vehicle recycling processes can include soil and ground water contamination from the release, storage, transportation, or disposal of gasoline, motor oil, antifreeze, transmission fluid, chlorofluorocarbons ("CFCs") from air conditioners, other hazardous materials, or metals such as aluminum, cadmium, chromium, lead, and mercury. Contamination from the refurbishment of chrome plated bumpers can occur from the release of the plating material. Contamination can migrate on-site or off-site, which can increase the risk, and the amount, of any potential liability.

When we identify a potential material environmental issue during our acquisition due diligence process, we analyze the risks, and, when appropriate, perform further environmental assessment to verify and quantify the extent of the potential contamination. Furthermore, where appropriate, we have established financial reserves for certain environmental matters. In the event we discover new information or if laws change, we may incur significant liabilities, which may exceed our reserves.

Environmental laws are complex, change frequently, and have tended to become more stringent over time. Our costs of complying with current and future environmental and health and safety laws, and our liabilities arising from past or future releases of, or exposure to, hazardous substances, may adversely affect our business, results of operations, or financial condition.

We could be subject to product liability claims and involved in product recalls.

If customers of repair shops that purchase our products are injured or suffer property damage, we could be subject to product liability claims by such customers. The successful assertion of this type of claim could have an adverse effect on our business, results of operations or financial condition. In addition, we may become involved in the recall of a product that is determined to be defective. More generally, a recall involving alternative parts, even if we did not sell the recalled products, could adversely affect the perceived quality of alternative parts, leading to decreased usage of alternative parts. The expenses of a recall and the damage to our reputation, or the reputation of alternative parts generally, could have an adverse effect on our business, results of operations or financial condition.

We have agreed to defend and indemnify in certain circumstances insurance companies and customers against claims and damages relating to product liability and product recalls. The existence of claims or damages for which we must defend and indemnify these parties could also negatively impact our business, results of operations or financial condition.

Governmental agencies may refuse to grant or renew our operating licenses and permits.

Our operating subsidiaries in our salvage, self-service, and refurbishing operations must obtain licenses and permits from state and local governments to conduct their operations. When we develop or acquire a new facility, we must seek the approval of state and local units of government. Governmental agencies may resist the establishment of a vehicle recycling or refurbishing facility in their communities. There can be no assurance that future approvals or transfers will be granted. In addition, there can be no assurance that we will be able to maintain and renew the licenses and permits our operating subsidiaries currently hold.

Regulations related to conflict-free minerals may force us to incur additional expenses and otherwise adversely impact our business .

In August 2012, as mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC adopted final rules regarding disclosure of the use of certain minerals, known as conflict minerals, originating from the Democratic Republic of Congo or adjoining countries. These requirements impose significant burdens on U.S. public companies. Compliance with the rules requires substantial due diligence in an effort to determine whether products contain the conflict minerals. The results of such due diligence efforts must be disclosed on an annual basis in a filing with the SEC.

Our supply chain is complex and we may incur significant costs to determine the source of any such minerals used in our products. We may also incur costs with respect to potential changes to products, processes or sources of supply as a consequence of our diligence activities. Further, the implementation of these rules and their effect on customer, supplier and/or consumer behavior could adversely affect the sourcing, supply and pricing of materials used in our products. As there may be only a limited number of suppliers offering products free of conflict minerals in some circumstances, we cannot be sure that we will be able to obtain necessary products from such suppliers in sufficient quantities or at competitive prices. We may face reputational challenges if we determine that certain of our products contain minerals not determined to be conflict-free or if we are unable to sufficiently verify the origins for all conflict minerals used in our products through the procedures we implement. Accordingly, these rules could have a material adverse effect on our business, results of operations and/or financial condition.

If we experience problems with our fleet of trucks and other vehicles, our business could be harmed.

We use a fleet of trucks and other vehicles to deliver the majority of the products we sell. We are subject to the risks associated with providing delivery services, including inclement weather, disruptions in the transportation infrastructure, governmental regulation, availability and price of fuel, liabilities arising from accidents to the extent we are not covered by insurance, and insurance premium increases. In addition, our failure to deliver products in a timely and accurate manner could harm our reputation and brand, which could have a material adverse effect on our business.

We may lose the right to operate at key locations.

We lease most of the properties at which we conduct our businesses. At the end of a lease term, we must negotiate a renewal, exercise a purchase option (to the extent we have that right), or find a new location. There can be no assurance that we will be able to negotiate renewals on terms acceptable to us or that we will find a suitable alternative location, especially with respect to our salvage operations (which have characteristics that are often not attractive to landlords, local governments, or neighbors). In such cases, we may lose the right to operate at key locations.

Our effective tax rate could materially increase as a consequence of various factors, including interpretations and administrative guidance in regard to the Tax Act (defined below), U.S. and/or international tax legislation, mix of earnings by jurisdiction, and U.S. and foreign jurisdictional audits.

We are a U.S. based multinational company subject to income taxes in the U.S. and a number of foreign jurisdictions. Therefore, we are subject to changes in tax laws in each of these jurisdictions and such changes could have a material adverse effect on our effective tax rate and cash flows.

On December 22, 2017, the U.S. enacted legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). Among other things, the Tax Act reduced the U.S. statutory corporate tax rate from 35% to 21% for tax years beginning after December 31, 2017. Additionally, beginning in 2018, the Tax Act imposed a regime of taxation on foreign subsidiary earnings (Global Intangible Low-Taxed Income, “GILTI”) and on certain related party payments (Base Erosion Anti-abuse Tax, “BEAT”). Other important changes potentially material to our operations included the full expensing of certain assets placed into service after September 27, 2017, the repeal of the domestic manufacturing deduction, and additional limitations on the deductibility of executive compensation. Finally, as part of the transition of U.S. international taxation from a worldwide tax system to a territorial tax system, the Tax Act imposed a one-time transition tax on the deemed repatriation of historical earnings of foreign subsidiaries as of December 31, 2017. Other than the transition tax and revaluation of deferred tax balances (which were applicable to us for 2017), the provisions will generally be applicable in 2018 and beyond. In accordance with the guidance provided in SEC Staff Accounting Bulletin No. 118 ("SAB 118"), in the fourth quarter of 2017, we recorded provisional reasonable estimates of the impact of the Tax Act, including $51 million for the transition tax and a deferred tax

benefit of $73 million related to the revaluation of deferred tax balances based on the new rate. During the third quarter of 2018, we recorded a $10 million favorable adjustment to the provisional amount recognized in 2017 related to the transition tax; no further material adjustments were recognized with regard to the revaluation of deferred tax balances. As of December 31, 2018, we completed our analysis of the impact of the Tax Act in accordance with SAB 118, and the provisional amounts recognized in 2017 are no longer considered provisional.

Certain non-U.S. jurisdictions are considering tax legislation based upon recommendations made by the Organization for Economic Co-operation and Development in connection with its Base Erosion and Profit Shifting study. The outcome of these legislative developments could have a material adverse effect on our effective tax rate and cash flows.

The tax rates applicable in the jurisdictions within which we operate vary widely. Therefore, our effective tax rate may be adversely affected by changes in the mix of our earnings by jurisdiction.

We are also subject to ongoing audits of our income tax returns in various jurisdictions both in the U.S. and internationally. While we believe that our tax positions will be sustained, the outcomes of such audits could result in the assessment of additional taxes, which could adversely impact our cash flows and financial results.

If significant tariffs or other restrictions are placed on products or materials we import or any related counter-measures are taken by countries to which we export products, our revenue and results of operations may be materially harmed .

The current U.S. administration has recently imposed tariffs on certain materials imported into the U.S. from China and announced additional tariffs on other goods from China and other countries. Moreover, counter-measures have been taken by other countries in retaliation for the U.S.-imposed tariffs. The tariffs cover products and materials that we import, and the counter-measures may affect products we export. The effects currently are not material; however, depending on the breadth of products and materials ultimately affected by, and the duration of, the tariffs and countermeasures, our financial results may be materially harmed. In addition, countries may impose other restrictions on the importation of products. For example, China has imposed a ban on the importation of 32 types of solid waste allegedly in an effort to reduce environmental pollution. This ban includes certain scrap metals that we sell and will likely have the effect of reducing the prices of such products.

Activist investors could cause us to incur substantial costs, divert management's attention, and have an adverse effect on our business.

From time to time, we may be subject to proposals by activist investors urging us to take certain corporate actions. If activist investor activities occur, our business could be adversely affected because responding to proxy contests and other demands by activist investors can be costly and time-consuming, disrupt our operations, and divert the attention of management and our employees. For example, we may be required to retain the services of various professionals to advise us on activist investor matters, including legal, financial and communications advisors, the costs of which may negatively impact our future financial results. Campaigns by activist investors to effect changes at publicly-traded companies are sometimes led by investors seeking to increase short term investor value through actions such as financial restructuring, increased debt, special dividends, stock repurchases, or sales of assets or the entire company. Perceived uncertainties as to our future direction, strategy or leadership that arise as a consequence of activist investor initiatives may result in the loss of potential business opportunities, harm our ability to attract new investors, employees and business partners, and cause our stock price to experience periods of volatility or stagnation.

Risks Relating to Our Common Stock and Financial Structure

The market price of our common stock may be volatile and could expose us to securities class action litigation.

The stock market and the price of our common stock may be subject to wide fluctuations based upon general economic and market conditions. The market price for our common stock may also be affected by our ability to meet analysts' expectations. Failure to meet such expectations, even slightly, could have an adverse effect on the market price of our common stock. In addition, stock market volatility has had a significant effect on the market prices of securities issued by many companies for reasons unrelated to the operating performance of these companies. Downturns in the stock market may cause the price of our common stock to decline. Additionally, the market price for our common stock has been in the past, and in the future may be, adversely affected by allegations made or reports issued by short sellers, analysts, activists or others regarding our business model, our management or our financial accounting.

Following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against such companies. If similar litigation were instituted against us, it could result in substantial costs and a diversion of our management's attention and resources, which could have an adverse effect on our business.

Delaware law, our charter documents and our loan documents may impede or discourage a takeover, which could affect the price of our stock.

The anti-takeover provisions of our certificate of incorporation and bylaws, our loan documents and Delaware law could, together or separately, impose various impediments to the ability of a third party to acquire control of us, even if a change in control would be beneficial to our existing stockholders. Our certificate of incorporation and bylaws have provisions that could discourage potential takeover attempts and make attempts by stockholders to change management more difficult. Our credit agreement provides that a change of control is an event of default. Our incorporation under Delaware law and these provisions could also impede an acquisition, takeover, or other business combination involving us or discourage a potential acquirer from making a tender offer for our common stock, which, under certain circumstances, could reduce the price of our common stock.

Future sales of our common stock or other securities may depress our stock price.

We and our stockholders may sell shares of common stock or other equity, debt or instruments that constitute an element of our debt and equity (collectively, "securities") in the future. We may also issue shares of common stock under our equity incentive plan or in connection with future acquisitions. We cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of shares of our common stock or other securities will have on the price of our common stock. Sales of substantial amounts of common stock (including shares issued in connection with an acquisition), the issuance of additional debt securities, or the perception that such sales or issuances could occur, may cause the price of our common stock to fall.

We cannot guarantee that our stock repurchase program will be fully implemented.

In October 2018, our Board of Directors approved a stock repurchase program totaling $500 million. We are not obligated to repurchase a specified number or dollar value of shares, and our repurchase program may be suspended or terminated at any time.

We have a substantial amount of indebtedness, which could have a material adverse effect on our financial condition and our ability to obtain financing in the future and to react to changes in our business.

As of December 31, 2018 , we had approximately $1.8 billion aggregate principal amount of secured debt outstanding and approximately $1.7 billion of availability under our credit agreement ($1.8 billion of availability reduced by $65 million of amounts outstanding under letters of credit). In addition, we had approximately $2.3 billion aggregate principal amount of unsecured debt outstanding comprising $600 million aggregate principal amount of 4.75% senior notes due May 15, 2023 (the "U.S. Notes (2023)"), €500 million ($573 million) aggregate principal amount of 3.875% senior notes due April 1, 2024 (the "Euro Notes (2024)"), and €1.0 billion ($1.1 billion) aggregate principal amount consisting of €750 million of 3.625% senior notes due 2026 (the "Euro Notes (2026)") and €250 million of 4.125% senior notes due 2028 (the "Euro Notes (2028)," together with the 2026 notes, the "Euro Notes (2026/28)," and together with the U.S. Notes (2023), Euro Notes (2024), and Euro Notes (2026), the "senior notes"). Borrowings under the credit agreement mature in January 2024.

Our significant amount of debt and our debt service obligations could limit our ability to satisfy our obligations, limit our ability to operate our business and impair our competitive position.

For example, our debt and our debt service obligations could:

- increase our vulnerability to adverse economic and general industry conditions, including interest rate fluctuations, because a portion of our borrowings are and will continue to be at variable rates of interest;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, which would reduce the availability of our cash flow from operations to fund working capital, capital expenditures or other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and industry;
- place us at a disadvantage compared to competitors that may have proportionately less debt;
- limit our ability to obtain additional debt or equity financing due to applicable financial and restrictive covenants in our debt agreements; and
- increase our cost of borrowing.

In addition, if we or our subsidiaries incur additional debt, the risks associated with our substantial leverage and the ability to service such debt would increase.

Our senior notes do not impose any limitations on our ability to incur additional debt or protect against certain other types of transactions.

Although we are subject to our credit agreement for so long as it remains in effect, the indentures governing the senior notes do not restrict the future incurrence of unsecured indebtedness, guarantees or other obligations. The indentures contain certain limitations on our ability to incur liens on assets and engage in sale and leaseback transactions. However, these limitations are subject to important exceptions. In addition, the indentures do not contain many other restrictions, including certain restrictions contained in our credit agreement, including, without limitation, making investments, prepaying subordinated indebtedness or engaging in transactions with our affiliates.

Our credit agreement will permit, subject to specified conditions and limitations, the incurrence of a significant amount of additional indebtedness. As of December 31, 2018 , we would have been able to incur an additional $1.7 billion of indebtedness under our credit agreement ($1.8 billion of availability reduced by $65 million of amounts outstanding under letters of credit). If we or our subsidiaries incur additional debt, the risks associated with our substantial leverage and the ability to service such debt would increase.

Our credit agreement imposes significant operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities.

Our credit agreement imposes significant operating and financial restrictions on us. These restrictions limit our ability, among other things, to:

- incur, assume or permit to exist additional indebtedness (including guarantees thereof);
- pay dividends or certain other distributions on our capital stock or repurchase our capital stock or prepay subordinated indebtedness;
- incur liens on assets;
- make certain investments or other restricted payments;
- engage in transactions with affiliates;
- sell certain assets or merge or consolidate with or into other companies;
- guarantee indebtedness; and
- alter the business we conduct.

As a result of these covenants and restrictions, we will be limited in how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants. The failure to comply with any of these covenants would cause a default under the credit agreement. A default, if not waived, could result in acceleration of our debt, in which case the debt would become immediately due and payable. If this occurs, we may not be able to repay our debt or borrow sufficient funds to refinance it. Even if new financing were available, it may be on terms that are less attractive to us than our existing credit facilities or it may be on terms that are not acceptable to us.

We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. If our operating results and available cash are insufficient to meet our debt service obligations, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions or to obtain the proceeds that we hope to realize from them, and these proceeds may not be adequate to meet any debt service obligations then due. Any future refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants which could further restrict our business operations. Additionally, our credit agreement and the indentures that govern our senior notes limit the use of the proceeds from certain

dispositions of our assets; as a result, our credit agreement and our senior notes may prevent us from using the proceeds from such dispositions to satisfy all of our debt service obligations.

Our future capital needs may require that we seek to refinance our debt or obtain additional debt or equity financing, events that could have a negative effect on our business.

We may need to raise additional funds in the future to, among other things, refinance existing debt, fund our existing operations, improve or expand our operations, respond to competitive pressures, or make acquisitions. From time to time, we may raise additional funds through public or private financing, strategic alliances, or other arrangements. Funds may not be available or available on terms acceptable to us as a result of different factors, including but not limited to turmoil in the credit markets that results in the tightening of credit conditions and current or future regulations applicable to the financial institutions from whom we seek financing. If adequate funds are not available on acceptable terms, we may be unable to meet our business or strategic objectives or compete effectively. If we raise additional funds by issuing equity securities, stockholders may experience dilution of their ownership interests, and the newly issued securities may have rights superior to those of our common stock. If we raise additional funds by issuing debt, we may be subject to higher borrowing costs and further limitations on our operations. If we refinance or restructure our debt, we may incur charges to write off the unamortized portion of deferred debt issuance costs from a previous financing, or we may incur charges related to hedge ineffectiveness from our interest rate swap obligations. There are restrictions in the indenture that governs the Euro Notes (2024), Euro Notes (2026) and Euro Notes (2028) on our ability to refinance such notes prior to January 1, 2024, April 1, 2021, and April 1, 2023, respectively. If we fail to raise capital when needed, our business may be negatively affected.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly and could affect the value of our senior notes.

Certain borrowings under our credit agreement and the borrowing under our accounts receivable securitization facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. Moreover, changes in market interest rates could affect the trading value of the senior notes. Certain of our variable rate debt, including our revolving credit facility, currently uses the London Interbank Offered Rate ("LIBOR") as a benchmark for establishing the interest rate. LIBOR is the subject of recent proposals for reform. These reforms and other pressures may cause LIBOR to disappear entirely or to perform differently than in the past. The consequences of these developments with respect to LIBOR cannot be entirely predicted but could result in an increase in the cost of our variable rate debt. Assuming all revolving loans were fully drawn and no interest rate swaps were in place, each one percentage point change in interest rates would result in a $36 million change in annual cash interest expense under our credit agreement and our accounts receivable securitization facility.

Repayment of our indebtedness, including our senior notes, is dependent on cash flow generated by our subsidiaries.

We are a holding company and repayment of our senior notes will be dependent upon cash flow generated by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are borrowers or guarantors of the indebtedness, our subsidiaries do not have any obligation to pay amounts due on the indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the senior notes. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries and, under certain circumstances, distributions from our subsidiaries may be subject to taxes that reduce the amount of such distributions available to us. While the indentures governing the senior notes limit the ability of our subsidiaries to restrict the payment of dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the senior notes.

A downgrade in our credit rating would impact our cost of capital and could impact the market value of our senior notes.

Credit ratings have an important effect on our cost of capital. Credit rating agencies rate our debt securities on factors that include, among other items, our results of operations, business decisions that we make, their view of the general outlook for our industry, and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us on a watch list for possible future downgrading. We believe our current credit ratings enhance our ability to borrow funds at favorable rates. A downgrade in our current credit rating from a rating agency could adversely affect our cost of capital by causing us to pay a higher interest rate on borrowed funds under our credit facilities. A downgrade could also adversely affect the market price and/or liquidity of our senior notes, preventing a holder from selling the senior notes at a favorable price, as well as adversely affecting our ability to issue new notes in the future or incur other indebtedness upon favorable terms.

The right to receive payments on the senior notes is effectively junior to those lenders who have a security interest in our assets.

Our obligations under our senior notes and our guarantors' obligations under their guarantees of the senior notes are unsecured, but our and each co-borrower's obligations under our credit agreement and each guarantor's obligations under their respective guarantees of the credit agreement are secured by a security interest in substantially all of our domestic tangible and intangible assets, including the stock of most of our wholly-owned United States subsidiaries and the stock of certain of our non-United States subsidiaries. If we are declared bankrupt or insolvent, or if we default under our credit agreement, the lenders could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we were unable to repay such indebtedness, the lenders could foreclose on the pledged assets to the exclusion of holders of our senior notes, even if an event of default exists under the applicable indenture governing the senior notes. Furthermore, if the lenders foreclose and sell the pledged equity interests in any subsidiary guarantor under our senior notes, then that guarantor will be released from its guarantee of the senior notes automatically and immediately upon such sale. In any such event, because the senior notes are not secured by any of our assets or the equity interests in subsidiary guarantors, it is possible that there would be no assets remaining from which claims by holders of the senior notes could be satisfied or, if any assets remained, they might be insufficient to satisfy claims fully. As of December 31, 2018 , we had approximately $1.8 billion aggregate principal amount of secured debt outstanding and approximately $1.7 billion of availability under the credit agreement ($1.8 billion of availability reduced by $65 million of amounts outstanding under letters of credit).

United States federal and state statutes allow courts, under specific circumstances, to void the senior notes and the guarantees, subordinate claims in respect of the senior notes and the guarantees, and require holders of the senior notes to return payments received from us or the guarantors.

Our direct and indirect domestic subsidiaries that are obligors under the credit agreement guarantee the obligations under our senior notes. In addition, certain subsidiaries of the issuer of the Euro Notes (2024) guarantee the obligations under the Euro Notes (2024). The issuance of our senior notes and the issuance of the guarantees by the guarantors may be subject to review under state and federal laws if a bankruptcy, liquidation or reorganization case or a lawsuit, including in circumstances in which bankruptcy is not involved, were commenced at some future date by, or on behalf of, our unpaid creditors or the unpaid creditors of a guarantor. Under the federal bankruptcy laws of the United States and comparable provisions of state fraudulent transfer laws, a court may avoid or otherwise decline to enforce the senior notes, or a guarantor's guarantee, or may subordinate the senior notes, or such guarantee, to our or the applicable guarantor's existing and future indebtedness. While the relevant laws may vary from jurisdiction to jurisdiction, a court might do so if it found that when indebtedness under the senior notes was issued, or when the applicable guarantor entered into its guarantee, or, in some jurisdictions, when payments became due under the senior notes, or such guarantee, the issuer or the applicable guarantor received less than reasonably equivalent value or fair consideration and:

- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the senior notes or such guarantee if we or such guarantor did not substantially benefit directly or indirectly from the issuance of the senior notes. Thus, if the guarantees were legally challenged, any guarantee could be subject to the claim that, since the guarantee was incurred for our benefit, and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than reasonably equivalent value or fair consideration. If a court were to void the issuance of the senior notes or any guarantee, a holder of the senior notes would no longer have any claim against us or the applicable guarantor. In the event of a finding that a fraudulent transfer or conveyance occurred, a holder of the senior notes may not receive any repayment on the senior notes. Further, the avoidance of the senior notes could result in an event of default with respect to our and our subsidiaries' other debt, which could result in acceleration of that debt. The measures of insolvency for purposes of these fraudulent transfer laws vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, an issuer or a guarantor, as applicable, would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair value of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

A court might also void the senior notes, or a guarantee, without regard to the above factors, if the court found that the senior notes were incurred or issued or the applicable guarantor entered into its guarantee with actual intent to hinder, delay or defraud its creditors. We cannot give any assurance as to what standard a court would apply in determining whether we or the

guarantors were solvent at the relevant time or that a court would agree with our conclusions in this regard, or, regardless of the standard that a court uses, that it would not determine that we or a guarantor were indeed insolvent on that date; that any payments to the holders of the senior notes (including under the guarantees) did not constitute preferences, fraudulent transfers or conveyances on other grounds; or that the issuance of the senior notes and the guarantees would not be subordinated to our or any guarantor's other debt. In addition, any payment by us or a guarantor pursuant to the senior notes, or its guarantee, could be avoided and required to be returned to us or such guarantor or to a fund for the benefit of our or such guarantor's creditors, and accordingly the court might direct holders of the senior notes to repay any amounts already received from us or such guarantor. Among other things, under U.S. bankruptcy law, any payment by us pursuant to the senior notes or by a guarantor under a guarantee made at a time we or such guarantor were found to be insolvent could be voided and required to be returned to us or such guarantor or to a fund for the benefit of our or such guarantor's creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give such insider or outsider party more than such party would have received in a distribution under the Bankruptcy Code in a hypothetical Chapter 7 case. Although each guarantee contains a "savings clause" intended to limit the subsidiary guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its subsidiary guarantee to be a fraudulent transfer, this provision may not be effective as a legal matter to protect any subsidiary guarantees from being avoided under fraudulent transfer law. In that regard, in *Official Committee of Unsecured Creditors of TOUSA, Inc. v Citicorp North America, Inc* ., the United States Bankruptcy Court in the Southern District of Florida held that a savings clause similar to the savings clause included in our indentures was unenforceable. As a result, the subsidiary guarantees were found to be fraudulent conveyances. The United States Court of Appeals for the Eleventh Circuit subsequently affirmed the liability findings of the Bankruptcy Court without ruling directly on the enforceability of savings clauses generally. If the decision of the bankruptcy court in *TOUSA* were followed by other courts, the risk that the guarantees would be deemed fraudulent conveyances would be significantly increased.

To the extent a court avoids the senior notes or any of the guarantees as fraudulent transfers or holds the senior notes or any of the guarantees unenforceable for any other reason, the holders of the senior notes would cease to have any direct claim against us or the applicable guarantor. If a court were to take this action, our or the applicable guarantor's assets would be applied first to satisfy our or the applicable guarantor's other liabilities, if any, and might not be applied to the payment of the senior notes. Sufficient funds to repay the senior notes may not be available from other sources, including the remaining guarantors, if any. In addition, the Euro Notes (2024) and the guarantees may be subject to avoidance under the laws of other foreign jurisdictions, including Italy and Czech Republic, to the extent that we, the issuer of the Euro Notes (2024), or any of the guarantors (as applicable) were to be the subject of an insolvency or related proceeding in such jurisdiction(s).

Not all of our subsidiaries have guaranteed our credit agreement or our senior notes, and the assets of our non-guarantor subsidiaries may not be available to make payments on such obligations.

Not all of our subsidiaries have guaranteed the credit agreement, our U.S. Notes (2023), Euro Notes (2024), Euro Notes (2026), and Euro Notes (2028). In the event that any non-guarantor subsidiary becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, holders of its indebtedness and its trade creditors generally will be entitled to payment on their claims from the assets of that subsidiary before any of those assets are made available to the lenders under the credit agreement or the holders of the senior notes. Consequently, claims in respect of the credit agreement and the senior notes are structurally subordinated to all of the liabilities of our subsidiaries that are not guarantors of such instruments, including trade payables, and any claims of third party holders of preferred equity interests, if any, in our non-guarantor subsidiaries. For the year ended December 31, 2018 , our subsidiaries that are not borrowers under or do not guarantee the credit agreement and our subsidiaries that do not guarantee the U.S. Notes (2023) represented approximately 49% and 30% of our total revenue and operating income, respectively. In addition, these non-guarantor subsidiaries represented approximately 58% and 60% of our total assets and total liabilities, respectively, as of December 31, 2018 (excluding, in each case, intercompany amounts). As of the same date, our subsidiaries that do not guarantee the credit agreement or the U.S. Notes (2023) had approximately $2.7 billion of outstanding indebtedness (which includes $683 million of borrowings under our revolving credit facilities by foreign subsidiaries that are borrowers under the revolving credit facilities but that do not guarantee the U.S. Notes (2023)). The group of subsidiaries that does not guarantee the Euro Notes (2024) is similar to the group that does not guarantee the U.S. Notes (2023), Euro Notes (2026) and Euro Notes (2028), except that, in addition to the issuer of the Euro Notes (2024), there are four subsidiaries in the group that does not guarantee the U.S. Notes (2023), Euro Notes (2026) and Euro Notes (2028) that guarantee the Euro Notes (2024).

We may not be able to repurchase the senior notes upon a change of control or pursuant to an asset sale offer.

Upon a change of control, as defined in the indentures governing the senior notes, the holders of the senior notes will have the right to require us to offer to purchase all of the senior notes then outstanding at a price equal to 101% of their principal amount plus accrued and unpaid interest. Such a change of control would also be an event of default under our credit agreement. In order to obtain sufficient funds to pay amounts due under the credit agreement and the purchase price of the outstanding senior notes, we expect that we would have to refinance our indebtedness. We cannot assure you that we would be

able to refinance our indebtedness on reasonable terms, if at all. Our failure to offer to purchase all outstanding senior notes or to purchase all validly tendered senior notes would be an event of default under the indenture. Such an event of default may cause the acceleration of our other debt. Our other debt also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a change of control under the indenture.

The definition of change of control in the indentures governing the senior notes includes a phrase relating to the sale of "all or substantially all" of our assets. There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of senior notes to require us to repurchase its senior notes as a result of a sale of less than all our assets to another person may be uncertain.

In addition, in certain circumstances as specified in the indentures governing the senior notes, we will be required to commence an asset sale offer, as defined in the indentures governing the senior notes, pursuant to which we will be obligated to purchase certain senior notes at a price equal to 100% of their principal amount plus accrued and unpaid interest with the proceeds we receive from certain asset sales. Our other debt may contain restrictions that would limit or prohibit us from completing any such asset sale offer. In particular, our credit agreement contains provisions that require us, upon the sale of certain assets, to apply all of the proceeds from such asset sale to the prepayment of amounts due under the credit agreement. The mandatory prepayment obligations under the credit agreement will be effectively senior to our obligations to make an asset sale offer with respect to the senior notes under the terms of the indentures governing the senior notes. Our failure to purchase any such senior notes when required under the indentures would be an event of default under the indentures.

Key terms of the senior notes will be suspended if the notes achieve investment grade ratings and no default or event of default has occurred and is continuing.

Many of the covenants in the indentures governing the senior notes will be suspended if the senior notes are rated investment grade by Standard & Poor's and Moody's provided at such time no default or event of default has occurred and is continuing, including those covenants that restrict, among other things, our ability to pay dividends, incur liens and to enter into certain other transactions. There can be no assurance that the senior notes will ever be rated investment grade. However, suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force (although provisions under our other debt, like the credit agreement, may continue to restrict us from engaging in these transactions), and the effects of any such transactions will be permitted to remain in place even if the senior notes are subsequently downgraded below investment grade.

The liquidity and market value of the senior notes may change due to a variety of factors.

The liquidity of any trading market in the senior notes, and the market price quoted for the senior notes, may be adversely affected by changes in the overall market for these types of securities, changes in interest rates, changes in our ratings, and changes in our financial performance or prospects or in the prospects for companies in our industries generally.

We rely on an accounts receivable securitization program for a portion of our liquidity.

We have an arrangement whereby we sell an interest in a portion of our accounts receivable to a special purpose vehicle and receive funding through the commercial paper market. This arrangement expires in November 2021. In the event that the market for commercial paper were to close or otherwise become constrained, our cost of credit relative to this program could rise, or credit could be unavailable altogether.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our properties are described in Item 1 of this Annual Report on Form 10-K, and such description is incorporated by reference into this Item 2. Our properties are sufficient to meet our present needs, and we do not anticipate any difficulty in securing additional space to conduct operations or additional office space, as needed, on terms acceptable to us.

ITEM 3. LEGAL PROCEEDINGS

On May 10, 2018, our Specialty segment received a Notice of Violation from the U.S. Environmental Protection Agency ("EPA") alleging that certain performance-related parts that we sold between January 1, 2015 and October 15, 2017 violated the provisions of the Clean Air Act that prohibit the sale of parts that could alter or defeat the emission control system of a vehicle. We are in negotiations with the EPA to resolve this matter, which may involve the payment of a civil penalty. Any penalty that is likely to be imposed is not expected to have material effect on our financial position, results of operations or cash flows.

In addition, we are from time to time subject to various claims and lawsuits incidental to our business. In the opinion of management, currently outstanding claims and suits will not, individually or in the aggregate, have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

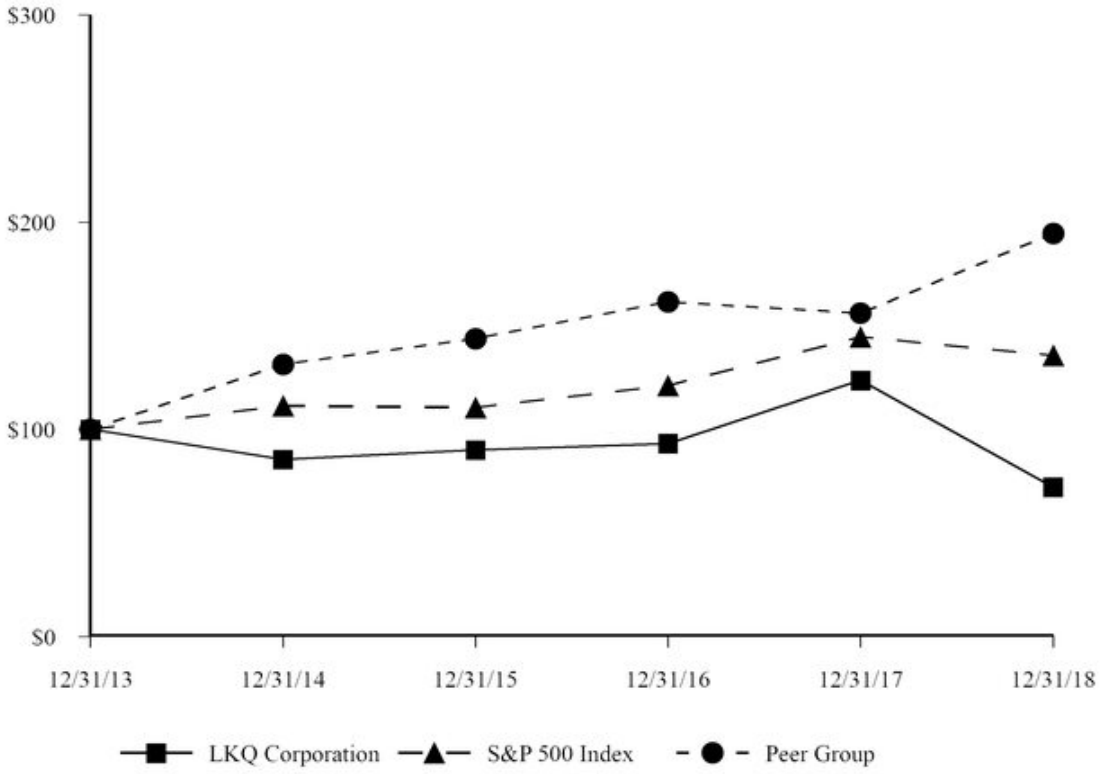
Our common stock is traded on the NASDAQ Global Select Market ("NASDAQ") under the symbol "LKQ." At December 31, 2018 , there were 18 record holders of our common stock.

We have not paid any cash dividends on our common stock. We intend to continue to retain our earnings to finance our growth, repurchase stock through our stock repurchase program, and for general corporate purposes. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. In addition, our senior secured credit agreement and our senior notes indentures contain, and future financing agreements may contain, limitations on payment of cash dividends or other distributions of assets. Delaware law also imposes restrictions on dividend payments. Based on limitations in effect under our senior secured credit agreement and senior notes indentures, the maximum amount of dividends we could pay as of December 31, 2018 was approximately $1.7 billion . The limit on the payment of dividends is calculated using historical financial information and will change from period to period.

Stock Performance Graph and Cumulative Total Return

The following graph compares the percentage change in the cumulative total returns on our common stock, the Standard & Poor's 500 Stock In dex ("S&P 500 Index") and the following group of peer companies (the "Peer Group"): Copart, Inc.; O'Reilly Automotive, Inc.; Genuine Parts Company; and Fastenal Co., for the period beginning on December 31, 2013 and ending on December 31, 2018 (which was the last day of our 2018 fiscal year). The stock price performance in the graph is not necessarily indicative of future stock price performance. The graph assumes that the value of an investment in each of the Company's common stock, the S&P 500 Index and the Peer Group was $100 on December 31, 2013 and that all dividends , where applicable, were reinvested.

Comparison of Cumulative Return
Among LKQ Corporation, the S&P 500 Index and the Peer Group



	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
LKQ Corporation	$ 100	$ 85	$ 90	$ 93	$ 124	$ 72
S&P 500 Index	$ 100	$ 111	$ 111	$ 121	$ 145	$ 136
Peer Group	$ 100	$ 131	$ 144	$ 162	$ 156	$ 195

This stock performance information is "furnished" and shall not be deemed to be "soliciting material" or subject to Rule 14A, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date of this report and irrespective of any general incorporation by reference language in any such filing, except to the extent that it specifically incorporates the information by reference.

Issuer Purchases of Equity Securities

On October 25, 2018, our Board of Directors authorized a stock repurchase program under which we may purchase up to $500 million of our common stock from time to time through October 25, 2021. Repurchases under the program may be made in the open market or in privately negotiated transactions, with the amount and timing of repurchases depending on market conditions and corporate needs. The repurchase program does not obligate us to acquire any specific number of shares and may be suspended or discontinued at any time. Delaware law imposes restrictions on stock repurchases.

The following table summarizes our stock repurchases for the three months ended December 31, 2018 (in thousands, except per share data):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 1, 2018 - October 31, 2018	200	$ 26.64	200	494,673
November 1, 2018 - November 30, 2018	805	$ 27.87	805	472,233
December 1, 2018 - December 31, 2018	1,267	$ 25.45	1,267	440,000
Total	2,272		2,272	

Securities Authorized for Issuance Under Equity Compensation Plans

Information about our common stock that may be issued under our equity compensation plans as of December 31, 2018 included in Part III, Item 12 of this Annual Report on Form 10-K is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this Annual Report on Form 10-K and our consolidated financial statements and related notes included in Item 8 of this Annual Report on Form 10-K.

(in thousands, except per share data)	Year Ended December 31,				
	2018	2017	2016	2015	2014
	(1)	(2)	(3)	(4)	(5)
Statements of Income Data:					
Revenue	$ 11,876,674	$ 9,736,909	$ 8,584,031	$ 7,192,633	$ 6,740,064
Cost of goods sold	7,301,817	5,937,286	5,232,328	4,359,104	4,088,151
Gross margin	4,574,857	3,799,623	3,351,703	2,833,529	2,651,913
Operating income [6] [7]	882,241	844,998	763,398	704,627	649,868
Other expense (income):					
Interest expense	146,377	101,640	88,263	57,860	64,542
Other income, net [6]	(7,567)	(23,269)	(2,146)	(2,263)	(2,562)
Income from continuing operations before provision for income taxes	743,431	766,627	677,281	649,030	587,888
Provision for income taxes	191,395	235,560	220,566	219,703	204,264
Equity in (losses) earnings of unconsolidated subsidiaries [8]	(64,471)	5,907	(592)	(6,104)	(2,105)
Income from continuing operations	487,565	536,974	456,123	423,223	381,519
Net (loss) income from discontinued operations	(4,397)	(6,746)	7,852	—	—
Net income	483,168	530,228	463,975	423,223	381,519
Less: net income (loss) attributable to noncontrolling interest	3,050	(3.516)	—	—	—
Net income attributable to LKQ stockholders	$ 480,118	$ 533,744	$ 463,975	$ 423,223	$ 381,519
Basic earnings per share: [9]					
Income from continuing operations	$ 1.55	$ 1.74	$ 1.49	$ 1.39	$ 1.26
Net (loss) income from discontinued operations	(0.01)	(0.02)	0.03	—	—
Net income	1.54	1.72	1.51	1.39	1.26
Less: net income (loss) attributable to noncontrolling interest	0.01	(0.01)	—	—	—
Net income attributable to LKQ stockholders	$ 1.53	$ 1.73	$ 1.51	$ 1.39	$ 1.26
Diluted earnings per share: [9]					
Income from continuing operations	$ 1.54	$ 1.73	$ 1.47	$ 1.38	$ 1.25
Net (loss) income from discontinued operations	(0.01)	(0.02)	0.03	—	—
Net income	1.53	1.71	1.50	1.38	1.25
Less: net income (loss) attributable to noncontrolling interest	0.01	(0.01)	—	—	—
Net income attributable to LKQ stockholders	$ 1.52	$ 1.72	$ 1.50	$ 1.38	$ 1.25
Weighted average shares outstanding-basic	314,428	308,607	306,897	304,722	302,343
Weighted average shares outstanding-diluted	315,849	310,649	309,784	307,496	306,045

(in thousands)	Year Ended December 31,				
	2018	2017	2016	2015	2014
	(1)	(2)	(3)	(4)	(5)
Other Financial Data:					
Net cash provided by operating activities	$ 710,739	$ 518,900	$ 635,014	$ 544,282	$ 388,711
Net cash used in investing activities	(1,458,939)	(384,595)	(1,709,928)	(329,993)	(920,994)
Net cash provided by (used in) financing activities	882,995	(112,567)	1,225,737	(238,537)	501,189
Capital expenditures	(250,027)	(179,090)	(207,074)	(170,490)	(140,950)
Cash paid for acquisitions, net of cash acquired	(1,214,995)	(513,088)	(1,349,339)	(160,517)	(775,921)
Depreciation and amortization	294,077	230,203	206,086	128,192	125,437
Balance Sheet Data:					
Total assets	$ 11,393,402	$ 9,366,872	$ 8,303,199	$ 5,647,837	$ 5,475,739
Working capital [(10)]	2,830,601	2,499,410	2,045,273	1,588,742	1,491,169
Long-term obligations, including current portion	4,310,500	3,403,980	3,341,771	1,584,702	1,846,148
Total Company stockholders' equity	4,782,298	4,198,169	3,442,949	3,114,682	2,720,657

(1) Includes the results o f operations of Stahlgruber, from its acquisition effective May 30, 2018, and 13 other businesses from their respective acquisition dates in 2018.

(2) I ncludes the results of operations of 26 businesses from their respective acquisition dates in 2017.

(3) Includes the results o f operations of: (i) Rhiag, from its acquisition effective March 18, 2016; (ii) the aftermarket automotive glass distribution business of Pittsburgh Glass Works LLC ("PGW autoglass"), from its acquisition effective April 21, 2016; and (iii) 13 other businesses from their respective acquisition dates in 2016.

(4) Includes the results of operations of 18 businesses from their respective acquisition dates in 2015.

(5) Includes the results of operations of Keystone Specialty from its acquisition effective January 3, 2014 and 22 other businesses from their respective acquisition dates in 2014.

(6) Certain amounts for 2017 have been recast to reflect the 2018 adoption of ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." See " Other Recently Adopted Accounting Pronouncements" within Note 4, "Summary of Significant Accounting Policies " for further information.

(7) Reflects $33 million goodwill impairment charge on the Aviation reporting unit. See Note 4, "Summary of Significant Accounting Policies ," for further information.

(8) Reflects $71 million impairment charge related to the Mekonomen equity investment. See Note 4, "Summary of Significant Accounting Policies ," for further information.

(9) The sum of the individual earnings per share amounts may not equal the total due to rounding.

(10) Working capital amounts represent current assets less current liabilities, excluding assets and liabilities of discontinued operations. As of its acquisition date, Stahlgruber added $240 million in working capital.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a global distributor of vehicle products, including replacement parts, components and systems used in the repair and maintenance of vehicles, and specialty products and accessories to improve the performance, functionality and appearance of vehicles.

Buyers of vehicle replacement products have the option to purchase from primarily five sources: new products produced by original equipment manufacturers ("OEMs"); new products produced by companies other than the OEMs, which are referred to as aftermarket products; recycled products obtained from salvage and total loss vehicles; recycled products that have been refurbished; and recycled products that have been remanufactured. We distribute a variety of products to collision

and mechanical repair shops, including aftermarket collision and mechanical products; recycled collision and mechanical products; refurbished collision products such as wheels, bumper covers and lights; and remanufactured engines and transmissions. Collectively, we refer to the four sources that are not new OEM products as alternative parts.

We are a leading provider of alternative vehicle collision replacement products and alternative vehicle mechanical replacement products, with our sales, processing, and distribution facilities reaching most major markets in the United States and Canada. We are also a leading provider of alternative vehicle replacement and maintenance products in the United Kingdom, Germany, the Benelux region (Belgium, Netherlands, and Luxembourg), Italy, Czech Republic, Poland, Slovakia, Austria, and various other European countries. In addition to our wholesale operations, we operate self service retail facilities across the U.S. that sell recycled automotive products from end-of-life-vehicles. We are also a leading distributor of specialty vehicle aftermarket equipment and accessories reaching most major markets in the U.S. and Canada.

We are organized into four operating segments: Wholesale – North America; Europe; Specialty and Self Service. We aggregate our Wholesale – North America and Self Service operating segments into one reportable segment, North America, resulting in three reportable segments: North America, Europe and Specialty.

Our operating results have fluctuated on a quarterly and annual basis in the past and can be expected to continue to fluctuate in the future as a result of a number of factors, some of which are beyond our control. Please refer to the factors referred to in Forward-Looking Statements above. Due to these factors and others, which may be unknown to us at this time, our operating results in future periods can be expected to fluctuate. Accordingly, our historical results of operations may not be indicative of future performance.

Acquisitions and Investments

Since our inception in 1998, we have pursued a growth strategy through both organic growth and acquisitions. We have pursued acquisitions that we believe will help drive profitability, cash flow and stockholder value. We target companies that are market leaders, will expand our geographic presence and will enhance our ability to provide a wide array of vehicle products to our customers through our distribution network.

On May 30, 2018 , we acquired Stahlgruber, a leading European wholesale distributor of aftermarket spare parts for passenger cars, tools, capital equipment and accessories with operations in Germany, Austria, Italy, Slovenia, and Croatia with further sales to Switzerland. This acquisition expands LKQ's geographic presence in continental Europe and serves as an additional strategic hub for our European operations. In addition, we believe this acquisition will allow for continued improvement in procurement, logistics and infrastructure optimization. On May 3, 2018, the European Commission cleared the acquisition for the entire European Union, except with respect to the wholesale automotive parts business in the Czech Republic. The acquisition of the Czech Republic wholesale business has been referred to the Czech Republic competition authority for review. The Czech Republic wholesale business represents an immaterial portion of Stahlgruber's revenue and profitability.

On July 3, 2017, we acquired four parts distribution businesses in Belgium. These acquisitions are transforming the existing three-step distribution model in Belgium to a two-step distribution model to align with our Netherlands operations.

On November 1, 2017, we acquired the aftermarket business of Warn, a leading designer, manufacturer and marketer of high performance vehicle equipment and accessories. This acquisition expanded LKQ's presence in the specialty market and created viable points of entry into related markets.

On March 18, 2016, we acquired Rhiag, a distributor of aftermarket spare parts for passenger cars and commercial vehicles in Italy, Czech Republic, Switzerland, Hungary, Romania, Ukraine, Bulgaria, Slovakia, Poland and Spain. This acquisition expanded LKQ's geographic presence in continental Europe and provided additional procurement synergies in our Europe segment.

On April 21, 2016, we acquired PGW, a leading global distributor and manufacturer of automotive glass products. PGW’s business comprised aftermarket automotive replacement glass distribution services and automotive glass manufacturing. On March 1, 2017, we sold the automotive glass manufacturing component of PGW. Unless otherwise noted, the discussion related to PGW throughout Part II, Item 7 of this Annual Report on Form 10-K refers to the aftermarket glass distribution operations of PGW, PGW autoglass, which is included within continuing operations. See Note 3, "Discontinued Operations " in Item 8 of this Annual Report on Form 10-K for further information related to our discontinued operations. The acquisition of PGW autoglass expanded our addressable market in North America and provided distribution synergies with our existing network.

In October 2016, we acquired substantially all of the business assets of Andrew Page Limited ("Andrew Page"), a distributor of aftermarket automotive parts in the United Kingdom. The U.K. Competition and Markets Authority ("CMA") concluded its review of this acquisition on October 31, 2017 and required us to divest less than 10% of the acquired locations. We divested the required locations during 2018.

In addition to the significant acquisitions mentioned above, during the years ended December 31, 2018, 2017, and 2016, we acquired various smaller businesses across our North America, Europe, and Specialty segments.

On December 1, 2016, we acquired a 26.5% equity interest in Mekonomen AB ("Mekonomen"), the leading independent car parts and service chain in the Nordic region of Europe, offering a wide range of quality products including spare parts and accessories for cars, and workshop services for consumers and businesses. We acquired additional shares in the fourth quarter of 2018, increasing our equity interest to 26.6%. We are accounting for our interest in Mekonomen using the equity method of accounting, as our investment gives us the ability to exercise significant influence, but not control, over the investee.

See Note 2, "Business Combinations," and "Investments in Unconsolidated Subsidiaries" in Note 4, "Summary of Significant Accounting Policies," to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to our acquisitions and investments.

Sources of Revenue

We report our revenue in two categories: (i) parts and services and (ii) other. Our parts revenue is generated from the sale of vehicle products, including replacement parts, components and systems used in the repair and maintenance of vehicles, and specialty products and accessories to improve the performance, functionality and appearance of vehicles. Our service revenue is generated primarily from the sale of service-type warranties, fees for admission to our self service yards, and processing fees related to the secure disposal of vehicles. During the year ended December 31, 2018, parts and services revenue represented approximately 95% of our consolidated revenue. Revenue from other sources includes scrap sales, bulk sales to mechanical manufacturers (including cores) and sales of aluminum ingots and sows from our furnace operations. Other revenue will vary from period to period based on fluctuations in commodity prices and the volume of materials sold. See Note 5, "Revenue Recognition " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to our sources of revenue.

Selling, General and Administrative Expenses

In our Annual Report on Form 10-K for the year ended December 31, 2017, we reported the following categories of operating expenses: (i) facility and warehouse expenses; (ii) distribution expenses; and (iii) selling, general and administrative expenses. To better reflect the changing profile of our business, and to align our financial statement presentation with other automotive parts and distribution companies, beginning with our Quarterly Report on Form 10-Q for the three months ended March 31, 2018, these three categories have been consolidated into one line item: selling, general and administrative ("SG&A") expenses.

Other than the consolidation of these financial statement line items and the changes due to the adoptions of Accounting Standards Update ASU 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"), and ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," as discussed in Note 4, "Financial Statement Information" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K, there have been no changes to the classification of revenue or expenses on our Consolidated Statements of Income. Our SG&A expenses continue to include: personnel costs for employees in selling, general and administrative functions; costs to operate our selling locations, corporate offices and back office support centers; costs to transport our products from our facilities to our customers; and other selling, general and administrative expenses, such as professional fees, supplies, and advertising expenses.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, assumptions, and judgments, including those related to revenue recognition, inventory valuation, business combinations and goodwill impairment. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The results of these estimates form the basis for our judgments about the carrying values of assets and liabilities and our recognition of revenue. Actual results may differ from these estimates.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09. This update outlines a new comprehensive revenue recognition model that supersedes the prior revenue recognition guidance and requires companies to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB has issued several updates to ASU

2014-09, which collectively with ASU 2014-09, represent the FASB Accounting Standards Codification Topic 606 (“ASC 606”). On January 1, 2018, we adopted ASC 606 for all contracts using the modified retrospective method. For more information regarding the adoption of the new revenue standard as well as our critical accounting policies related to revenue, refer to Note 5, "Revenue Recognition," to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

Inventory Accounting

Salvage and Remanufactured Inventory . Our salvage inventory cost is established based upon the price we pay for a vehicle, including auction, towing and storage fees, as well as expenditures for buying and dismantling vehicles. Inventory carrying value is determined using the average cost to sales percentage at each of our facilities and applying that percentage to the facility's inventory at expected selling prices, the assessment of which incorporates the sales probability based on a part's days in stock and historical demand. The average cost to sales percentage is derived from each facility's historical profitability for salvage vehicles. Remanufactured inventory cost is based upon the price paid for cores, and also includes expenses incurred for freight, direct manufacturing costs and overhead related to our remanufacturing operations.

All Inventory. For all inventory, carrying value is recorded at the lower of cost or net realizable value and is reduced to reflect current anticipated demand. If actual demand differs from our estimates, additional reductions to inventory carrying value would be necessary in the period such determination is made.

Business Combinations

We record our acquisitions using the purchase method of accounting, under which the acquisition purchase price is allocated to the assets acquired and liabilities assumed based upon their respective fair values. We utilize management estimates and, in some instances, independent third-party valuation firms to assist in determining the fair values of assets acquired, liabilities assumed and contingent consideration granted. There are inherent assumptions and estimates used in developing the future cash flows and fair values of tangible and intangible assets, such as projecting revenues and profits, discount rates, income tax rates, royalty rates, customer attrition rates and other various valuation assumptions. We use various valuation methods to value property, plant and equipment. When valuing real property, we typically use the sales comparison approach for land and the income approach for buildings and building improvements. When valuing personal property, we typically use either the income or cost approach. We used the relief-from-royalty method to value trade names, trademarks, software and other technology assets, and we used the multi-period excess earnings method to value customer relationships. The relief-from-royalty method assumes that the intangible asset has value to the extent that its owner is relieved of the obligation to pay royalties for the benefits received from the intangible asset. The multi-period excess earnings method is based on the present value of the incremental after-tax cash flows attributable only to the customer relationship after deducting contributory asset charges.

Goodwill and Indefinite-Lived Intangibles Impairment

We are required to test our goodwill and indefinite-lived intangible assets for impairment at least annually. When testing goodwill for impairment, we are required to evaluate events and circumstances that may affect the performance of the reporting unit and the extent to which the events and circumstances may impact the future cash flows of the reporting unit to determine whether the fair value of the assets exceed the carrying value. Developing the estimated future cash flows and fair value of the reporting unit requires management's judgment in projecting revenues and profits, allocation of shared corporate costs, tax rates, capital expenditures, working capital requirements, discount rates and market multiples. Many of the factors used in assessing fair value are outside the control of management, and it is reasonably likely that assumptions and estimates can change in future periods. If these assumptions or estimates change in the future, we may be required to record impairment charges for these assets. In response to changes in industry and market conditions, we may be required to strategically realign our resources and consider restructuring, disposing of, or otherwise exiting businesses, which could result in an impairment of goodwill.

We perform goodwill impairment tests annually in the fourth quarter and between annual tests whenever events indicate that an impairment may exist . During 2018 , we did not identify any events or changes in circumstances that would more likely than not reduce the fair value of our reporting units below their carrying amounts. Therefore, we did not perform any impairment tests other than our annual test in the fourth quarter of 2018 as of October 31.

Our goodwill impairment assessment is performed by reporting unit. A reporting unit is an operating segment, or a business one level below an operating segment (the "component" level), for which discrete financial information is prepared and regularly reviewed by segment management. However, components are aggregated as a single reporting unit if they have similar economic characteristics. For the purpose of aggregating our components into reporting units, we review the long-term performance of Segment EBITDA. Additionally, we review qualitative factors such as type or class of customers, nature of products, distribution methods, inventory procurement methods, level of integration, and interdependency of processes across

components. Our assessment of the aggregation includes both qualitative and quantitative factors and is based on the facts and circumstances specific to the components.

We have four operating segments: Wholesale – North America, Europe, Specialty and Self Service. Each of these operating segments consists of multiple components that have discrete financial information available that is reviewed by segment management on a regular basis. We have evaluated these components and concluded that the components that compose the Europe, Specialty, and Self Service operating segments are economically similar and thus were aggregated into three separate reporting units. Based on our aggregation assessment of the qualitative and quantitative factors of the components of the Wholesale – North America operating segment, we determined the Aviation component should not be aggregated with its operating segment, Wholesale – North America, thus we did not aggregate the Aviation component into the Wholesale – North America reporting unit. Our Aviation reporting unit resulted from a 2017 acquisition of a small wholesale business in North America. As of the date of our 2018 annual goodwill impairment test, we were organized into five reporting units: Wholesale - North America, Europe, Specialty, Self Service and Aviation.

Our goodwill would be considered impaired if the carrying value of a reporting unit exceeded its estimated fair value. The fair value estimates are established using weightings of the results of a discounted cash flow methodology and a comparative market multiples approach. We believe that using two methods to determine fair value limits the chances of an unrepresentative valuation. Discount rates, growth rates and cash flow projections are the assumptions that are most sensitive and susceptible to change as they require significant management judgment. Impairment may result from, among other things, deterioration in the performance of acquired businesses, increases in our cost of capital, adverse market conditions, and adverse changes in applicable laws or regulations, including modifications that restrict the activities of the acquired business. To assess the reasonableness of the fair value estimates, we compare the sum of the reporting units' fair values to the Company's market capitalization and calculate an implied control premium, which is then evaluated against recent market transactions in our industry. If we were required to recognize goodwill impairments, we would report those impairment losses as part of our operating results.

Based on our annual goodwill impairment test in the fourth quarter of 2018, we determined the carrying value of our Aviation reporting unit exceeded the fair value estimate by more than the carrying value, thus we recorded an impairment charge of $33 million, which represented the total carrying value of goodwill in our Aviation reporting unit. The impairment charge was due to a decrease in the fair value estimate from the prior year fair value estimate, primarily driven by a significant deterioration in the outlook for the Aviation reporting unit due to competition, customer financial issues and changing market conditions for the airplane platforms that the business services, which lowered our projected gross margin and related future cash flows. We reported the impairment charge in Impairment of goodwill on the Consolidated Statements of Income for the year ended December 31, 2018. We determined no other impairments existed when we performed our annual impairment testing on the remaining four reporting units as all those reporting units had a fair value estimate which exceeded the carrying value by at least approximately 15%, the level at which our Europe reporting unit exceeded its carrying value. The excess of the fair value estimate over the carrying value for our Europe reporting unit decreased from our 2017 to our 2018 impairment test as a result of the Stahlgruber acquisition in May 2018. This decrease aligns with our expectations as there has not been a significant change in the value of the Stahlgruber business since its acquisition, which had the effect of reducing the excess for the entire Europe reporting unit. As of December 31, 2018 , we had a total of $4.4 billion in goodwill subject to future impairment tests.

We review indefinite-lived intangible assets for impairment annually or sooner if events or changes in circumstances indicate that the carrying value may not be recoverable. We performed a quantitative impairment test in the fourth quarter of 2018 as of October 31, using the relief-from-royalty method to value the Warn trademark, which is our only indefinite-lived intangible; w e determined no impairment existed as the trademark had a fair value estimate which exceeded the carrying value.

Recently Issued Accounting Pronouncements

See "Recent Accounting Pronouncements" in Note 4, "Summary of Significant Accounting Policies " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for information related to new accounting standards.

Financial Information by Geographic Area

See Note 16, "Segment and Geographic Information " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for information related to our revenue and long-lived assets by geographic region.

Results of Operations—Consolidated

The following table sets forth statements of income data as a percentage of total revenue for the periods indicated:

	Year Ended December 31,		
	2018	2017	2016
Revenue	100.0 %	100.0 %	100.0 %
Cost of goods sold	61.5 %	61.0 %	61.0 %
Gross margin	38.5 %	39.0 %	39.0 %
Selling, general and administrative expenses	28.2 %	27.9 %	27.5 %
Restructuring and acquisition related expenses	0.3 %	0.2 %	0.4 %
Impairment of goodwill	0.3 %	—	—
Depreciation and amortization	2.3 %	2.3 %	2.2 %
Operating income	7.4 %	8.7 %	8.9 %
Other expense, net	1.2 %	0.8 %	1.0 %
Income from continuing operations before provision for income taxes	6.3 %	7.9 %	7.9 %
Provision for income taxes	1.6 %	2.4 %	2.6 %
Equity in (losses) earnings of unconsolidated subsidiaries	(0.5)%	0.1 %	(0.0)%
Income from continuing operations	4.1 %	5.5 %	5.3 %
Net (loss) income from discontinued operations	(0.0)%	(0.1)%	0.1 %
Net income	4.1 %	5.4 %	5.4 %
Less: net income (loss) attributable to noncontrolling interest	0.0 %	(0.0)%	— %
Net income attributable to LKQ stockholders	4.0 %	5.5 %	5.4 %

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Revenue. The following table summarizes the changes in revenue by category (in thousands):

	Year Ended December 31,		Percentage Change in Revenue			
	2018	2017	Organic	Acquisition	Foreign Exchange	Total Change
Parts & services revenue	$ 11,233,407	$ 9,208,634	4.4%	16.0%	1.5%	22.0%
Other revenue	643,267	528,275	20.4%	1.4%	0.0%	21.8%
Total revenue	$ 11,876,674	$ 9,736,909	5.3%	15.3%	1.4%	22.0%

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

The change in parts and services revenue of 22.0% represented increases in segment revenue of 6.5% in North America, 43.4% in Europe and 13.2% in Specialty. Organic growth in parts and services revenue on a per day basis was 4.1% as there was one additional selling day in 2018 compared to 2017. The increase in other revenue of 21.8% was primarily driven by a $108 million organic increase, largely attributable to our North America segment. Refer to the discussion of our segment results of operations for factors contributing to the change in revenue by segment during the year ended December 31, 2018 compared to the year ended December 31, 2017 .

Cost of Goods Sold . Cost of goods sold increased to 61.5% of revenue in the year ended December 31, 2018 from 61.0% of revenue in the year ended December 31, 2017 . Cost of goods sold increased 0.4% and 0.3% as a result of our Europe and North America segments, respectively. Refer to the discussion of our segment results of operations for factors contributing to the changes in cost of goods sold as a percentage of revenue by segment for the year ended December 31, 2018 compared to the year ended December 31, 2017 .

Selling, General and Administrative Expenses. Our SG&A expenses as a percentage of revenue increased to 28.2% in the year ended December 31, 2018 from 27.9% in the year ended December 31, 2017 , primarily as a result of a 0.2% increase from our North America segment. Refer to the discussion of our segment results of operations for factors contributing to the

changes in SG&A expenses as a percentage of revenue by segment for the year ended December 31, 2018 compared to the year ended December 31, 2017 .

Restructuring and Acquisition Related Expenses . The following table summarizes restructuring and acquisition related expenses for the periods indicated (in thousands):

	Year Ended December 31,		
	2018	2017	Change
Restructuring expenses	$ 14,313 (1)	$ 5,012 (2)	$ 9,301
Acquisition related expenses	18,115 (3)	14,660 (4)	3,455
Total restructuring and acquisition related expenses	$ 32,428	$ 19,672	$ 12,756

(1) Restructuring expenses for the year ended December 31, 2018 primarily consisted of $10 million related to the integration of our acquisition of Andrew Page and $3 million related to our Specialty segment. These integration activities included the closure of duplicate facilities and termination of employees.

(2) Restructuring expenses for the year ended December 31, 2017 included $2 million , $2 million , and $1 million related to the integration of acquired businesses in our North America, Specialty, and Europe segments, respectively. These integration activities included the closure of duplicate facilities and termination of employees.

(3) Acquisition related expenses for the year ended December 31, 2018 primarily consisted of $16 million of costs for our acquisition of Stahlgruber. The remaining costs related to other completed acquisitions and acquisitions that were pending as of December 31, 2018 .

(4) Acquisition related expenses for the year ended December 31, 2017 included $5 million of costs for our acquisition of Andrew Page, primarily related to legal and other professional fees associated with the CMA review. The remaining acquisition related costs for the year ended December 31, 2017 consisted of external costs for completed acquisitions; pending acquisitions as of December 31, 2017 , including $4 million related to Stahlgruber; and potential acquisitions that were terminated.

See Note 6, "Restructuring and Acquisition Related Expenses " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information on our restructuring and integration plans.

Impairment of Goodwill. We recorded a $33 million goodwill impairment charge on the Aviation reporting unit in the fourth quarter of 2018. See "Intangible Assets" in Note 4, "Summary of Significant Accounting Policies ," for further information.

Depreciation and Amortization . The following table summarizes depreciation and amortization for the periods indicated (in thousands):

	Year Ended December 31,		
	2018	2017	Change
Depreciation	$ 137,632	$ 117,859	$ 19,773 (1)
Amortization	136,581	101,687	34,894 (2)
Total depreciation and amortization	$ 274,213	$ 219,546	$ 54,667

(1) The increase in depreciation expense primarily reflected an increase of $17 million in our Europe segment, composed of (i) $10 million of incremental depreciation expense from our acquisition of Stahlgruber, (ii) a $3 million increase due to a measurement period adjustment recorded in the year ended December 31, 2017 related to our valuation procedures for our acquisition of Rhiag that reduced depreciation expense, and (iii) $3 million of incremental depreciation expense from our acquisitions of aftermarket parts distribution businesses in Belgium and Poland in the third quarter of 2017. Depreciation expense also increased by $2 million related to the impact of foreign currency translation, primarily due to increases in the pound sterling, euro, and Czech koruna exchange rates during 2018 compared to the prior year.

(2) The increase in amortization expense primarily reflected (i) an increase of $37 million from our acquisition of Stahlgruber, and (ii) an increase of $4 million from our acquisition of Warn, partially offset by (iii) a $7 million decrease due to our 2016 acquisitions of Rhiag and PGW, which had higher amortization expense in 2017 compared to 2018 as a result of the accelerated amortization on the customer relationship intangible assets.

Other Expense, Net. The following table summarizes the components of the year-over-year increase in other expense, net (in thousands):

Other expense, net for the year ended December 31, 2017	$ 78,371	
Increase due to:		
Interest expense	44,737	(1)
Loss on debt extinguishment	894	
Gains on bargain purchases	1,452	(2)
Interest income and other income, net	13,356	(3)
Net increase	60,439	
Other expense, net for the year ended December 31, 2018	$ 138,810	

(1) Additional interest primarily related to (i) a $38 million increase resulting from higher outstanding debt during 2018 compared to the prior year (including the borrowings under our Euro Notes (2026/28)), (ii) a $5 million increase from higher interest rates on borrowings under our senior secured credit agreement compared to the prior year, and (iii) a $2 million increase from foreign currency translation, primarily related to an increase in the euro exchange rate during the year ended December 31, 2018 compared to the year ended December 31, 2017 .

(2) Over the past three years, we have completed several European acquisitions that resulted in gains on bargain purchase. In 2018, newly recorded gains and adjustments related to preliminary gains decreased relative to the prior year amount.

(3) The increase in other expense primarily consisted of (i) a $6 million increase in foreign currency losses, (ii) a $5 million fair value loss recorded during 2018 related to a preferential rights issue to subscribe for new shares at a discounted share price for our equity method investment in Mekonomen; see Note 4, "Summary of Significant Accounting Policies " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information, and (iii) a non-recurring $4 million gain recorded in 2017 due to a decrease in the fair value of contingent consideration liabilities.

Provision for Income Taxes . Our effective income tax rate was 25.7% for the year ended December 31, 2018 , compared to 30.7% for the year ended December 31, 2017 . The following table summarizes the components of our provision for income taxes for the periods indicated (in thousands):

	Year Ended December 31,			
	2018		2017	
Base provision for income taxes	$ 202,511		$ 266,403	(1)
Excess tax benefits from stock-based payments	(4,859)		(8,000)	(2)
U.S. tax reform deferred tax rate adjustment	—		(72,988)	(3)
U.S. tax reform transition tax on foreign earnings	(9,581)		50,800	(4)
Other discrete items	3,324		(655)	
Provision for income taxes	$ 191,395		$ 235,560	

(1) Excluding the impact of discrete items, prior to the enactment of the Tax Act our recurring annual effective tax rate was approximately 35%. Largely due to the reduction in the U.S. federal tax rate to 21%, we now estimate the recurring rate to be approximately 27%. We continue to analyze the highly complex and interdependent 2017 U.S. tax legislation. Adjustments to that legislation, as well as regulations implemented by the U.S. Treasury Department, which could have an impact on our effective tax rate.

(2) Represents a discrete item for excess tax benefits received upon the exercise of stock options or vesting of RSUs.

(3) The 2017 amount represented the provisional estimate of the revaluation of deferred tax assets and liabilities as a result of the Tax Act which reduced the U.S. federal corporate tax rate. There were no adjustments to the revaluation recorded in 2018; the accounting for this item is complete.

(4) The 2017 amount represented the provisional estimate of the one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings as of December 31, 2017 as a result of the Tax Act. In 2018, we recognized

a $10 million favorable adjustment to the Tax Act transition tax provisional estimate; the accounting for this item is complete.

For further discussion of the Tax Act, see Note 15, "Income Taxes," included in Part II, Item 8 of this Annual Report on Form 10-K.

Equity in (Losses) Earnings of Unconsolidated Subsidiaries. Equity in (losses) earnings of unconsolidated subsidiaries for the years ended December 31, 2018 and 2017 primarily related to our investment in Mekonomen. During the year ended December 31, 2018 , we recorded $71 million in other-than-temporary impairments related to our investment in Mekonomen. See Note 4, "Summary of Significant Accounting Policies " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information on the impairment charges. The impairment charges are excluded from our calculation of Segment EBITDA. See Note 16, "Segment and Geographic Information " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for our reconciliation of Net Income to Segment EBITDA.

Foreign Currency Impact. We translate our statements of income at the average exchange rates in effect for the period. Relative to the rates used during the year ended December 31, 2017 , the Czech koruna, euro, and pound sterling rates used to translate the 2018 statements of income increased by 7.2% , 4.5% , and 3.6% , respectively. The translation effect of the change in foreign currencies against the U.S. dollar and realized and unrealized currency losses for the year ended December 31, 2018 resulted in a $0.02 positive effect on diluted earnings per share from continuing operations relative to the prior year.

Net Loss from Discontinued Operations. We recorded net losses from discounted operations of $4 million and $7 million during the years ended December 31, 2018 and 2017, respectively. Discontinued operations represents the automotive glass manufacturing business of PGW, which we sold on March 1, 2017. See Note 3, "Discontinued Operations" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information.

Net Income (Loss) Attributable to Noncontrolling Interest. Net income attributable to noncontrolling interest for the year ended December 31, 2018 increased $7 million from 2017 due to (i) a $5 million increase in our North America segment, as we allocated a loss of $4 million to the noncontrolling interest of an immaterial subsidiary during the year ended December 31, 2017, and (ii) a $2 million increase related to the noncontrolling interest of subsidiaries acquired in connection with the Stahlgruber acquisition.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Revenue. The following table summarizes the changes in revenue by category (in thousands):

	Year Ended December 31,		Percentage Change in Revenue			
	2017	2016	Organic	Acquisition	Foreign Exchange	Total Change
Parts & services revenue	$ 9,208,634	$ 8,144,645	4.1%	9.1%	(0.1)%	13.1%
Other revenue	528,275	439,386	19.6%	0.7%	0.0 %	20.2%
Total revenue	$ 9,736,909	$ 8,584,031	4.9%	8.7%	(0.1)%	13.4%

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

The change in parts and services revenue of 13.1% represented increases in segment revenue of 6.7% in North America, 24.5% in Europe, and 6.7% in Specialty. The increase in other revenue of 20.2% primarily consisted of an $86 million organic increase in other revenue, which was largely attributable to our North America segment. Refer to the discussion of our segment results of operations for factors contributing to the change in revenue by segment during 2017 compared to the prior year.

Cost of Goods Sold . Cost of goods sold remained flat at 61.0% of revenue for the years ended December 31, 2017 and 2016. Cost of goods sold decreased 0.3% as a result of our North America segment, primarily related to our salvage operations. Offsetting this decrease were roughly equal increases in cost of goods sold in our Europe and Specialty segments. Refer to the discussion of our segment results of operations for factors contributing to the changes in cost of goods sold as a percentage of revenue by segment for the year ended December 31, 2017 compared to the year ended December 31, 2016.

Selling, General and Administrative Expenses. Our SG&A expenses as a percentage of revenue for the year ended December 31, 2017 increased to 27.9% in 2017 from 27.5% in 2016, primarily as a result of a 0.4% increase from our Europe segment and a 0.2% increase from our North America segment. Partially offsetting these increases was a decrease in SG&A expense as a percentage of revenue in our Specialty segment. Refer to the discussion of our segment results of operations for factors contributing to the changes in SG&A expenses as a percentage of revenue by segment for the year ended December 31, 2017 compared to the year ended December 31, 2016.

Restructuring and Acquisition Related Expenses . The following table summarizes restructuring and acquisition related expenses for the periods indicated (in thousands):

	Year Ended December 31,		
	2017	2016	Change
Restructuring expenses	$ 5,012 (1)	$ 15,782 (2)	$ (10,770)
Acquisition related expenses	14,660 (3)	21,980 (4)	(7,320)
Total restructuring and acquisition related expenses	$ 19,672	$ 37,762	$ (18,090)

(1) Restructuring expenses for the year ended December 31, 2017 included $2 million, $2 million, and $1 million related to the integration of acquired businesses in our North America, Specialty, and Europe segments. These integration activities included the closure of duplicate facilities and termination of employees.

(2) Restructuring expenses for the year ended December 31, 2016 included $10 million, $3 million, $2 million related to the integration of acquired businesses in our Specialty, North America and Europe segments, respectively. These integration activities included the closure of duplicate facilities and termination of employees.

(3) Acquisition related expenses for the year ended December 31, 2017 included $5 million of costs for our acquisition of Andrew Page, primarily related to legal and other professional fees associated with the CMA review. The remaining acquisition related costs for the year ended December 31, 2017 consisted of external costs for completed acquisitions; pending acquisitions as of December 31, 2017, including $4 million related to Stahlgruber; and potential acquisitions that were terminated.

(4) Acquisition related expenses for the year ended December 31, 2016 reflect $11 million and $4 million related to the acquisitions of Rhiag and PGW autoglass, respectively. The remaining $7 million of expense was related to other completed acquisitions and acquisitions that were pending as of December 31, 2016.

See Note 6, "Restructuring and Acquisition Related Expenses" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information on our restructuring and integration plans.

Depreciation and Amortization . The following table summarizes depreciation and amortization for the periods indicated (in thousands):

	Year Ended December 31,		
	2017	2016	Change
Depreciation	$ 117,859	$ 107,945	$ 9,914 (1)
Amortization	101,687	83,488	18,199 (2)
Total depreciation and amortization	$ 219,546	$ 191,433	$ 28,113

(1) The increase in depreciation expense primarily reflected increases of $4 million and $2 million for property, plant and equipment recorded for our acquisitions of Andrew Page and Rhiag, respectively. Depreciation expense increased in 2017 for Andrew Page and Rhiag primarily due to both acquisitions having a full year of results in 2017 compared to a partial year in 2016 (from acquisition dates of October 4, 2016 and March 18, 2016, respectively, through December 31, 2016). The remaining change primarily reflected increased levels of property, plant and equipment to support our organic related growth.

(2) The increase primarily reflected incremental amortization expense of (i) $14 million related to intangibles recorded for our acquisition of Rhiag and (ii) $3 million related to intangibles recorded for acquisitions within our Benelux operations during 2017.

Other Expense, Net. The following table summarizes the components of the year-over-year decrease in other expense, net (in thousands):

Other expense, net for the year ended December 31, 2016	$ 86,117	
Increase (decrease) due to:		
Interest expense	13,377	(1)
Loss on debt extinguishment	(26,194)	(2)
Gain on foreign exchange contracts - acquisition related	18,342	(3)
Gains on bargain purchases	4,337	(4)
Interest income and other income, net	(17,608)	(5)
Net decrease	(7,746)	
Other expense, net for the year ended December 31, 2017	$ 78,371	

(1) Additional interest primarily related to borrowings used to fund our acquisitions of Rhiag and PGW.

(2) During the first quarter of 2016, we incurred a $24 million loss on debt extinguishment as a result of our early payment of Rhiag debt assumed as part of the acquisition, and we incurred a $3 million loss on debt extinguishment as a result of our January 2016 amendment to our senior secured credit agreement. We incurred an immaterial loss on debt extinguishment as a result of our December 2017 amendment to our senior secured credit agreement.

(3) In March 2016, we entered into foreign currency forward contracts to acquire a total of €588 million used to fund the purchase price of the Rhiag acquisition. The rates under the foreign currency forwards were favorable to the spot rate on the date the funds were drawn to complete the acquisition, and as a result, these derivatives contracts generated a gain of $18 million.

(4) In October 2016, we acquired Andrew Page out of receivership. We recorded a gain on bargain purchase of $8 million in the fourth quarter of 2016, as the fair value of the net assets acquired exceeded the purchase price. During the year ended December 31, 2017, we increased the gain on bargain purchase for this acquisition by $2 million as a result of changes to our estimate of the fair value of net assets acquired. We also recorded a gain on bargain purchase for another acquisition in Europe completed in the second quarter of 2017.

(5) Interest income and other income, net was higher in 2017 primarily due to the impact of foreign currency transaction gains and losses, which had a net $6 million favorable impact compared to the prior year period. This primarily included unrealized gains and losses on foreign currency transactions and unrealized mark-to-market gains and losses on foreign currency forward contracts used to hedge the purchases of inventory in our U.K. operations. Additionally, there was (i) a $4 million gain due to a decrease in the fair value of contingent consideration liabilities, and (ii) a $2 million curtailment gain in 2017 related to our pensions. The remaining change related to miscellaneous other income.

Provision for Income Taxes . Our effective income tax rate was 30.7% for the year ended December 31, 2017, compared to 32.6% for the year ended December 31, 2016. The following table summarizes the components of our provision for income taxes for the periods indicated (in thousands):

	Year Ended December 31,		
	2017	2016	
Base provision for income taxes	$ 266,403	$ 235,355	(1)
Excess tax benefits from stock-based payments	(8,000)	(11,441)	(2)
U.S. tax reform deferred tax rate adjustment	(72,988)	—	(3)
U.S. tax reform transition tax on foreign earnings	50,800	—	(4)
Other discrete items	(655)	(3,348)	
Provision for income taxes	$ 235,560	$ 220,566	

(1) Excluding the impact of discrete items, our annual effective tax rate has been close to 35% over the prior two years. We were still evaluating the impact of the Tax Act on our future U.S. tax liability, but at the time, we expected that the overall impact of the Tax Act on our effective tax rate would be a decrease in the rate from previous years.

(2) Represents a discrete item for excess tax benefits received upon the exercise of stock options or vesting of RSUs.

(3) Represents the provisional estimate of the revaluation of deferred tax assets and liabilities as a result of the Tax Act which reduced the U.S. federal corporate tax rate.

(4) Represents the provisional estimate of the one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings as of December 31, 2017 as a result of the Tax Act.

For further discussion of the Tax Act, see Note 15, "Income Taxes," included in Part II, Item 8 of this Annual Report on Form 10-K.

Equity in (Losses) Earnings of Unconsolidated Subsidiaries. Equity in earnings of unconsolidated subsidiaries for the year ended December 31, 2017 primarily related to our investment in Mekonomen. See Note 4, "Summary of Significant Accounting Policies " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information.

Foreign Currency Impact. We translate our statements of income at the average exchange rates in effect for the period. During the year ended December 31, 2017, the pound sterling rate used to translate the 2017 statements of income declined by 4.9%, while both the Canadian dollar rate and euro rate increased by 2.1% compared to the year ended December 31, 2016. The translation effect of the change in these currencies against the U.S. dollar and realized and unrealized currency losses for the year ended December 31, 2017 resulted in a $0.01 negative effect on diluted earnings per share from continuing operations relative to the prior year.

Net (Loss) Income from Discontinued Operations. During the year ended December 31, 2017 we recorded a loss from discontinued operations, net of tax totaling $7 million, of which $6 million was for the loss on sale of discontinued operations, compared to income from discontinued operations, net of tax totaling $8 million for the year ended December 31, 2016. Discontinued operations for 2017 and 2016 represents the automotive glass manufacturing business of PGW, which we acquired in April 2016 and sold on March 1, 2017. See Note 3, "Discontinued Operations" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information.

Net Income (Loss) Attributable to Noncontrolling Interest. During the year ended December 31, 2017, we allocated a loss of $4 million to the noncontrolling interest of an immaterial subsidiary.

Results of Operations—Segment Reporting

We have four operating segments: Wholesale – North America, Europe, Specialty and Self Service. Our Wholesale – North America and Self Service operating segments are aggregated into one reportable segment, North America, because they possess similar economic characteristics and have common products and services, customers, and methods of distribution. Therefore, we present three reportable segments: North America, Europe and Specialty.

We have presented the growth of our revenue and profitability in our operations on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our growth and profitability, consistent with how we evaluate our performance, as this statistic removes the translation impact of exchange rate fluctuations, which are outside of our control and do not reflect our operational performance. Constant currency revenue and Segment EBITDA results are calculated by translating prior year revenue and Segment EBITDA in local currency using the current year's currency conversion rate. This non-GAAP financial measure has important limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. Our use of this term may vary from the use of similarly-titled measures by other issuers due to potential inconsistencies in the method of calculation and differences due to items subject to interpretation. In addition, not all companies that report revenue or profitability on a constant currency basis calculate such measures in the same manner as we do, and accordingly, our calculations are not necessarily comparable to similarly-named measures of other companies and may not be appropriate measures for performance relative to other companies.

The following table presents our financial performance, including third party revenue, total revenue and Segment EBITDA, by reportable segment for the periods indicated (in thousands):

	Year Ended December 31,					
	2018	% of Total Segment Revenue	2017	% of Total Segment Revenue	2016	% of Total Segment Revenue
Third Party Revenue						
North America	$ 5,181,964		$ 4,798,901		$ 4,443,886	
Europe	5,221,754		3,636,811		2,920,470	
Specialty	1,472,956		1,301,197		1,219,675	
Total third party revenue	$ 11,876,674		$ 9,736,909		$ 8,584,031	
Total Revenue						
North America	$ 5,182,609		$ 4,799,651		$ 4,444,625	
Europe	5,221,754		3,636,811		2,920,470	
Specialty	1,477,680		1,305,516		1,223,723	
Eliminations	(5,369)		(5,069)		(4,787)	
Total revenue	$ 11,876,674		$ 9,736,909		$ 8,584,031	
Segment EBITDA						
North America	$ 660,153	12.7%	$ 655,275	13.7%	$ 589,945	13.3%
Europe	422,721	8.1%	319,156	8.8%	283,608	9.7%
Specialty	168,525	11.4%	142,159	10.9%	131,427	10.7%

The key measure of segment profit or loss reviewed by our chief operating decision maker, who is our Chief Executive Officer, is Segment EBITDA. Segment EBITDA includes revenue and expenses that are controllable by the segment. Corporate general and administrative expenses are allocated to the segments based on usage, with shared expenses apportioned based on the segment's percentage of consolidated revenue. We calculate Segment EBITDA as EBITDA excluding restructuring and acquisition related expenses, change in fair value of contingent consideration liabilities, other gains and losses related to acquisitions, equity method investments, or divestitures, equity in losses and earnings of unconsolidated subsidiaries and impairment of goodwill. EBITDA, which is the basis for Segment EBITDA, is calculated as net income, less net income (loss) attributable to noncontrolling interest, excluding discontinued operations, depreciation, amortization, interest (which includes loss on debt extinguishment) and income tax expense. See Note 16, "Segment and Geographic Information " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for a reconciliation of total Segment EBITDA to net income.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

North America

Third Party Revenue . The following table summarizes the changes in third party revenue by category in our North America segment (in thousands):

	Year Ended December 31,		Percentage Change in Revenue			
North America	2018	2017	Organic	Acquisition [3]	Foreign Exchange	Total Change
Parts & services revenue	$ 4,558,220	$ 4,278,531	5.7% [1]	0.8%	0.0%	6.5%
Other revenue	623,744	520,370	19.6% [2]	0.3%	0.0%	19.9%
Total third party revenue	$ 5,181,964	$ 4,798,901	7.2%	0.8%	0.0%	8.0%

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) Organic growth in parts and services revenue was attributable to roughly equal impacts of favorable pricing and increased sales volumes in our wholesale operations. The volume increases were primarily driven by (i) incremental sales related to an agreement signed in December 2017 for the distribution of batteries, and (ii) to a lesser extent,

severe winter weather conditions in the first quarter of 2018 compared to mild winter weather conditions in the prior year period. Organic growth in parts and services revenue for our North America segment on a per day basis was 5.3% as there was one additional selling day in 2018 compared to 2017.

(2) The $103 million increase in other revenue primarily related to (i) a $64 million increase in revenue from scrap steel and other metals primarily related to higher prices and, to a lesser extent, increased volumes, year over year, (ii) a $24 million increase in revenue from metals found in catalytic converters (platinum, palladium, and rhodium) primarily due to higher prices and, to a lesser extent, increased volumes, year over year, and (iii) a $7 million increase in core revenue primarily related to increased volumes year over year.

(3) Acquisition related growth in 2018 reflected revenue from our acquisition of ten wholesale businesses from the beginning of 2017 up to the one-year anniversary of the acquisition dates.

Segment EBITDA . Segment EBITDA increased $5 million , or 0.7% , in 2018 compared to the prior year. Sequential increases in scrap steel prices in our salvage and self service operations had a favorable impact of $5 million on North America Segment EBITDA during the year ended December 31, 2018 , compared to a $12 million positive impact on the year ended December 31, 2017 . This favorable impact resulted from the increase in scrap steel prices between the date we purchased a vehicle, which influences the price we pay for a vehicle, and the date we scrapped a vehicle, which influences the price we receive for scrapping a vehicle.

The following table summarizes the changes in Segment EBITDA as a percentage of revenue in our North America segment:

North America	Percentage of Total Segment Revenue	
Segment EBITDA for the year ended December 31, 2017	13.7 %	
Decrease due to:		
Change in gross margin	(0.5)%	(1)
Change in segment operating expenses	(0.3)%	(2)
Change in other expense, net and net income (loss) attributable to noncontrolling interest	(0.2)%	(3)
Segment EBITDA for the year ended December 31, 2018	12.7 %	

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) The decrease in gross margin reflected unfavorable impacts of 0.3% and 0.2% from our wholesale and self service operations, respectively. The decrease in wholesale gross margin is primarily attributable to (i) a shift in our sales toward lower margin products, including batteries, compared to the prior year period, and (ii) higher car costs in our salvage operations. The decrease in self service gross margin is primarily attributable to higher car costs as a result of increases in scrap prices in the first half of the year. While higher car costs can produce more gross margin dollars, these cars tend to have a dilutive effect on the gross margin percentage as parts revenue will typically increase at a lesser rate than the rise in average car cost. Self service gross margin was negatively impacted in the second half of 2018 due to declining scrap steel prices as the higher cost vehicles were scrapped.

(2) The increase in segment operating expenses as a percentage of revenue primarily reflected (i) a 0.3% increase in vehicle expenses primarily due to increased vehicle rental leases to handle incremental volumes as well as increases in fuel prices, and (ii) a 0.2% increase in freight expenses due to a higher use of, and increased prices of, third party freight, partially offset by (iii) several individually immaterial factors that had a favorable impact of 0.1% in the aggregate.

(3) The increase in other expense, net and net income (loss) attributable to noncontrolling interest was primarily due to several individually immaterial factors that had an unfavorable impact of 0.2% in the aggregate.

Europe

Third Party Revenue . The following table summarizes the changes in third party revenue by category in our Europe segment (in thousands):

	Year Ended December 31,		Percentage Change in Revenue			
Europe	**2018**	**2017**	**Organic [1]**	**Acquisition [2]**	**Foreign Exchange [3]**	**Total Change**
Parts & services revenue	$ 5,202,231	$ 3,628,906	2.9%	36.7%	3.8 %	43.4%
Other revenue	19,523	7,905	74.2%	72.8%	(0.0)%	147.0%
Total third party revenue	$ 5,221,754	$ 3,636,811	3.1%	36.7%	3.8 %	43.6%

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) Parts and services revenue growth for the year varied by geography. In our Eastern European operations, revenue grew in the high single digits due to both existing and new branches (we added 68 since the beginning of 2017). Our Western European operations experienced slight declines to mid-single digit growth for the year due primarily to higher volumes in the second quarter of 2018 (partly attributable to the timing of the Easter holiday) offsetting softness in the remainder of the year. While we expect to achieve lower organic growth rates in these more mature markets than in Eastern Europe, our revenue growth in 2018 was negatively impacted by competitor actions, economic conditions in certain countries, such as Italy, and warmer than normal weather conditions. Organic growth in parts and services revenue for our Europe segment on a per day basis was 2.6% as there was one additional selling day in 2018 compared to 2017.

(2) Acquisition related growth for the year ended December 31, 2018 included $1.1 billion , or 30.2% , $79 million , or 2.2% , and $72 million , or 2.0% , from our acquisitions of Stahlgruber and aftermarket parts distribution businesses in Poland and Belgium, respectively. The remainder of our acquired revenue growth included revenue from our acquisitions of 20 wholesale businesses in our Europe segment since the beginning of 2017 through the one-year anniversary of the acquisitions.

(3) Compared to the prior year, exchange rates increased our revenue growth by $137 million , or 3.8% , primarily due to the weaker U.S. dollar against the pound sterling, euro and Czech koruna during 2018 relative to 2017.

Segment EBITDA . Segment EBITDA increased $104 million , or 32.4% , in 2018 compared to the prior year. Our Europe Segment EBITDA included a positive year over year impact of $15 million related to the translation of local currency results into U.S. dollars at higher exchange rates than those experienced during 2017. On a constant currency basis (i.e. excluding the translation impact), Segment EBITDA increased by $89 million , or 27.9% , compared to the prior year. Refer to the Foreign Currency Impact discussion within the Results of Operations - Consolidated section above for further detail regarding foreign currency impact on our results for the year ended December 31, 2018 .

The following table summarizes the changes in Segment EBITDA as a percentage of revenue in our Europe segment:

Europe	**Percentage of Total Segment Revenue**	
Segment EBITDA for the year ended December 31, 2017	8.8 %	
Decrease due to:		
Change in gross margin	(0.2)%	(1)
Change in segment operating expenses	(0.4)%	(2)
Change in other expense, net and net income (loss) attributable to noncontrolling interest	(0.1)%	
Segment EBITDA for the year ended December 31, 2018	8.1 %	

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) The decline in gross margin was due to (i) a 0.6% decrease related to our U.K. operations primarily as a result of incremental costs related to the national distribution facility, principally due to replenishment issues and related stock availability in the first quarter at our national distribution center and branches that led to some temporary service issues and increased labor costs to manually stock and receive product, and higher customer incentives, partially offset by increased supplier rebates, and (ii) a 0.3% net decrease due to mix related to our acquisition of an aftermarket parts

distribution business in Poland during the third quarter of 2017. The unfavorable effects were partially offset by (i) a 0.4% increase in gross margin in our Benelux operations primarily due to increased supplier rebates and the ongoing move from a three-step to a two-step distribution model, and (ii) a 0.3% favorable impact related to an increase in supplier rebates as a result of centralized procurement for our Europe segment.

(2) The increase in segment operating expenses as a percentage of revenue was primarily due to a 0.4% increase in personnel expenses principally as a result of (i) negative leverage effect, as personnel costs grew at a greater rate than organic revenue, and (ii) increased headcount in our Eastern European operations as new branches were opened, as well as wage inflation due to low unemployment in the region. Additionally, a 0.2% increase in professional fees, primarily due to new information technology projects and other system enhancements, added to the unfavorable change in segment operating expenses. The unfavorable effects were partially offset by a 0.2% decrease in freight expenses due to a decreased use of third party freight in our U.K. operations.

Specialty

Third Party Revenue . The following table summarizes the changes in third party revenue by category in our Specialty segment (in thousands):

	Year Ended December 31,		Percentage Change in Revenue			
Specialty	**2018**	**2017**	**Organic [1]**	**Acquisition [2]**	**Foreign Exchange**	**Total Change**
Parts & services revenue	$ 1,472,956	$ 1,301,197	4.6%	8.6%	0.0%	13.2%
Other revenue	—	—	—%	—%	—%	—%
Total third party revenue	$ 1,472,956	$ 1,301,197	4.6%	8.6%	0.0%	13.2%

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) Organic growth in parts and services revenue was primarily due to higher volumes across both our automotive and RV businesses, largely due to expansion of our product line coverage, strong exclusive line performance, and year over year growth of new vehicle sales of pickups, sport utility vehicles and other highly accessorized vehicles. Organic growth in parts and services revenue for our Specialty segment on a per day basis was 4.2% as there was one additional selling day in 2018 compared to 2017.

(2) Acquisition related growth in 2018 included $110 million , or 8.4% , from our acquisition of Warn through the one-year anniversary of the acquisition date. The remainder of our acquired revenue growth reflected an immaterial amount of acquired revenue from our acquisitions of three wholesale businesses from the beginning of 2017 up to the one-year anniversary of the acquisition dates.

Segment EBITDA . Segment EBITDA increased $26 million , or 18.5% , in 2018 compared to the prior year.

The following table summarizes the changes in Segment EBITDA as a percentage of revenue in our Specialty segment:

Specialty	**Percentage of Total Segment Revenue**	
Segment EBITDA for the year ended December 31, 2017	10.9 %	
Increase (decrease) due to:		
Change in gross margin	1.3 %	(1)
Change in segment operating expenses	(0.6)%	(2)
Change in other expense, net	(0.2)%	(3)
Segment EBITDA for the year ended December 31, 2018	11.4 %	

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) The increase in gross margin reflects favorable impacts of (i) 0.8% from our acquisition of Warn, which has a higher gross margin than our existing Specialty operations, and (ii) 0.6% from our initiatives to improve gross margin. The favorable effects were partially offset by 0.2% of increased inventory write-downs as damaged and defective product was identified during our warehouse expansion projects on the West Coast and in the Southeastern U.S.

(2) The increase in segment operating expenses reflects unfavorable impacts of (i) 0.3% in personnel costs primarily due to wage inflation, increased distribution expenses driven by a decreased use of third party freight and increased delivery routes to improve service levels, as well as higher employee benefit costs, (ii) 0.2% in vehicle and fuel expenses primarily due to increased fuel prices, and (iii) by several individually immaterial factors that had an unfavorable impact of 0.1% in the aggregate.

(3) The increase in other expense, net is due to several individually immaterial factors that had an unfavorable impact of 0.2% in the aggregate.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

North America

Third Party Revenue . The following table summarizes the changes in third party revenue by category in our North America segment (in thousands):

	Year Ended December 31,		Percentage Change in Revenue			
North America	**2017**	**2016**	**Organic**	**Acquisition [3]**	**Foreign Exchange**	**Total Change**
Parts & services revenue	$ 4,278,531	$ 4,009,129	3.0% [1]	3.6%	0.1%	6.7%
Other revenue	520,370	434,757	19.3% [2]	0.4%	0.0%	19.7%
Total third party revenue	$ 4,798,901	$ 4,443,886	4.6%	3.2%	0.1%	8.0%

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) Organic growth in parts and services revenue was largely attributable to increased sales volumes in our wholesale operations, primarily in our salvage operations and, to a lesser extent, our aftermarket operations. Within our salvage operations, the favorable volume impact, which was primarily related to mechanical parts, was a result of refinements to our buying algorithms. Also, an emphasis on inventorying more parts off of each car purchased contributed to the increase in the number of parts sold per vehicle. While we were able to increase parts and services revenue over the prior year, we believe the weather conditions in 2017 contributed to a lower growth rate than generated in prior years. Organic revenue growth for our North America segment was also negatively affected by one fewer selling day in 2017 compared to 2016; on a per day basis, organic revenue growth was 3.4%.

(2) The $86 million increase in other revenue primarily related to (i) a $57 million increase in revenue from scrap steel and other metals primarily related to higher prices and, to a lesser extent, increased volumes, year over year and (ii) a $25 million increase in revenue from metals found in catalytic converters (platinum, palladium, and rhodium) primarily due to higher prices, year over year.

(3) Acquisition related growth in 2017 included $92 million, or 2.1%, from our PGW autoglass acquisition. The remainder of our acquired revenue growth reflected revenue from our acquisition of 11 wholesale businesses from the beginning of 2016 up to the one-year anniversary of the acquisition dates.

Segment EBITDA . Segment EBITDA increased $65 million, or 11.1%, in 2017 compared to the prior year. Sequential increases in scrap steel prices in our salvage and self service operations benefited gross margins and had a favorable impact of $12 million on North America Segment EBITDA and approximately a $0.03 positive effect on diluted earnings per share. This favorable impact resulted from the increase in scrap steel prices between the date we purchased a vehicle, which influences the price we pay for a vehicle, and the date we scrapped a vehicle, which influences the price we receive for scrapping a vehicle.

The following table summarizes the changes in Segment EBITDA as a percentage of revenue in our North America segment:

North America	Percentage of Total Segment Revenue	
Segment EBITDA for the year ended December 31, 2016	13.3 %	
Increase (decrease) due to:		
Change in gross margin	0.6 %	(1)
Change in segment operating expenses	(0.3)%	(2)
Change in other expense, net	0.1 %	
Segment EBITDA for the year ended December 31, 2017	13.7 %	

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) The improvement in gross margin reflected a 1.1% favorable impact in our salvage operations, primarily attributable to raising revenue per car by a greater rate than car costs. Revenue per car improved due to higher volumes of parts sold per car, which was a result of refinements to our buying algorithms, an emphasis on inventorying more parts off of each car purchased, and an increase in the number of days we hold each car before it is scrapped. This improvement was partially offset by an unfavorable impact of 0.4% attributable to our aftermarket operations. Within our aftermarket operations, we experienced a 0.4% decline in gross margin primarily as a result of higher input costs from suppliers as well as decreases in net prices caused by higher customer discounts. The remaining change in gross margin was attributable to individually insignificant fluctuations in gross margin across our other North America operations.

(2) The increase in segment operating expenses as a percentage of revenue reflected (i) a 0.3% increase in personnel costs, and (ii) a 0.2% increase in freight costs driven by higher use of third party freight to handle increased volumes, partially offset by (iii) a 0.2% decrease in segment operating costs attributable to shared PGW corporate expenses incurred during 2016; these costs ceased being incurred upon the closing of the sale of the glass manufacturing business on March 1, 2017.

Europe

Third Party Revenue . The following table summarizes the changes in third party revenue by category in our Europe segment (in thousands):

	Year Ended December 31,		Percentage Change in Revenue			
Europe	2017	2016	Organic (1)	Acquisition (2)	Foreign Exchange (3)	Total Change
Parts & services revenue	$ 3,628,906	$ 2,915,841	5.3%	19.8%	(0.6)%	24.5%
Other revenue	7,905	4,629	47.6%	24.8%	(1.6)%	70.8%
Total third party revenue	$ 3,636,811	$ 2,920,470	5.3%	19.8%	(0.6)%	24.5%

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) Parts and services revenue grew organically across all of our aftermarket business units in Europe from both existing locations and new branches. In Eastern Europe and Western Europe, we added 65 and 23 branches, respectively, since the beginning of the prior year, and organic revenue growth includes revenue from those locations. Revenue at our existing locations grew primarily as a result of increased volumes and, to a lesser extent, increased prices. Organic revenue growth for our Europe segment on a per day basis was 5.7% as there was one fewer selling day in 2017 compared to 2016.

(2) Acquisition related growth for the year ended December 31, 2017 included $216 million, or 7.4%, from our acquisition of Rhiag and $141 million, or 4.8%, from our acquisition of Andrew Page. The remainder of our acquired revenue growth included revenue from our acquisitions of 23 wholesale businesses in our Europe segment since the beginning of 2016 through the one-year anniversary of the acquisitions.

(3) Compared to the prior year, exchange rates reduced our revenue growth by $18 million, or 0.6%, primarily due to the stronger U.S. dollar against the pound sterling during 2017 relative to 2016, partially offset by the weaker U.S. dollar against the euro during 2017 relative to 2016.

Segment EBITDA . Segment EBITDA increased $36 million, or 12.5%, in 2017 compared to the prior year. Our Europe Segment EBITDA included a negative year over year impact of $3 million related to the translation of local currency results into U.S. dollars at lower exchange rates than those experienced during 2016. On a constant currency basis (i.e. excluding the translation impact), Segment EBITDA increased by $39 million, or 13.7%, compared to the prior year. Refer to the Foreign Currency Impact discussion within the Results of Operations - Consolidated section above for further detail regarding foreign currency impact on our results for the year ended December 31, 2017.

The following table summarizes the changes in Segment EBITDA as a percentage of revenue in our Europe segment:

Europe	Percentage of Total Segment Revenue	
Segment EBITDA for the year ended December 31, 2016	9.7 %	
(Decrease) increase due to:		
Change in gross margin	(0.4)%	(1)
Change in segment operating expenses	(0.8)%	(2)
Change in other expense, net	0.3 %	(3)
Segment EBITDA for the year ended December 31, 2017	8.8 %	

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) The decline in gross margin was due to (i) a 0.6% decrease due to our U.K. operations primarily as a result of an increase in inventory reserves and incremental costs related to the Tamworth distribution facility, which shifted from operating expenses to cost of goods sold when the facility went live, (ii) a 0.3% decrease due to an unfavorable mix impact as a result of generating a higher proportion of our revenue from our Rhiag operations, which have lower gross margins than our other Europe operations, (iii) a 0.3% decrease due to an acquisition in Eastern Europe during the year which has lower gross margins than our other Europe operations, partially offset by (iv) a 0.6% increase in gross margin in our Benelux operations primarily due to increased private label sales, which have higher gross margins, and (v) a 0.2% increase due to a favorable impact related to an increase in supplier rebates as a result of centralized procurement for our Europe segment. The remaining change in gross margin was attributable to individually insignificant fluctuations in gross margin across our other Europe operations.

(2) The increase in segment operating expenses as a percentage of revenue reflected (i) an increase of 0.8% in operating expenses as a result of the acquisition of Andrew Page, which has higher operating expenses as a percentage of revenue than our other Europe operations and (ii) an increase of 0.4% in operating expenses in our Benelux operations, primarily due to increased personnel costs related to distribution, partially offset by (iii) a 0.2% favorable mix impact due to our acquisition of Rhiag, which has lower operating expenses as a percentage of revenue than our other Europe operations. The remaining decrease in segment operating expenses reflected a number of individually insignificant fluctuations in operating expenses as a percentage of revenue.

(3) Approximately half of the decrease in other expense, net was due to the impact of foreign currency transaction gains and losses, primarily due to unrealized mark-to-market gains and losses on foreign currency forward contracts used to hedge the purchases of inventory in our U.K. operations, which were favorable in 2017 relative to the prior year. The remaining decrease in other expense, net reflected a number of individually insignificant fluctuations in other expense, net as a percentage of revenue.

Specialty

Third Party Revenue . The following table summarizes the changes in third party revenue by category in our Specialty segment (in thousands):

	Year Ended December 31,		Percentage Change in Revenue			
Specialty	**2017**	**2016**	**Organic [1]**	**Acquisition [2]**	**Foreign Exchange**	**Total Change**
Parts & services revenue	$ 1,301,197	$ 1,219,675	4.7%	1.9%	0.1%	6.7%
Other revenue	—	—	—%	—%	—%	—%
Total third party revenue	$ 1,301,197	$ 1,219,675	4.7%	1.9%	0.1%	6.7%

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) Organic growth in parts & services revenue was driven by increased sales volumes of Truck, Towing and RV parts sales. This organic growth was fueled by favorable economic conditions in most of our primary selling regions, as well as increased sales volumes of light trucks and RVs. Organic revenue growth for our Specialty segment on a per day basis was 5.1%, as there was one fewer selling day in 2017 compared to 2016.

(2) Acquisition related growth in 2017 included $20 million, or 1.7%, from our acquisition of Warn. The remainder of our acquired revenue growth reflected revenue from our acquisition of 3 wholesale businesses from the beginning of 2016 up to the one-year anniversary of the acquisition dates.

Segment EBITDA . Segment EBITDA increased $11 million, or 8.2%, in 2017 compared to the prior year.

The following table summarizes the changes in Segment EBITDA as a percentage of revenue in our Specialty segment:

Specialty	**Percentage of Total Segment Revenue**	
Segment EBITDA for the year ended December 31, 2016	10.7 %	
(Decrease) increase due to:		
Change in gross margin	(0.5)%	(1)
Change in segment operating expenses	0.8 %	(2)
Change in other expense, net	(0.1)%	
Segment EBITDA for the year ended December 31, 2017	10.9 %	

Note: In the table above, the sum of the individual percentages may not equal the total due to rounding.

(1) The decline in gross margin primarily reflected a 0.5% decrease due to higher overhead costs in inventory, which was driven by warehouse costs for two new distribution centers that became fully functional in 2016.

(2) The decrease in segment operating expenses reflected (i) favorable facility expenses of 0.7% primarily related to the integration of The Coast Distribution System, Inc. ("Coast") facilities and (ii) favorable personnel costs of 0.2% as a result of synergies realized on the integration of Coast facilities.

Liquidity and Capital Resources

The following table summarizes liquidity data as of the dates indicated (in thousands):

	December 31, 2018	December 31, 2017
Cash and cash equivalents	$ 331,761	$ 279,766
Total debt [1]	4,347,697	3,428,280
Current maturities [2]	122,117	129,184
Capacity under credit facilities [3]	3,260,000	2,850,000
Availability under credit facilities [3]	1,697,698	1,395,081
Total liquidity (cash and cash equivalents plus availability under credit facilities)	2,029,459	1,674,847

(1) Debt amounts reflect the gross values to be repaid (excluding debt issuance costs of $37 million and $24 million as of December 31, 2018 and December 31, 2017 , respectively).

(2) Debt amounts reflect the gross values to be repaid (excluding an immaterial amount of debt issuance costs as of December 31, 2018 and $3 million as of December 31, 2017).

(3) Capacity under credit facilities includes our revolving credit facilities and our receivables securitization facility. Availability under credit facilities is reduced by our outstanding letters of credit.

We assess our liquidity in terms of our ability to fund our operations and provide for expansion through both internal development and acquisitions. Our primary sources of liquidity are cash flows from operations and our credit facilities. We utilize our cash flows from operations to fund working capital and capital expenditures, with the excess amounts going towards funding acquisitions or paying down outstanding debt. As we have pursued acquisitions as part of our growth strategy, our cash flows from operations have not always been sufficient to cover our investing activities. To fund our acquisitions, we have accessed various forms of debt financing, including revolving credit facilities, senior notes and our receivables securitization facility.

As of December 31, 2018 , we had debt outstanding and additional available sources of financing as follows:

- Senior secured credit facilities maturing in January 2024, composed of term loans totaling $350 million ($350 million outstanding at December 31, 2018) and $3.15 billion in revolving credit ($1.4 billion outstanding at December 31, 2018), bearing interest at variable rates (although a portion of the outstanding debt is hedged through interest rate swap contracts), with availability reduced by $65 million of amounts outstanding under letters of credit
- U.S. Notes (2023) totaling $600 million , maturing in May 2023 and bearing interest at a 4.75% fixed rate
- Euro Notes (2024) totaling $ 573 million (€500 million), maturing in April 2024 and bearing interest at a 3.875% fixed rate
- Euro Notes (2026/28) totaling $1.1 billion (€1.0 billion), consisting of (i) €750 million maturing in April 2026 and bearing interest at a 3.625% fixed rate, and (ii) €250 million maturing in April 2028 and bearing interest at a 4.125% fixed rate
- Receivables securitization facility with availability up to $110 million ($110 million outstanding as of December 31, 2018), maturing in November 2021 and bearing interest at variable commercial paper rates

From time to time, we may undertake financing transactions to increase our available liquidity, such as (i) our November 2018 amendment to our senior secured credit facility and (ii) the issuance of the Euro Notes (2026/28) in April 2018 related to the Stahlgruber acquisition. Given the long-term nature of our investment in Stahlgruber, combined with favorable interest rates, we decided to fund the acquisition primarily through long-term, fixed rate notes. We believe this approach provides financial flexibility to execute our long-term growth strategy while maintaining availability under our revolver. If we see an attractive acquisition opportunity, we have the ability to use our revolver to move quickly and have certainty of funding up to the amount of our then-available liquidity.

The enterprise value for the Stahlgruber acquisition was €1.5 billion, which was financed with the proceeds from the €1.0 billion of Euro Notes (2026/28), the direct issuance to Stahlgruber's owner of 8,055,569 newly issued shares of LKQ common stock, and borrowings under our existing revolving credit facility.

As of December 31, 2018 , we had approximately $1.7 billion available under our credit facilities. Combined with approximately $332 million of cash and cash equivalents at December 31, 2018 , we had approximately $2.0 billion in available liquidity, an increase of $355 million over our available liquidity as of December 31, 2017 .

We believe that our current liquidity and cash expected to be generated by operating activities in future periods will be sufficient to meet our current operating and capital requirements, although such sources may not be sufficient for future acquisitions depending on their size. While we believe that we have adequate capacity, from time to time we may need to raise additional funds through public or private financing, strategic relationships or other arrangements, as noted above regarding the Stahlgruber transaction. There can be no assurance that additional funding, or refinancing of our credit facilities, if needed, will be available on terms attractive to us, or at all. Furthermore, any additional equity financing may be dilutive to stockholders, and debt financing, if available, may involve restrictive covenants or higher interest costs. Our failure to raise capital if and when needed could have a material adverse impact on our business, operating results, and financial condition.

Borrowings under the credit agreement accrue interest at variable rates which are tied to the LIBOR or the Canadian Dollar Offered Rate ("CDOR"), depending on the currency and the duration of the borrowing, plus an applicable margin rate

which is subject to change quarterly based on our reported leverage ratio. We hold interest rate swaps to hedge the variable rates on a portion of our credit agreement borrowings, with the effect of fixing the interest rates on the respective notional amounts. In addition, in 2016 and 2018, we entered into cross currency swaps that contain an interest rate swap component and a foreign currency forward contract component that, when combined with related intercompany financing arrangements, effectively convert variable rate U.S. dollar-denominated borrowings into fixed rate euro-denominated borrowings. These derivative transactions are described in Note 11, "Derivative Instruments and Hedging Activities " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K. After giving effect to these contracts, the weighted average interest rate on borrowings outstanding under our credit agreement at December 31, 2018 was 1.9% . Including our senior notes and the borrowings under our receivables securitization program, our overall weighted average interest rate on borrowings was 3.1% at December 31, 2018 .

Cash interest payments were $138 million for the year ended December 31, 2018 , including $52 million in semi-annual interest payments on our U.S. Notes (2023) and our Euro Notes (2024). Interest payments on our U.S. Notes (2023) are made in May and November, and interest payments on our Euro Notes (2024) are scheduled for April and October. Beginning in the fourth quarter of 2018, we began making semi-annual interest payments of $22 million on our Euro Notes (2026/28). Interest payments on our Euro Notes (2026/28) are made in April and October.

We had outstanding credit agreement borrowings of $1.7 billion and $2.0 billion at December 31, 2018 and December 31, 2017 , respectively. Of these amounts, $9 million and $18 million was classified as current maturities at December 31, 2018 and 2017 , respectively.

The scheduled maturities of long-term obligations outstanding at December 31, 2018 are as follows (in thousands):

Years ending December 31:		
2019	$	122,117
2020		49,193
2021		137,192
2022		24,410
2023		621,560
Thereafter		3,393,225
Total debt [1]	$	4,347,697

(1) The total debt amounts presented above reflect the gross values to be repaid (excluding debt issuance costs of $37 million as of December 31, 2018).

Our credit agreement contains customary covenants that provide limitations and conditions on our ability to enter into certain transactions. The credit agreement also contains financial and affirmative covenants, including limitations on our net leverage ratio and a minimum interest coverage ratio. We were in compliance with all restrictive covenants under our credit agreement as of December 31, 2018 .

The following summarizes our required debt covenants and our actual ratios with respect to those covenants as calculated per the credit agreement as of December 31, 2018:

	Covenant Level	Ratio Achieved as of December 31, 2018
Maximum net leverage ratio	4.5:1.0	2.9
Minimum interest coverage ratio	3.0:1.0	9.0

The terms net leverage ratio and minimum interest coverage ratio used in the credit agreement are specifically calculated per the credit agreement and differ in specified ways from comparable GAAP or common usage terms.

As of December 31, 2018 , the Company had cash and cash equivalents of $332 million , of which $274 million was held by foreign subsidiaries. In general, it is our practice and intention to permanently reinvest the undistributed earnings of our foreign subsidiaries, and that position has not changed following the enactment of the Tax Act and the related imposition of the transition tax. Distributions of dividends from our foreign subsidiaries, if any, would be generally exempt from further U.S. taxation, either as a result of the new 100% participation exemption under the Tax Act, or due to the previous taxation of

foreign earnings under the transition tax. In July 2018, to lower our average borrowing cost, we elected to unwind several financing entities in Europe, restructure and increase related Europe borrowings and repatriate cash to reduce U.S. borrowings.

We believe that we have sufficient cash flow and liquidity to meet our financial obligations in the U.S. without repatriating our foreign earnings. We may, from time to time, choose to selectively repatriate foreign earnings if doing so supports our financing or liquidity objectives. As a result of the Tax Act, we had significantly lower income tax payments in 2018 due to the lower tax rate and the immediate deduction of capital expenditures, partially offset by the first payment with respect to the transition tax.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

The procurement of inventory is the largest operating use of our funds. We normally pay for aftermarket product purchases at the time of shipment or on standard payment terms, depending on the manufacturer and the negotiated payment terms. We normally pay for salvage vehicles acquired at salvage auctions and under direct procurement arrangements at the time that we take possession of the vehicles.

The following table sets forth a summary of our aftermarket and manufactured inventory procurement for the years ended December 31, 2018 and 2017 (in thousands):

	Year Ended December 31,					
	2018		2017		Change	
North America	$	1,393,700	$	1,367,600	$ 26,100	(1)
Europe		3,635,400		2,355,300	1,280,100	(2)
Specialty		1,087,600		1,006,600	81,000	(3)
Total	$	6,116,700	$	4,729,500	$ 1,387,200	

(1) In North America, aftermarket purchases during the year ended December 31, 2018 increased compared to the comparable prior year period to support growth across our operations.

(2) In our Europe segment, the increase in purchases during the year ended December 31, 2018 was primarily driven by (i) an $821 million increase attributable to inventory purchases at Stahlgruber from the date of acquisition through December 31, 2018 , (ii) a $181 million increase primarily attributable to our Eastern Europe operations, of which $73 million was due to incremental inventory purchases in the first seven months of 2018 as a result of our acquisition of an aftermarket parts distribution business in Poland in the third quarter of 2017; the remaining increase was primarily due to branch expansion in Eastern Europe, and (iii) a $146 million increase in purchases at our Benelux operations, of which $41 million was attributable to incremental inventory purchases in the first six months of 2018 as a result of our acquisitions of aftermarket parts distribution businesses in Belgium in the third quarter of 2017. There was also an increase of $88 million in inventory purchases driven by the increase in the value of the euro and pound sterling in 2018 compared to 2017.

(3) In our Specialty segment, the acquisition of Warn in November 2017 added incremental purchases of $71 million during the year ended December 31, 2018 , which includes purchases of aftermarket inventory and raw materials used in the manufacturing of specialty products. Specialty inventory purchases also increased during the year ended December 31, 2018 compared to the prior year to support growth in our operations.

The following table sets forth a summary of our global wholesale salvage and self service procurement for the years ended December 31, 2018 and 2017 (in thousands):

	Year Ended December 31,			
	2018	2017	% Change	
North America wholesale salvage cars and trucks	310	310	—%	
Europe wholesale salvage cars and trucks	28	25	12.0%	
Self service and "crush only" cars	562	542	3.7%	(1)

(1) Compared to the prior year, we have increased the number of self service and "crush only" vehicles purchased in 2018 to support growth in our operations.

The following table summarizes the components of the year-over-year increase in cash provided by operating activities (in millions):

Net cash provided by operating activities for the year ended December 31, 2017	$ 519	
Increase (decrease) due to: [1]		
Operating income	37	[2]
Non-cash depreciation and amortization expense	64	[3]
Impairment of goodwill	33	[4]
Cash paid for taxes	73	
Cash paid for interest	(42)	
Working capital accounts: [5]		
Accounts receivable	39	
Inventory	72	
Accounts payable	(103)	[6]
Pension funding	(9)	[7]
Other operating activities	28	[8]
Net cash provided by operating activities for the year ended December 31, 2018	$ 711	

(1) Other than discontinued operations, the amounts presented represent increases (decreases) in operating cash flows attributable to our continuing operations only.

(2) Refer to the Results of Operations - Consolidated section for further information on the increase in operating income.

(3) Non-cash depreciation and amortization expense increased compared to the prior year period as discussed in the Results of Operations - Consolidated section.

(4) In the fourth quarter of 2018, we recorded an impairment charge on the goodwill in our Aviation reporting unit. See Note 4, "Summary of Significant Accounting Policies" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information on the impairment charge.

(5) Cash flows related to our primary working capital accounts can be volatile as the purchases, payments and collections can be timed differently from period to period and can be influenced by factors outside of our control.

(6) Includes an outflow of $116 million related to Stahlgruber, primarily resulting from the timing of the acquisition. Due to the timing of processing invoice payments after the closing date, we assumed a larger payable balance but acquired more cash at closing. However, the cash acquired at closing is reflected in the Investing section of the cash flow statement on the Acquisitions, net of cash acquired line.

(7) During the year ended December 31, 2018 , we made a special contribution of $9 million to one of our North America pension plans. See Note 14, "Employee Benefit Plans" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information on our pension plans.

(8) Reflects a number of individually insignificant fluctuations in cash paid for other operating activities.

Net cash used in investing activities totaled $1.5 billion for the year ended December 31, 2018 , compared to $385 million of cash used in investing activities during the year ended December 31, 2017 . We invested $1.2 billion of cash, net of cash acquired, in business acquisitions during the year ended December 31, 2018 compared to $513 million during the year ended December 31, 2017 . We received net proceeds from the sale of our glass manufacturing business totaling $301 million during the year ended December 31, 2017 ; no such proceeds were received in 2018. Property, plant and equipment purchases were $250 million in 2018 compared to $179 million in the prior year. The period over period increase in cash outflows for purchases of property, plant and equipment was primarily related to our North America and Europe segments. We had $28 million of proceeds from the disposals of property, plant and equipment in 2018 compared to $9 million in the prior year; the increase was primarily related to our North America segment. We invested $60 million in unconsolidated subsidiaries in 2018 compared to $8 million in the prior year, primarily due to the $48 million Mekonomen rights issue in the fourth quarter of 2018; there was no rights offering in 2017. During the year ended December 31, 2018, we received $37 million of deferred purchase price proceeds on receivables under our factoring arrangement that was acquired in our Stahlgruber acquisition; no such proceeds were received in 2017. The arrangement was subsequently terminated in December 2018.

Net cash provided by financing activities totaled $883 million for the year ended December 31, 2018 , compared to net cash used in financing activities of $113 million during the year ended December 31, 2017 . We received proceeds of $1.2 billion from our issuance of the Euro Notes (2026/28) during the year ended December 31, 2018 ; no such proceeds were received in the prior year. We repurchased $60 million of our common stock during 2018 following the Board of Directors' authorization of a stock repurchase program in October 2018; we did not repurchase any common stock during 2017. We also paid $21 million of debt issuance costs during 2018 , primarily related to the issuance of the Euro Notes (2026/28), compared to $4 million paid during 2017 in connection with our December 2017 amendment of our credit facilities. During the year ended December 31, 2018 , net repayments under our credit facilities totaled $206 million compared to $135 million during the year ended December 31, 2017 . There were $12 million of cash repayments of other debt in 2018 , compared to $20 million of cash proceeds from other debt in 2017 . There was $42 million of cash paid for Stahlgruber's assumed debt that matured in 2018, and $13 million of cash paid for notes issued related to our acquisitions of an aftermarket parts distribution businesses in Belgium in the third quarter of 2017.

During the year ended December 31, 2018 , foreign exchange rates decreased cash, cash equivalents and restricted cash by $77 million , compared to an increase of $24 million in the prior year. The current year impact was primarily related to a $66 million decrease resulting from the decline in the euro exchange rate between April 9, 2018, the date we received the proceeds from the Euro Notes (2026/28), and May 30, 2018, the date we paid the cash proceeds for the Stahlgruber acquisition.

We intend to continue to evaluate markets for potential growth through the internal development of distribution centers, processing and sales facilities, and warehouses, through further integration of our facilities, and through selected business acquisitions. Our future liquidity and capital requirements will depend upon numerous factors, including the costs and timing of our internal development efforts and the success of those efforts, the costs and timing of expansion of our sales and marketing activities, and the costs and timing of future business acquisitions.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

The following table sets forth a summary of our aftermarket and manufactured inventory procurement for 2017 and 2016 (in thousands):

	Year Ended December 31,			
	2017	2016	Change	
North America	$ 1,367,600	$ 1,198,556	$ 169,044	(1)
Europe	2,355,300	2,012,804	342,496	(2)
Specialty	1,006,600	934,119	72,481	(3)
Total	$ 4,729,500	$ 4,145,479	$ 584,021	

(1) In North America, aftermarket purchases during the year ended December 31, 2017 increased compared to the prior year as we decided to expand our inventory as a result of procurement initiatives to support growth across our operations. The remaining increase is primarily as a result of our acquisition of PGW autoglass in April 2016, which added incremental purchases of $72 million in 2017.

(2) In our Europe segment, the increase in purchases during the year ended December 31, 2017 is primarily related to our acquisition of Rhiag in March 2016, which added incremental purchases of $181 million in 2017. Purchases for our U.K. operations increased in 2017 compared to the prior year primarily as a result of our acquisition of Andrew Page in October 2016, which added incremental purchases of $107 million in 2017, partially offset by the devaluation of the pound sterling in 2017 compared to the prior year. Purchases for our Benelux operations increased by $71 million in 2017 compared to the prior year primarily as a result of our acquisition of the aftermarket parts distribution businesses in Belgium in July 2017, which had purchases of $46 million in 2017. The remaining increase in our Benelux operations was primarily due to incremental inventory purchases to achieve supplier purchase rebates.

(3) The increase in Specialty inventory purchases during 2017 compared to the prior year is primarily due to increased sales volumes for Truck, Towing and RV parts. Additionally, the acquisition of Warn in November 2017 added incremental purchases of $11 million, which includes purchases of aftermarket inventory and raw materials used in the manufacturing of specialty products.

The following table sets forth a summary of our global salvage and self service procurement for 2017 and 2016 (in thousands):

	Year Ended December 31,			
	2017	2016	% Change	
North America wholesale salvage cars and trucks	310	291	6.5%	(1)
Europe wholesale salvage cars and trucks	25	23	8.7%	
Self service and "crush only" cars	542	524	3.4%	(2)

(1) The number of salvage cars and trucks purchased during the year ended December 31, 2017 increased primarily due to a decision to increase the number of salvage cars and trucks dismantled compared to the prior year.

(2) With the increase in scrap prices compared to the prior year period, we have increased the number of self service and "crush only" vehicles purchased.

The following table summarizes the components of the year-over-year decrease in cash provided by operating activities (in millions):

Net cash provided by operating activities for the year ended December 31, 2016	$ 635	
Increase (decrease) due to:	(1)	
Discontinued operations	(68)	(2)
Operating income	82	(3)
Non-cash depreciation and amortization expense	32	(4)
Cash paid for taxes	(43)	(5)
Cash paid for interest	(10)	(6)
Working capital accounts:	(7)	
Inventory	(133)	(8)
Accounts payable	8	
Accounts receivable	27	
Other operating activities	(11)	(9)
Net cash provided by operating activities for the year ended December 31, 2017	$ 519	

(1) Other than discontinued operations, the amounts presented represent increases (decreases) in operating cash flows attributable to our continuing operations only.

(2) Represents the change in cash flows for our glass manufacturing business, which was acquired in April 2016 and disposed of on March 1, 2017.

(3) During 2017, our operating income increased compared to the prior year due to both acquisition related growth and organic growth.

(4) Non-cash depreciation and amortization expense increased compared to the prior year as discussed in the Results of Operations - Consolidated section.

(5) Cash paid for taxes increased during 2017 compared to the prior year as a result of growth in the business from both organic growth and acquisitions, and the timing of tax payments.

(6) Cash paid for interest increased compared to the prior year primarily as a result of interest payments related to our Euro Notes (2024), which were issued in April 2016. In the prior year, we made one semi-annual interest payment related to these notes, whereas in 2017 we made two semi-annual interest payments.

(7) Cash flows related to our primary working capital accounts can be volatile as the purchases, payments and collections can be timed differently from period to period and can be influenced by factors outside of our control. However, we expect that the net change in these working capital items will generally be a cash outflow as we expect to grow our business each year.

(8) The period over period increase in cash outflows for inventory was primarily related to our North America segment as described in the procurement section above.

(9) Reflects a number of individually insignificant fluctuations in cash paid for other operating activities.

Net cash used in investing activities totaled $385 million for the year ended December 31, 2017, compared to $1.7 billion in 2016. We invested $513 million of cash, net of cash acquired, in business acquisitions during 2017 compared to $1.3 billion in 2016, which included $601 million for our Rhiag acquisition and $662 million for our PGW acquisition. We received proceeds from the sale of our glass manufacturing business totaling $301 million in 2017; no such proceeds were received in 2016. We paid $8 million for investments in unconsolidated subsidiaries in 2017, compared to cash payments of $186 million in 2016, primarily related to our investment in Mekonomen. In 2016, we entered into foreign currency contracts to fund the purchase price of the Rhiag acquisition, which generated $18 million of cash proceeds; we had no such contracts in 2017. Property, plant and equipment purchases were $179 million in the year ended December 31, 2017 compared to $207 million in the prior year. The period over period decrease in cash outflows for purchases of property, plant and equipment was primarily related to our discontinued operations (down $21 million compared to the prior year), Europe and Specialty segments, partially offset by an increase in our North America segment.

Net cash used in financing activities totaled $113 million for the year ended December 31, 2017, compared to $1.2 billion provided by financing activities during 2016. During 2017, net repayments under our credit facilities totaled $135 million, as we used the proceeds from the sale of our glass manufacturing business and cash flows from operations to repay outstanding revolver borrowings; during 2016, we had net borrowings of $1.3 billion primarily to fund our acquisitions. In April 2016, we issued the Euro Notes (2024) generating proceeds of $563 million. The proceeds from the Euro Notes (2024) were used to repay a portion of the borrowings on the revolving credit facility. Additionally, we repaid $543 million of Rhiag acquired debt and debt related liabilities during 2016. In connection with our December 2017 amendment of our credit facilities, we paid $4 million of debt issuance costs; in 2016, we paid $17 million of debt issuance costs related to our January and December 2016 amendments of our credit facilities, our April 2016 issuance of the Euro Notes (2024), and our November 2016 amendment to our receivables securitization facility. There were $18 million of cash proceeds from other debt in 2017, compared to $33 million in 2016. Cash provided by other financing activities totaled $7 million in 2017, primarily as a result of proceeds from the sale of noncontrolling interest; no such activity occurred in 2016.

Off-Balance Sheet Arrangements and Future Commitments

We do not have any off-balance sheet arrangements or undisclosed borrowings or debt that would be required to be disclosed pursuant to Item 303 of Regulation S-K under the Securities Exchange Act of 1934. Additionally, we do not have any synthetic leases.

The following table represents our future commitments under contractual obligations as of December 31, 2018 (in millions):

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Contractual obligations					
Long-term debt [1]	$ 5,093.4	$ 260.7	$ 459.3	$ 899.7	$ 3,473.7
Capital lease obligations [2]	53.7	10.7	16.6	8.3	18.1
Operating leases [3]	1,828.5	294.3	466.8	290.2	777.2
Purchase obligations [4]	645.6	530.3	115.3	—	—
Other long-term obligations [5]	297.9	163.8	85.3	23.2	25.6
Total	$ 7,919.1	$ 1,259.8	$ 1,143.3	$ 1,221.4	$ 4,294.6

(1) Our long-term debt under contractual obligations above includes interest of $786 million on the balances outstanding as of December 31, 2018. The long-term debt balance excludes debt issuance costs, as these expenses have already been paid. Interest on our senior notes, notes payable, and other long-term debt is calculated based on the respective stated rates. Interest on our variable rate credit facilities is calculated based on the weighted average rates, including the impact of interest rate swaps through their respective expiration dates, in effect for each tranche of borrowings as of December 31, 2018. Future estimated interest expense for the next year, one to three years, and three to five years is $147 million, $288 million and $261 million, respectively. Estimated interest expense beyond five years is $90 million.

(2) Interest on capital lease obligations of $14 million is included based on incremental borrowing or implied rates. Future estimated interest expense for the next year, one to three years, and three to five years is $2 million, $2 million and $1 million, respectively. Estimated interest expense beyond five years is $9 million.

(3) The operating lease payments above do not include certain tax, insurance and maintenance costs, which are also required contractual obligations under our operating leases but are generally not fixed and can fluctuate from year to year.

(4) Our purchase obligations include open purchase orders for aftermarket inventory.

(5) Our other long-term obligations consist of estimated payments for our self-insurance reserves of $94 million, outstanding letters of credit of $65 million, and outstanding estimated payments of $33 million on the repatriation of earnings as a result of the Tax Act, with the remaining $106 million representing primarily other asset purchase commitments and payments for deferred compensation plans.

The table above excludes amounts related to our defined benefit pension plans. As of December 31, 2018, the projected benefit obligation for our defined benefit pension plans was $201 million , and the fair value of the related plan assets was $92 million . Total expected contributions to our pension plans, including amounts that we expect to pay in benefits directly to participants, are $4 million for the year ended December 31, 2019. Benefit payments for our funded plans will be made from plan assets, whereas benefit payments for our unfunded plans are made from cash flows from operating activities. See Note 14, "Employee Benefit Plans " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information related to our pension plans, including information related to expected benefit payments for the next 10 years and the plan assets available to satisfy those benefit payments.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks arising from adverse changes in:

- foreign exchange rates;
- interest rates; and
- commodity prices.

Foreign Exchange Rates

Foreign currency fluctuations may impact the financial results we report for the portions of our business that operate in functional currencies other than the U.S. dollar. Our operations outside of the U.S. represented 47.9% and 41.8% of our revenue during 2018 and 2017 , respectively. An increase or decrease in the strength of the U.S. dollar against these currencies by 10% would result in a 4.8% change in our consolidated revenue and a 2.9% change in our operating income for the year ended December 31, 2018 . See our Results of Operations discussion in Part II, Item 7 of this Annual Report on Form 10-K for additional information regarding the impact of fluctuations in exchange rates on our year over year results.

Additionally, we are exposed to foreign currency fluctuations with respect to the purchase of aftermarket products from foreign countries, primarily in Europe and Asia. To the extent that our inventory purchases are not denominated in the functional currency of the purchasing location, we are exposed to exchange rate fluctuations. In several of our operations, we purchase inventory from manufacturers in Taiwan in U.S. dollars, which exposes us to fluctuations in the relationship between the local functional currency and the U.S. dollar, as well as fluctuations between the U.S. dollar and the Taiwan dollar. We hedge our exposure to foreign currency fluctuations related to a portion of inventory purchases in our Europe operations, but the notional amount and fair value of these foreign currency forward contracts at December 31, 2018 were immaterial. We do not currently attempt to hedge foreign currency exposure related to our foreign currency denominated inventory purchases in our North America operations, and we may not be able to pass on any resulting price increases to our customers.

Other than with respect to a portion of our foreign currency denominated inventory purchases, we do not hold derivative contracts to hedge foreign currency risk. Our net investment in foreign operations is partially hedged by the foreign currency denominated borrowings we use to fund foreign acquisitions; however, our ability to use foreign currency denominated borrowings to finance our foreign operations may be limited based on local tax laws. We have elected not to hedge the foreign currency risk related to the interest payments on foreign borrowings as we generate cash flows in the local currencies that can be used to fund debt payments. As of December 31, 2018 , we had outstanding borrowings of €500 million under our Euro Notes (2024), €1.0 billion under our Euro Notes (2026/28), and £290 million, €163 million, CAD $130 million, and SEK 275 million under our revolving credit facilities. As of December 31, 2017 , we had outstanding borrowings of €500 million under our Euro Notes (2024), and £124 million, CAD $130 million, SEK 250 million, and €132 million under our

revolving credit facilities. The interest payments on our €1.0 billion Euro Notes (2026/28) are funded primarily by cash flows generated by Stahlgruber.

Interest Rates

Our results of operations are exposed to changes in interest rates primarily with respect to borrowings under our credit facilities, where interest rates are tied to the prime rate, LIBOR or CDOR. Therefore, we implemented a policy to manage our exposure to variable interest rates on a portion of our outstanding variable rate debt instruments through the use of interest rate swap contracts. These contracts convert a portion of our variable rate debt to fixed rate debt, matching the currency, effective dates and maturity dates to specific debt instruments. Net interest payments or receipts from interest rate swap contracts are included as adjustments to interest expense. All of our interest rate swap contracts have been executed with banks that we believe are creditworthy (Wells Fargo Bank, N.A.; Bank of America, N.A.; Citizens, N.A.; HSBC Bank USA, N.A.; and Banco Bilbao Vizcaya Argentaria, S.A.).

As of December 31, 2018 , we held eight interest rate swap contracts representing a total of $480 million of U.S. dollar-denominated notional amount debt. Our interest rate swap contracts are designated as cash flow hedges and modify the variable rate nature of that portion of our variable rate debt. These swaps have maturity dates ranging from January 2021 through June 2021. As of December 31, 2018 , the fair value of the interest rate swap contracts was an asset of $15 million . The values of such contracts are subject to changes in interest rates.

In addition to these interest rate swaps, as of December 31, 2018 we held five cross currency swap agreements for a total notional amount of $574 million (€530 million) with maturity dates in October 2019, October 2020, and January 2021. These cross currency swaps contain an interest rate swap component and a foreign currency forward contract component that, combined with related intercompany financing arrangements, effectively convert variable rate U.S. dollar-denominated borrowings into fixed rate euro-denominated borrowings. The swaps are intended to reduce uncertainty in cash flows in U.S. dollars and euros in connection with intercompany financing arrangements. The cross currency swaps were also executed with banks we believe are creditworthy (Wells Fargo Bank, N.A.; Bank of America, N.A.; MUFG Bank, Ltd. ("MUFG") (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.); and SunTrust Bank). As of December 31, 2018 , the fair value of the interest rate swap components of the cross currency swaps was an asset of $7 million and a liability of $1 million, and the fair value of the foreign currency forward components was an asset of $1 million and a liability of $40 million. The values of these contracts are subject to changes in interest rates and foreign currency exchange rates.

In total, we had 57% of our variable rate debt under our credit facilities at fixed rates at December 31, 2018 compared to 48% at December 31, 2017 . See Note 10, "Long-Term Obligations " and Note 11, "Derivative Instruments and Hedging Activities " to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

At December 31, 2018 , we had approximately $ 793 million of variable rate debt that was not hedged. Using sensitivity analysis, a 100 basis point movement in interest rates would change interest expense by $8 million over the next twelve months.

Commodity Prices

We are exposed to market risk related to price fluctuations in scrap metal and other metals. Market prices of these metals affect the amount that we pay for our inventory and the revenue that we generate from sales of these metals. As both our revenue and costs are affected by the price fluctuations, we have a natural hedge against the changes. However, there is typically a lag between the effect on our revenue from metal price fluctuations and inventory cost changes, and there is no guarantee that the vehicle costs will decrease or increase at the same rate as the metals prices. Therefore, we can experience positive or negative gross margin effects in periods of rising or falling metals prices, particularly when such prices move rapidly. Additionally, if market prices were to change at a greater rate than our vehicle acquisition costs, we could experience a positive or negative effect on our operating margin. The average of scrap metal prices for 2018 has increased 18% over the average for 2017 .

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of LKQ Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of LKQ Corporation and subsidiaries (the "Company") as of December 31, 2018 and 2017 , the related consolidated statements of income, comprehensive income, cash flows, and stockholders' equity, for each of the three years in the period ended December 31, 2018 , and the related notes and the financial statement schedule listed in the Index at Item 15. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017 , and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018 , in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018 , based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2019 , expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
March 1, 2019

We have served as the Company's auditor since 1998.

LKQ CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income
(In thousands, except per share data)

	Year Ended December 31,		
	2018	2017	2016
Revenue	$ 11,876,674	$ 9,736,909	$ 8,584,031
Cost of goods sold	7,301,817	5,937,286	5,232,328
Gross margin	4,574,857	3,799,623	3,351,703
Selling, general and administrative expenses (1), (2)	3,352,731	2,715,407	2,359,110
Restructuring and acquisition related expenses	32,428	19,672	37,762
Impairment of goodwill	33,244	—	—
Depreciation and amortization	274,213	219,546	191,433
Operating income	882,241	844,998	763,398
Other expense (income):			
Interest expense	146,377	101,640	88,263
Loss on debt extinguishment	1,350	456	26,650
Gains on foreign exchange contracts - acquisition related	—	—	(18,342)
Gains on bargain purchases	(2,418)	(3,870)	(8,207)
Interest income and other income, net (2)	(6,499)	(19,855)	(2,247)
Total other expense, net	138,810	78,371	86,117
Income from continuing operations before provision for income taxes	743,431	766,627	677,281
Provision for income taxes	191,395	235,560	220,566
Equity in (losses) earnings of unconsolidated subsidiaries	(64,471)	5,907	(592)
Income from continuing operations	487,565	536,974	456,123
Net (loss) income from discontinued operations	(4,397)	(6,746)	7,852
Net income	483,168	530,228	463,975
Less: net income (loss) attributable to noncontrolling interest	3,050	(3,516)	—
Net income attributable to LKQ stockholders	$ 480,118	$ 533,744	$ 463,975
Basic earnings per share: (3)			
Income from continuing operations	$ 1.55	$ 1.74	$ 1.49
Net (loss) income from discontinued operations	(0.01)	(0.02)	0.03
Net income	1.54	1.72	1.51
Less: net income (loss) attributable to noncontrolling interest	0.01	(0.01)	—
Net income attributable to LKQ stockholders	$ 1.53	$ 1.73	$ 1.51
Diluted earnings per share: (3)			
Income from continuing operations	$ 1.54	$ 1.73	$ 1.47
Net (loss) income from discontinued operations	(0.01)	(0.02)	0.03
Net income	1.53	1.71	1.50
Less: net income (loss) attributable to noncontrolling interest	0.01	(0.01)	—
Net income attributable to LKQ stockholders	$ 1.52	$ 1.72	$ 1.50

(1) Selling, general and administrative expenses contain facility and warehouse expenses and distribution expenses that were previously shown separately.

(2) Certain amounts for 2017 have been recast to reflect the 2018 adoption of ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." See "Other Recently Adopted Accounting Pronouncements" within Note 4, "Summary of Significant Accounting Policies " for further information.

(3) The sum of the individual earnings per share amounts may not equal the total due to rounding.

The accompanying notes are an integral part of the consolidated financial statements.

LKQ CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
(In thousands)

	Year Ended December 31,		
	2018	**2017**	**2016**
Net income	$ 483,168	$ 530,228	$ 463,975
Less: net income (loss) attributable to noncontrolling interest	3,050	(3,516)	—
Net income attributable to LKQ stockholders	480,118	533,744	463,975
Other comprehensive income (loss):			
Foreign currency translation, net of tax	(108,523)	200,596	(175,639)
Net change in unrealized gains/losses on cash flow hedges, net of tax	350	3,447	9,023
Net change in unrealized gains/losses on pension plans, net of tax	697	(6,035)	4,911
Net change in other comprehensive loss from unconsolidated subsidiaries	(2,343)	(1,309)	—
Other comprehensive (loss) income	(109,819)	196,699	(161,705)
Comprehensive income	373,349	726,927	302,270
Less: comprehensive income (loss) attributable to noncontrolling interest	3,050	(3,516)	—
Comprehensive income attributable to LKQ stockholders	$ 370,299	$ 730,443	$ 302,270

The accompanying notes are an integral part of the consolidated financial statements.

LKQ CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets
(In thousands, except share and per share data)

	December 31,	
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	$ 331,761	$ 279,766
Receivables, net	1,154,083	1,027,106
Inventories	2,836,075	2,380,783
Prepaid expenses and other current assets	199,030	134,479
Total current assets	4,520,949	3,822,134
Property, plant and equipment, net	1,220,162	913,089
Intangible assets:		
Goodwill	4,381,458	3,536,511
Other intangibles, net	928,752	743,769
Equity method investments	179,169	208,404
Other assets	162,912	142,965
Total assets	$ 11,393,402	$ 9,366,872
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 942,398	$ 788,613
Accrued expenses:		
Accrued payroll-related liabilities	172,005	143,424
Other accrued expenses	288,425	218,600
Refund liability	104,585	—
Other current liabilities	61,109	45,727
Current portion of long-term obligations	121,826	126,360
Total current liabilities	1,690,348	1,322,724
Long-term obligations, excluding current portion	4,188,674	3,277,620
Deferred income taxes	311,434	252,359
Other noncurrent liabilities	364,194	307,516
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.01 par value, 1,000,000,000 shares authorized, 318,417,821 s hares issued and 316,146,114 shares outstanding at December 31, 2018; 309,126,386 s hares issued and outstanding at December 31, 2017	3,184	3,091
Additional paid-in capital	1,415,188	1,141,451
Retained earnings	3,598,876	3,124,103
Accumulated other comprehensive loss	(174,950)	(70,476)
Treasury stock, at cost; 2,271,707 shares at December 31, 2018	(60,000)	—
Total Company stockholders' equity	4,782,298	4,198,169
Noncontrolling interest	56,454	8,484
Total stockholders' equity	4,838,752	4,206,653
Total liabilities and stockholders' equity	$ 11,393,402	$ 9,366,872

The accompanying notes are an integral part of the consolidated financial statements.

LKQ CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2018	**2017**	**2016**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 483,168	$ 530,228	$ 463,975
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	294,077	230,203	206,086
Impairment on Mekonomen equity method investment	70,895	—	—
Impairment of goodwill	33,244	—	—
Stock-based compensation expense	22,760	22,832	22,472
Loss on debt extinguishment	1,350	456	26,650
Loss on sale of business	—	10,796	—
Impairment on net assets of discontinued operations	—	—	26,677
Gains on foreign exchange contracts - acquisition related	—	—	(18,342)
Gains on bargain purchases	(2,418)	(3,870)	(8,207)
Deferred income taxes	(2,180)	(46,537)	(16,162)
Other	9,534	1,301	19,550
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:			
Receivables, net	241	(55,979)	(50,801)
Inventories	(127,153)	(203,857)	(64,114)
Prepaid income taxes/income taxes payable	(2,125)	8,376	14,944
Accounts payable	(77,621)	45,136	18,577
Other operating assets and liabilities	6,967	(20,185)	(6,291)
Net cash provided by operating activities	710,739	518,900	635,014
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(250,027)	(179,090)	(207,074)
Proceeds from disposals of property, plant and equipment	27,659	8,707	3,510
Acquisitions, net of cash and restricted cash acquired	(1,214,995)	(513,088)	(1,349,339)
Proceeds from disposals of business/investment	—	301,297	10,304
Investments in unconsolidated subsidiaries	(60,300)	(7,664)	(185,671)
Proceeds from foreign exchange contracts	—	—	18,342
Receipts of deferred purchase price on receivables under factoring arrangements	36,991	—	—
Other investing activities, net	1,733	5,243	—
Net cash used in investing activities	(1,458,939)	(384,595)	(1,709,928)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from exercise of stock options	5,303	7,470	7,963
Taxes paid related to net share settlements of stock-based compensation awards	(5,567)	(5,525)	(4,438)
Debt issuance costs	(21,128)	(4,267)	(16,554)
Proceeds from issuance of Euro Notes (2024)	—	—	563,450
Proceeds from issuance of Euro Notes (2026/28)	1,232,100	—	—
Purchase of treasury stock	(60,000)	—	—
Borrowings under revolving credit facilities	1,667,325	839,171	2,636,596
Repayments under revolving credit facilities	(1,528,970)	(946,477)	(1,748,664)
Borrowings under term loans	—	—	582,115
Repayments under term loans	(354,800)	(27,884)	(255,792)
Borrowings under receivables securitization facility	10,120	11,245	106,400
Repayments under receivables securitization facility	(120)	(11,245)	(69,400)
Payment of assumed debt and notes issued from acquisitions	(54,888)	—	—
(Repayments) borrowings of other debt, net	(11,730)	19,706	(31,156)
Payments of Rhiag debt and related payments	—	—	(543,347)
Other financing activities, net	5,350	5,239	(1,436)

Net cash provided by (used in) financing activities	882,995	(112,567)	1,225,737
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(77,311)	23,512	(3,704)
Net increase in cash, cash equivalents and restricted cash	57,484	45,250	147,119

The accompanying notes are an integral part of the consolidated financial statements.

LKQ CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2018	**2017**	**2016**
Cash, cash equivalents and restricted cash of continuing operations, beginning of period	279,766	227,400	87,397
Add: Cash, cash equivalents and restricted cash of discontinued operations, beginning of period	—	7,116	—
Cash, cash equivalents and restricted cash of continuing and discontinued operations, beginning of period	279,766	234,516	87,397
Cash, cash equivalents and restricted cash of continuing and discontinued operations, end of period	337,250	279,766	234,516
Less: Cash, cash equivalents and restricted cash of discontinued operations, end of period	—	—	(7,116)
Cash, cash equivalents and restricted cash, end of period	$ 337,250	$ 279,766	$ 227,400
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	$ 331,761	$ 279,766	$ 227,400
Restricted cash included in Other assets	5,489	—	—
Cash, cash equivalents and restricted cash, end of period	$ 337,250	$ 279,766	$ 227,400
Supplemental disclosure of cash paid for:			
Income taxes, net of refunds	$ 200,098	$ 273,019	$ 230,036
Interest	137,866	95,707	86,021
Supplemental disclosure of noncash investing and financing activities:			
Stock issued in acquisitions	$ 251,334	$ —	$ —
Contingent consideration liabilities	3,107	6,234	—
Notes payable and other financing obligations, including notes issued and debt assumed in connection with business acquisitions/investment	105,566	59,045	568,032
Noncash property, plant and equipment additions	16,518	18,122	10,715
Notes and other financing receivables in connection with disposals of business/investment	—	4,000	—

The accompanying notes are an integral part of the consolidated financial statements.

LKQ CORPORATION AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity
(In thousands)

	LKQ Stockholders								
	Common Stock		Treasury Stock						
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interest	Total Stockholders' Equity
BALANCE, January 1, 2016	305,574	$ 3,055	—	$ —	$ 1,090,713	$ 2,126,384	$ (105,470)	$ —	$ 3,114,682
Net income	—	—	—	—	—	463,975	—	—	463,975
Other comprehensive loss	—	—	—	—	—	—	(161,705)	—	(161,705)
Vesting of restricted stock units, net of shares withheld for employee tax	847	9	—	—	(4,447)	—	—	—	(4,438)
Stock-based compensation expense	—	—	—	—	22,472	—	—	—	22,472
Exercise of stock options	1,124	11	—	—	7,952	—	—	—	7,963
BALANCE, December 31, 2016	307,545	$ 3,075	—	$ —	$ 1,116,690	$ 2,590,359	$ (267,175)	$ —	$ 3,442,949
Net income	—	—	—	—	—	533,744	—	(3,516)	530,228
Other comprehensive income	—	—	—	—	—	—	196,699	—	196,699
Vesting of restricted stock units, net of shares withheld for employee tax	749	7	—	—	(4,332)	—	—	—	(4,325)
Stock-based compensation expense	—	—	—	—	22,832	—	—	—	22,832
Exercise of stock options	867	9	—	—	7,461	—	—	—	7,470
Tax withholdings related to net share settlements of stock-based compensation awards	(34)	—	—	—	(1,200)	—	—	—	(1,200)
Sale of subsidiary shares to noncontrolling interest	—	—	—	—	—	—	—	12,000	12,000
BALANCE, December 31, 2017	309,127	$ 3,091	—	$ —	$ 1,141,451	$ 3,124,103	$ (70,476)	$ 8,484	$ 4,206,653
Net income	—	—	—	—	—	480,118	—	3,050	483,168
Other comprehensive loss	—	—	—	—	—	—	(109,819)	—	(109,819)
Stock issued in acquisitions	8,056	81	—	—	251,253	—	—	—	251,334
Purchase of treasury stock	—	—	(2,272)	(60,000)	—	—	—	—	(60,000)
Vesting of restricted stock units, net of shares withheld for employee tax	603	6	—	—	(3,802)	—	—	—	(3,796)
Stock-based compensation expense	—	—	—	—	22,760	—	—	—	22,760
Exercise of stock options	686	7	—	—	5,296	—	—	—	5,303
Tax withholdings related to net share settlements of stock-based compensation awards	(54)	(1)	—	—	(1,770)	—	—	—	(1,771)
Adoption of ASU 2018-02 (see Note 4)	—	—	—	—	—	(5,345)	5,345	—	—
Capital contributions from, net of dividends declared to, noncontrolling interest shareholder	—	—	—	—	—	—	—	810	810
Noncontrolling interests of businesses acquired	—	—	—	—	—	—	—	44,110	44,110
BALANCE, December 31, 2018	318,418	$ 3,184	(2,272)	$ (60,000)	$ 1,415,188	$ 3,598,876	$ (174,950)	$ 56,454	$ 4,838,752

The accompanying notes are an integral part of the consolidated financial statements.

Note 1. Business

The financial statements presented reflect the consolidation of LKQ Corporation, a Delaware corporation, and its subsidiaries. LKQ Corporation is a holding company and all operations are conducted by subsidiaries. When the terms "LKQ," "the Company," "we," "us," or "our" are used in this document, those terms refer to LKQ Corporation and its consolidated subsidiaries.

We are a leading provider of alternative vehicle collision replacement products and alternative vehicle mechanical replacement products, with our sales, processing, and distribution facilities reaching most major markets in the United States and Canada. We are also a leading provider of alternative vehicle replacement and maintenance products in the United Kingdom, Germany, the Benelux region (Belgium, Netherlands, and Luxembourg), Italy, Czech Republic, Poland, Slovakia, Austria, and various other European countries. In addition to our wholesale operations, we operate self service retail facilities across the U.S. that sell recycled automotive products from end-of-life-vehicles. We are also a leading distributor of specialty vehicle aftermarket equipment and accessories reaching most major markets in the U.S. and Canada. In total, we operate approximately 1,700 facilities.

Note 2. Business Combinations

On May 30, 2018 , we acquired Stahlgruber, a leading European wholesale distributor of aftermarket spare parts for passenger cars, tools, capital equipment and accessories with operations in Germany, Austria, Italy, Slovenia, and Croatia, with further sales to Switzerland. Total acquisition date fair value of the consideration for our Stahlgruber acquisition was € 1.2 billion ($ 1.4 billion), composed of € 1.0 billion ($ 1.1 billion) of cash paid (net of cash acquired), and € 215 million ($ 251 million) of newly issued shares of LKQ common stock. We financed the acquisition with the proceeds from €1.0 billion ($1.2 billion) of senior notes, the direct issuance to Stahlgruber's owner of 8,055,569 newly issued shares of LKQ common stock, and borrowings under our existing revolving credit facility.

On May 3, 2018, the European Commission cleared the acquisition for the entire European Union, except with respect to the wholesale automotive parts business in the Czech Republic. The acquisition of the Czech Republic wholesale business has been referred to the Czech Republic competition authority for review. The Czech Republic wholesale business represents an immaterial portion of Stahlgruber's revenue and profitability.

We recorded $ 908 million of goodwill related to our acquisition of Stahlgruber, of which we expect $300 million to be deductible for income tax purposes. In the period between the acquisition date and December 31, 2018 , Stahlgruber, which is reported in our Europe reportable segment, generated third party revenue of $ 1.1 billion and operating income of $ 52 million .

In addition to our acquisition of Stahlgruber, during the year ended December 31, 2018, we completed acquisitions of four wholesale businesses in North America and nine wholesale businesses in Europe. Total acquisition date fair value of the consideration for these acquisitions was $ 99 million , composed of $ 85 million of cash paid (net of cash and restricted cash acquired), $11 million of notes payable, and $3 million for the estimated value of contingent payments to former owners (with maximum potential payments totaling $5 million). During the year ended December 31, 2018 , we recorded $68 million of goodwill related to these acquisitions, of which we expect $4 million to be deductible for income tax purposes. In the period between the acquisition dates and December 31, 2018 , these acquisitions generated third party revenue of $46 million and operating income of $3 million .

During the year ended December 31, 2017, we completed 26 acquisitions including 6 wholesale businesses in North America, 16 wholesale businesses in Europe and 4 Specialty businesses. Our acquisitions in Europe included the acquisition of four aftermarket parts distribution businesses in Belgium in July 2017 . Our Specialty acquisitions included the acquisition of the aftermarket business of Warn, a leading designer, manufacturer and marketer of high performance vehicle equipment and accessories, in November 2017 .

Total acquisition date fair value of the consideration for our 2017 acquisitions was $542 million , composed of $510 million of cash paid (net of cash acquired), $6 million for the estimated value of contingent payments to former owners (with maximum potential payments totaling $19 million), $5 million of other purchase price obligations (non-interest bearing) and $20 million of notes payable. We typically fund our acquisitions using borrowings under our credit facilities or other financing arrangements. During the year ended December 31, 2017, we recorded $307 million of goodwill related to these acquisitions.

On March 18, 2016, we acquired Rhiag, a distributor of aftermarket spare parts for passenger cars and commercial vehicles in Italy, Czech Republic, Slovakia, Switzerland, Hungary, Romania, Ukraine, Bulgaria, Poland and Spain. This acquisition expanded LKQ's geographic presence in continental Europe and provided additional purchasing synergies. Total acquisition date fair value of the consideration for our Rhiag acquisition was €534 million ($602 million), composed of €534 million ($601 million) of cash paid (net of cash acquired) and €1 million ($1 million) of intercompany balances considered to be effectively settled as part of the transaction. In addition, we assumed €489 million ($551 million) of existing Rhiag debt as of the acquisition date. We recorded $591 million ($585 million in 2016 and $5 million in the three months ended March 31, 2017) of goodwill related to our acquisition of Rhiag.

Related to the funding of the purchase price of the Rhiag acquisition, LKQ entered into foreign currency forward contracts in March 2016 to acquire a total of €588 million . The rates locked in under the foreign currency forwards were favorable to the spot rate on the settlement date, and as a result, these derivative contracts generated a gain of $18 million during the year ended December 31, 2016. The gain on the foreign currency forwards was recorded in Gains on foreign exchange contracts - acquisition related on our consolidated statement of income for the year ended December 31, 2016.

On April 21, 2016, we acquired PGW. At acquisition, PGW’s business comprised aftermarket automotive replacement glass distribution services and automotive glass manufacturing. The acquisition expanded our addressable market in North America and created distribution synergies with our existing network. Total acquisition date fair value of the consideration for our PGW acquisition was $662 million , consisting of cash paid (net of cash acquired). We recorded $208 million ($205 million in 2016 and $3 million in the six months ended June 30, 2017) of goodwill related to our acquisition of PGW.

On October 4, 2016, we acquired substantially all of the business assets of Andrew Page, a distributor of aftermarket automotive parts in the U.K., out of receivership. The acquisition was subject to regulatory approval by the CMA in the U.K. The CMA concluded its review on October 31, 2017 and required us to divest less than 10% of the acquired locations. Total acquisition date fair value of the consideration for this acquisition was £16 million ($20 million). In connection with the acquisition, we recorded a gain on bargain purchase of $10 million ($8 million recorded in 2016 and $2 million recorded in 2017), which is reported on a separate line in our consolidated statements of income. We believe that we were able to acquire the net assets of Andrew Page for less than fair value as a result of (i) Andrew Page's financial difficulties that put the company into receivership prior to our acquisition and (ii) a motivated seller that desired to complete the sale in an expedient manner to ensure continuity of the business.

In addition to our acquisitions of Rhiag, PGW and Andrew Page, we acquired seven wholesale businesses in Europe and five wholesale businesses in North America during the year ended December 31, 2016. Total acquisition date fair value of the consideration for these acquisitions was $76 million , composed of $68 million of cash paid (net of cash acquired), $4 million of notes payable and $4 million of other purchase price obligations (non-interest bearing). During the year ended December 31, 2016, we recorded $52 million of goodwill related to these acquisitions and immaterial adjustments to preliminary purchase price allocations related to certain of our 2015 acquisitions.

Our acquisitions are accounted for under the purchase method of accounting and are included in our consolidated financial statements from the dates of acquisition. The purchase prices were allocated to the net assets acquired based upon estimated fair values at the dates of acquisition. The purchase price allocations for the acquisitions made during the year ended December 31, 2018 are preliminary as we are in the process of determining the following: 1) valuation amounts for certain receivables, inventories and fixed assets acquired; 2) valuation amounts for certain intangible assets acquired; 3) the acquisition date fair value of certain liabilities assumed; and 4) the tax basis of the entities acquired. We have recorded preliminary estimates for certain of the items noted above and will record adjustments, if any, to the preliminary amounts upon finalization of the valuations.

From the date of our preliminary allocation for Stahlgruber in the second quarter of 2018 through December 31, 2018, we recorded adjustments based on our valuation procedures, primarily related to current liabilities, inventory, deferred income taxes, debt assumed, and property, plant and equipment that resulted in the allocation of $22 million of goodwill to acquired net assets. From the date of our preliminary allocations for our other acquisitions completed in the first nine months of 2018, we recorded adjustments based on our valuation procedures, primarily related to other intangibles, that resulted in the allocation of $14 million of goodwill to acquired net assets. The income statement effect of these measurement period adjustments for our Stahlgruber acquisition and our other acquisitions completed in the first nine months of 2018 that would have been recorded in previous reporting periods if the adjustments had been recognized as of the acquisition dates was immaterial. The balance sheet impact and income statement effect of other measurement-period adjustments recorded for acquisitions completed in prior periods were immaterial.

The purchase price allocations for the acquisitions completed during the years ended December 31, 2018 and 2017 are as follows (in thousands):

	Year Ended December 31, 2018			Year Ended December 31, 2017
	Stahlgruber	Other Acquisitions [1]	Total	All Acquisitions [2]
Receivables	$ 144,826	$ 19,171	$ 163,997	$ 73,782
Receivable reserves	(2,818)	(918)	(3,736)	(7,032)
Inventories [3]	380,238	14,021	394,259	150,342
Prepaid expenses and other current assets	10,970	1,851	12,821	(295)
Property , plant and equipment	271,292	5,711	277,003	41,039
Goodwill	908,253	64,637	972,890	314,817
Other intangibles	285,255	35,159	320,414	181,216
Other assets	16,625	37	16,662	3,257
Deferred income taxes	(78,130)	(5,285)	(83,415)	(65,087)
Current liabilities assumed	(346,788)	(20,116)	(366,904)	(111,484)
Debt assumed	(79,925)	(4,875)	(84,800)	(33,586)
Other noncurrent liabilities assumed [4]	(80,824)	(10,306)	(91,130)	(1,917)
Noncontrolling interest	(44,110)	—	(44,110)	—
Contingent consideration liabilities	—	(3,107)	(3,107)	(6,234)
Other purchase price obligations	(6,084)	3,623	(2,461)	(5,074)
Stock issued	(251,334)	—	(251,334)	—
Notes issued	—	(11,347)	(11,347)	(20,187)
Settlement of pre-existing balances	—	—	—	242
Gains on bargain purchases [5]	—	(2,418)	(2,418)	(3,870)
Settlement of other purchase price obligations (non-interest bearing)	—	1,711	1,711	3,159
Cash used in acquisitions, net of cash and restricted cash acquired	$ 1,127,446	$ 87,549	$ 1,214,995	$ 513,088

(1) The amounts recorded during the year ended December 31, 2018 include a $5 million adjustment to increase other intangibles related to our Warn acquisition and $4 million of adjustments to reduce other purchase price obligations related to other 2017 acquisitions.

(2) The amounts recorded during the year ended December 31, 2017 include $6 million and $3 million of adjustments to reduce property, plant and equipment and other assets for Rhiag and PGW, respectively.

(3) The amounts for our 2017 acquisitions include a $4 million step-up adjustment related to our Warn acquisition.

(4) The amount recorded for our acquisition of Stahlgruber includes a $79 million liability for certain pension obligations. See Note 14, "Employee Benefit Plans" for information related to our defined benefit plans.

(5) The amounts recorded during the year ended December 31, 2018 are due to the gains on bargain purchases related to (i) an acquisition in Europe completed in the second quarter of 2017 as a result of changes in the acquisition date fair value of the consideration, and (ii) three acquisitions in Europe completed during 2018 as a result of changes to our estimates of the fair values of the net assets acquired. The amount recorded during the year ended December 31, 2017 includes a $2 million increase to the gain on bargain purchase recorded for our Andrew Page acquisition as a result of changes to our estimate of the fair value of the net assets acquired. The remainder of the gain on bargain purchase recorded during the year ended December 31, 2017 is an immaterial amount related to the previously mentioned acquisition in Europe completed in the second quarter of 2017.

The fair value of our intangible assets is based on a number of inputs, including projections of future cash flows, discount rates, assumed royalty rates and customer attrition rates, all of which are Level 3 inputs. We used the relief-from-royalty method to value trade names, trademarks, software and other technology assets, and we used the multi-period excess earnings method to value customer relationships. The relief-from-royalty method assumes that the intangible asset has value to the extent that its owner is relieved of the obligation to pay royalties for the benefits received from the intangible asset. The

multi-period excess earnings method is based on the present value of the incremental after-tax cash flows attributable only to the customer relationship after deducting contributory asset charges. The fair value of our property, plant and equipment is determined using inputs such as market comparables and current replacement or reproduction costs of the asset, adjusted for physical, functional and economic factors; these adjustments to arrive at fair value use unobservable inputs in which little or no market data exists, and therefore, these inputs are considered to be Level 3 inputs. See Note 12, "Fair Value Measurements " for further information regarding the tiers in the fair value hierarchy.

The acquisition of Stahlgruber expands LKQ's geographic presence in continental Europe and serves as an additional strategic hub for our European operations. In addition, we believe the acquisition of Stahlgruber will allow for continued improvement in procurement, logistics and infrastructure optimization. The primary objectives of our other acquisitions made during the years ended December 31, 2018 and 2017 were to create economic value for our stockholders by enhancing our position as a leading source for alternative collision and mechanical repair products and to expand into other product lines and businesses that may benefit from our operating strengths. Certain 2017 acquisitions were completed to enable us to align our distribution model in the Benelux region.

When we identify potential acquisitions, we attempt to target companies with a leading market presence, an experienced management team and workforce that provides a fit with our existing operations, and strong cash flows. For certain of our acquisitions, we have identified cost savings and synergies as a result of integrating the company with our existing business that provide additional value to the combined entity. In many cases, acquiring companies with these characteristics will result in purchase prices that include a significant amount of goodwill.

The following unaudited pro forma summary presents the effect of the businesses acquired during the year ended December 31, 2018 as though the businesses had been acquired as of January 1, 2017, the businesses acquired during the year ended December 31, 2017 as though they had been acquired as of January 1, 2016, and the businesses acquired during the year ended December 31, 2016 as though they had been acquired as of January 1, 2015. The pro forma adjustments are based upon unaudited financial information of the acquired entities (in thousands, except per share data):

	Year Ended December 31,		
	2018	2017	2016
Revenue, as reported	$ 11,876,674	$ 9,736,909	$ 8,584,031
Revenue of purchased businesses for the period prior to acquisition:			
Stahlgruber	815,405	1,756,893	—
Rhiag	—	—	213,376
PGW [1]	—	—	102,540
Other acquisitions	72,301	448,721	854,601
Pro forma revenue	$ 12,764,380	$ 11,942,523	$ 9,754,548
Income from continuing operations, as reported [2]	$ 487,565	$ 536,974	$ 456,123
Income from continuing operations of purchased businesses for the period prior to acquisition, and pro forma purchase accounting adjustments:			
Stahlgruber	17,309	4,796	—
Rhiag	—	—	(84)
PGW [1], [3]	—	—	7,574
Other acquisitions	1,507	16,667	19,323
Acquisition related expenses, net of tax [4]	14,414	8,787	11,602
Pro forma income from continuing operations	520,795	567,224	494,538
Less: Pro forma net income attributable to noncontrolling interest	2,799	1,095	—
Pro forma income from continuing operations attributable to LKQ stockholders	$ 517,996	$ 566,129	$ 494,538
Earnings per share from continuing operations, basic - as reported	$ 1.55	$ 1.74	$ 1.49
Effect of purchased businesses for the period prior to acquisition:			
Stahlgruber	0.06	0.02	—
Rhiag	—	—	(0.00)
PGW [1], [3]	—	—	0.02
Other acquisitions	0.00	0.05	0.06
Acquisition related expenses, net of tax [4]	0.05	0.03	0.04
Impact of share issuance from acquisition of Stahlgruber	(0.02)	(0.04)	—
Pro forma earnings per share from continuing operations, basic [5]	1.64	1.79	1.61
Less: Pro forma net income attributable to noncontrolling interest	0.01	0.00	—
Pro forma income from continuing operations attributable to LKQ stockholders	$ 1.63	$ 1.79	$ 1.61
Earnings per share from continuing operations, diluted - as reported	$ 1.54	$ 1.73	$ 1.47
Effect of purchased businesses for the period prior to acquisition:			
Stahlgruber	0.05	0.02	—
Rhiag	—	—	(0.00)
PGW [1], [3]	—	—	0.02
Other acquisitions	0.00	0.05	0.06
Acquisition related expenses, net of tax [4]	0.05	0.03	0.04
Impact of share issuance from acquisition of Stahlgruber	(0.02)	(0.04)	—
Pro forma earnings per share from continuing operations, diluted [5]	1.63	1.78	1.60
Less: Pro forma net income attributable to noncontrolling interest	0.01	0.00	—
Pro forma income from continuing operations attributable to LKQ stockholders	$ 1.62	$ 1.78	$ 1.60

(1) PGW reflects the results for the continuing aftermarket automotive glass distribution business only.

(2) Includes interest expense for the period from April 9, 2018 through December 31, 2018 recorded on the senior notes issued in connection with our acquisition of Stahlgruber.

(3) Excludes $5 million of corporate costs for 2016 that did not reoccur after the sale of our glass manufacturing business.

(4) Includes expenses related to acquisitions closed in the period and excludes expenses for acquisitions not yet completed.

(5) The sum of the individual earnings per share amounts may not equal the total due to rounding.

Unaudited pro forma supplemental information is based upon accounting estimates and judgments that we believe are reasonable. The unaudited pro forma supplemental information includes the effect of purchase accounting adjustments, such as the adjustment of inventory acquired to fair value, adjustments to depreciation on acquired property, plant and equipment, adjustments to rent expense for above or below market leases, adjustments to amortization on acquired intangible assets, adjustments to interest expense, and the related tax effects. The pro forma impact of our acquisitions also reflects the elimination of acquisition related expenses, net of tax. Refer to Note 6, "Restructuring and Acquisition Related Expenses," for further information regarding our acquisition related expenses. The pro forma information also includes the impact of the common stock issued to Stahlgruber as if it were issued on January 1, 2017. These pro forma results are not necessarily indicative of what would have occurred if the acquisitions had been in effect for the periods presented or of future results.

Note 3. Discontinued Operations

On March 1, 2017 , LKQ completed the sale of the glass manufacturing business of its PGW subsidiary to a subsidiary of Vitro S.A.B. de C.V. ("Vitro") for a sales price of $301 million , including cash received of $316 million , net of cash disposed of $15 million . Related to this transaction, the remaining portion of the Glass operating segment was combined with our Wholesale - North America operating segment, which is part of our North America reportable segment, in the first quarter of 2017. See Note 16, "Segment and Geographic Information " for further information regarding our segments.

Upon execution of the Stock and Asset Purchase Agreement (the "Vitro Agreement") in December 2016, LKQ concluded that the glass manufacturing business met the criteria to be classified as held for sale in LKQ's consolidated financial statements. As a result, the assets related to the glass manufacturing business were reflected on the Consolidated Balance Sheet at the lower of the net asset carrying value or fair value less cost to sell as of December 31, 2016. The fair value of the assets was determined using the negotiated sale price as an indicator of fair value, which is considered a Level 2 input as it is observable in a non-active market. See Note 12, "Fair Value Measurements" for further information regarding the tiers in the fair value hierarchy.

In connection with the Vitro Agreement, the Company and Vitro entered into a twelve-month Transition Services Agreement commencing on the transaction date with two six-month renewal periods, a three-year Purchase and Supply Agreement, and an Intellectual Property Agreement.

The following table summarizes the operating results of the Company's discontinued operations related to the sale described above for the years ended December 31, 2018, 2017 and 2016, as presented in Net (loss) income from discontinued operations on the Consolidated Statements of Income (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Revenue	$ —	$ 111,130	$ 498,233
Cost of goods sold	—	100,084	424,161
Selling, general and administrative expenses	—	8,369	22,330
Impairment on net assets of discontinued operations [1]	—	—	26,677
Operating income	—	2,677	25,065
Interest income and other income (expense), net [2]	—	1,204	(9,136)
Income from discontinued operations before taxes	—	3,881	15,929
Provision for income taxes	—	3,598	8,252
Equity in (loss) earnings of unconsolidated subsidiaries	—	(534)	175
(Loss) income from discontinued operations, net of tax	—	(251)	7,852
Loss on sale of discontinued operations, net of tax [3]	(4,397)	(6,495)	—
Net (loss) income from discontinued operations	$ (4,397)	$ (6,746)	$ 7,852

(1) Upon recognition of the glass manufacturing business net assets as held for sale, an impairment test was performed on the net assets of the glass manufacturing business resulting in a pre-tax impairment loss of $27 million and a tax benefit of $7 million . The impairment represents a $21 million impairment on long-lived assets, with the remaining $6 million representing a valuation allowance on the current assets held for sale.

(2) The Company elected to allocate interest expense to discontinued operations based on the expected debt to be repaid. Under this approach, allocated interest from January 1, 2017 through the date of sale was $2 million and from April 21, 2016 to December 31, 2016 was $6 million . The other expenses, net were foreign currency gains and losses.

(3) In the first quarter of 2017, upon closing of the sale and write-off of the net assets of the glass manufacturing business, we recorded a pre-tax loss on sale of $9 million , and a $4 million tax benefit. The incremental loss primarily reflects a $6 million payable for intercompany sales from the glass manufacturing business to the aftermarket automotive glass distribution business incurred prior to closing, which was paid by LKQ during the second quarter of 2017, and capital expenditures in 2017 that were not reimbursed by the buyer. During the fourth quarter of 2017, we recorded an additional loss on sale of $2 million as a result of post sale net working capital adjustments. During the fourth quarter of 2018, we recorded a final tax expense adjustment of $4 million to the loss on sale as a result of the completion of the tax return reporting the 2017 transaction. The adjustment was primarily attributable to a valuation allowance recognized on the carryforward of a capital loss arising from the sale, the tax benefit of which is not certain to be realized during the carryforward period.

The glass manufacturing business had $4 million of operating cash outflows, $4 million of investing cash outflows mainly consisting of capital expenditures, and $15 million of financing cash inflows made up of parent financing for the period from January 1, 2017 through March 1, 2017. The glass manufacturing business had $64 million of operating cash inflows, $29 million of investing cash outflows mainly consisting of capital expenditures, and $1 million of financing cash outflows made up of capital lease debt payments for the period from April 21, 2016 through December 31, 2016. The following table summarizes the significant non-cash operating activities, capital expenditures, and investments in unconsolidated subsidiaries of the Company's discontinued operations related to the glass manufacturing business (in thousands):

	Period from January 1 to March 1, 2017	Period from April 21 to December 31, 2016
Non-cash operating activities:		
Depreciation and amortization	$ —	$ 7,752
Impairment of net assets of discontinued operations	—	26,677
Deferred income taxes	—	(4,516)
Capital expenditures	(3,598)	(24,156)
Investments in unconsolidated subsidiaries	—	(4,400)

Pursuant to the Purchase and Supply Agreement , our aftermarket automotive glass distribution business will source various products from Vitro's glass manufacturing business annually for a three-year period beginning on March 1, 2017. Between January 1, 2017 and the sale date of March 1, 2017, intercompany sales between the glass manufacturing business and the continuing aftermarket automotive glass distribution business of PGW, which were eliminated in consolidation, were $8 million . All purchases from Vitro, including those outside of the Purchase and Supply Agreement, for the years ended December 31, 2018 and 2017 , were $24 million and $42 million , respectively. For the period from April 21, 2016 through December 31, 2016, intercompany sales between the glass manufacturing business and PGW autoglass, which were eliminated in consolidation, were $29 million .

Note 4. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of LKQ Corporation and its subsidiaries. All intercompany transactions and accounts have been eliminated.

Use of Estimates

In preparing our financial statements in conformity with accounting principles generally accepted in the United States of America, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

See Note 5, "Revenue Recognition" for our accounting policies related to revenue.

Cost of Goods Sold

Our cost of goods sold includes: the price we pay for inventory, net of vendor discounts, rebates or other incentives; inbound freight and other transportation costs to bring inventory into our facilities; and overhead costs related to purchasing, warehousing and transporting our products from our distribution warehouses to our selling locations. For our salvage, remanufactured, and refurbished products, our cost of goods sold also includes direct and indirect labor, equipment costs, depreciation, and other overhead to transform inventory into finished products suitable for sale. Cost of goods sold also includes expenses for our service-type warranties and for our assurance-type warranty programs. See Note 5, "Revenue Recognition" for additional information related to our warranty programs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include: personnel costs for employees in selling, general and administrative functions; costs to operate our branch locations, corporate offices and back office support centers; costs to transport our products from our facilities to our customers; and other selling, general and administrative expenses, such as professional fees, supplies, and advertising expenses. The costs included in selling, general and administrative expenses do not relate to inventory processing or conversion activities, and, as such, are classified below the gross margin line on our Consolidated Statements of Income.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash on hand, operating accounts, and deposits readily convertible to known amounts of cash. Restricted cash includes cash for which the Company's ability to withdraw funds at any time is contractually limited. As of December 31, 2018, we have $5 million of restricted cash that is recorded in Other assets on the Consolidated Balance Sheets.

Receivables and Allowance for Doubtful Accounts

In the normal course of business, we extend credit to customers after a review of each customer's credit history. We recorded a reserve for uncollectible accounts of approximately $57 million and $58 million at December 31, 2018 and 2017 , respectively. Our May 2018 acquisition of Stahlgruber contributed $3 million to our reserve for uncollectible accounts. See Note 2, "Business Combinations" for further information on our acquisitions. The reserve is based upon the aging of the accounts receivable, our assessment of the collectability of specific customer accounts and historical experience. Receivables are written off once collection efforts have been exhausted. Recoveries of receivables previously written off are recorded when received.

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable. We control our exposure to credit risk associated with these instruments by (i) placing our cash and cash equivalents with several major financial institutions; (ii) holding high-quality financial instruments; and (iii) maintaining strict policies over credit extension that include credit evaluations, credit limits and monitoring procedures. In addition, our overall credit risk with respect to accounts receivable is limited to some extent because our customer base is composed of a large number of geographically diverse customers.

Inventories

We classify our inventory into the following categories: (i) aftermarket and refurbished products, (ii) salvage and remanufactured products, and (iii) manufactured products.

An aftermarket product is a new vehicle product manufactured by a company other than the original equipment manufacturer. For all of our aftermarket products, excluding our aftermarket automotive glass products, cost is established based on the average price we pay for parts; for our aftermarket automotive glass products inventory, cost is established using the first-in first-out method. Inventory cost for all of our aftermarket products includes expenses incurred for freight in and overhead costs; for items purchased from foreign companies, import fees and duties and transportation insurance are also included. Refurbished products are parts that require cosmetic repairs, such as wheels, bumper covers and lights; LKQ will apply new parts, products or materials to these parts in order to produce the finished product. Refurbished inventory cost is

based upon the average price we pay for cores. The cost of our refurbished inventory also includes expenses incurred for freight in, labor and other overhead costs.

A salvage product is a recycled vehicle part suitable for sale as a replacement part. Cost is established based upon the price we pay for a vehicle, including auction, storage and towing fees, as well as expenditures for buying and dismantling the vehicle. Inventory carrying value is determined using the average cost to sales percentage at each of our facilities and applying that percentage to the facility's inventory at expected selling prices, the assessment of which incorporates the sales probability based on a part's number of days in stock and historical demand. The average cost to sales percentage is derived from each facility's historical profitability for salvage vehicles. Remanufactured products are used parts that have been inspected, rebuilt, or reconditioned to restore functionality and performance, such as remanufactured engines and transmissions. Remanufactured inventory cost is based upon the price paid for cores, which are recycled automotive parts that are not suitable for sale as a replacement part without further processing, and also includes expenses incurred for freight in, direct manufacturing costs and other overhead costs.

A manufactured product is a new vehicle product. Manufactured product inventory can be a raw material, work-in-process or finished good. Cost is established using the first-in first-out method.

For all inventory, carrying value is recorded at the lower of cost or net realizable value and is reduced to reflect current anticipated demand. If actual demand is lower than our estimates, additional reductions to inventory carrying value would be necessary in the period such determination is made.

Inventories consist of the following (in thousands):

	December 31,	
	2018	2017
Aftermarket and refurbished products	$ 2,309,458	$ 1,877,653
Salvage and remanufactured products	503,199	487,108
Manufactured products	23,418	16,022
Total inventories	$ 2,836,075	$ 2,380,783

Aftermarket and refurbished products and salvage and remanufactured products are primarily composed of finished goods. As of December 31, 2018, manufactured products inventory was composed of $17 million of raw materials, $2 million of work in process, and $4 million of finished goods. As of December 31, 2017, manufactured products inventory was composed of $10 million of raw materials, $2 million of work in process, and $4 million of finished goods.

Our May 2018 acquisition of Stahlgruber contributed $380 million to our aftermarket and refurbished products inventory as of the acquisition date. See Note 2, "Business Combinations" for further information on our acquisitions.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Expenditures for major additions and improvements that extend the useful life of the related asset are capitalized. As property, plant and equipment are sold or retired, the applicable cost and accumulated depreciation are removed from the accounts and any resulting gain or loss thereon is recognized. Construction in progress consists primarily of building and land improvements at our existing facilities. Depreciation is calculated using the straight-line method over the estimated useful lives or, in the case of leasehold improvements, the term of the related lease and reasonably assured renewal periods, if shorter.

Our estimated useful lives are as follows:

Land improvements	10-20 years
Buildings and improvements	20-40 years
Machinery and equipment	3-20 years
Computer equipment and software	3-10 years
Vehicles and trailers	3-10 years
Furniture and fixtures	5-7 years

Property, plant and equipment consists of the following (in thousands):

	December 31,	
	2018	2017
Land and improvements	$ 177,998	$ 137,790
Buildings and improvements	378,490	233,078
Machinery and equipment	626,615	521,526
Computer equipment and software	143,547	133,753
Vehicles and trailers	176,186	161,269
Furniture and fixtures	58,919	31,794
Leasehold improvements	278,687	257,506
	1,840,442	1,476,716
Less—Accumulated depreciation	(685,751)	(606,112)
Construction in progress	65,471	42,485
Total property, plant and equipment, net	$ 1,220,162	$ 913,089

The components of opening property, plant and equipment acquired as part of our acquisition of Stahlgruber in May 2018 are as follows (in thousands):

	Gross Amount
Land and improvements	$ 47,281
Buildings and improvements	135,628
Machinery and equipment	49,384
Computer equipment and software	3,760
Vehicles and trailers	643
Furniture and fixtures	30,426
Leasehold improvements	1,890
	269,012
Construction in progress	2,280
Total property, plant and equipment	$ 271,292

We record depreciation expense associated with our refurbishing, remanufacturing, manufacturing and furnace operations as well as our distribution centers in Cost of goods sold on the Consolidated Statements of Income. All other depreciation expense is reported in Depreciation and amortization. Total depreciation expense for the years ended December 31, 2018, 2017, and 2016 was $157 million , $129 million , and $115 million , respectively.

Intangible Assets

Intangible assets consist primarily of goodwill (the cost of purchased businesses in excess of the fair value of the identifiable net assets acquired) and other specifically identifiable intangible assets, such as trade names, trademarks, customer and supplier relationships, software and other technology related assets, and covenants not to compete.

Goodwill is tested for impairment at least annually, and we performed annual impairment tests during the fourth quarters of 2018 , 2017 and 2016 . Goodwill impairment testing may also be performed on an interim basis when events or circumstances arise that may lead to impairment. The fair value estimates of our reporting units are established using weightings of the results of a discounted cash flow methodology and a comparative market multiples approach.

Based on our annual goodwill impairment test in the fourth quarter of 2018, we determined the carrying value of our Aviation reporting unit exceeded the fair value estimate by more than the carrying value, thus we recorded an impairment charge of $33 million , which represented the total carrying value of goodwill in our Aviation reporting unit. The impairment charge was due to a decrease in the fair value estimate from the prior year fair value estimate, primarily driven by a significant deterioration in the outlook for the Aviation reporting unit due to competition, customer financial issues and changing market conditions for the airplane platforms that the business services, which lowered our projected gross margin and related future cash flows. We reported the impairment charge in Impairment of goodwill on the Consolidated Statements of Income for the year ended December 31, 2018. We determined no other impairments existed when we performed our annual impairment

testing on the remaining reporting units as all those reporting units had a fair value estimate which exceeded the carrying value by at least approximately 15% , the level at which our Europe reporting unit exceeded its carrying value.

The changes in the carrying amount of goodwill by reportable segment are as follows (in thousands):

	North America	Europe	Specialty	Total
Balance as of January 1, 2016	$ 1,433,499	$ 594,482	$ 291,265	$ 2,319,246
Business acquisitions and adjustments to previously recorded goodwill	226,483	614,437	1,889	842,809
Exchange rate effects	1,818	(108,943)	(161)	(107,286)
Balance as of December 31, 2016	$ 1,661,800	$ 1,099,976	$ 292,993	$ 3,054,769
Business acquisitions and adjustments to previously recorded goodwill	39,836	155,366	119,615	314,817
Exchange rate effects	7,718	159,556	(349)	166,925
Balance as of December 31, 2017	$ 1,709,354	$ 1,414,898	$ 412,259	$ 3,536,511
Business acquisitions and adjustments to previously recorded goodwill	6,805	970,923	(4,838)	972,890
Impairment of goodwill	(33,244)	—	—	(33,244)
Exchange rate effects	(9,383)	(85,532)	216	(94,699)
Balance as of December 31, 2018	$ 1,673,532	$ 2,300,289	$ 407,637	$ 4,381,458
Accumulated impairment losses as of December 31, 2018	$ (33,244)	$ —	$ —	$ (33,244)

During the year ended December 31, 2018, we recorded $908 million of goodwill related to our acquisition of Stahlgruber. See Note 2, "Business Combinations" for further information on our acquisitions.

The components of other intangibles, net are as follows (in thousands):

	December 31, 2018	December 31, 2017
Intangible assets subject to amortization	$ 847,452	$ 664,969
Indefinite-lived intangible assets		
Trademarks	81,300	78,800
Total	$ 928,752	$ 743,769

The components of intangible assets subject to amortization are as follows (in thousands):

	December 31, 2018			December 31, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Trade names and trademarks	$ 496,166	$ (94,451)	$ 401,715	$ 327,332	$ (75,095)	$ 252,237
Customer and supplier relationships	593,517	(247,464)	346,053	510,113	(167,532)	342,581
Software and other technology related assets	176,118	(79,283)	96,835	124,049	(59,081)	64,968
Covenants not to compete	13,344	(10,495)	2,849	14,981	(9,798)	5,183
Total	$ 1,279,145	$ (431,693)	$ 847,452	$ 976,475	$ (311,506)	$ 664,969

The components of intangible assets acquired as part of our acquisitions in 2018 are as follows (in thousands):

	Year Ended December 31, 2018			Year Ended December 31, 2017
	Stahlgruber	Other Acquisitions [1]	Total	All Acquisitions
Trade names and trademarks	$ 173,946	$ 8,870	$ 182,816	$ 87,306
Customer and supplier relationships	77,980	20,779	98,759	75,450
Software and other technology related assets	33,329	376	33,705	15,757
Covenants not to compete	—	—	—	2,703
Total	$ 285,255	$ 30,025	$ 315,280	$ 181,216

(1) The amounts recorded during the year ended December 31, 2018 exclude amounts related to our 2017 acquisitions, including a $5 million adjustment to increase other intangibles related to our 2017 acquisition of Warn.

The weighted-average amortization periods for our intangible assets acquired during the years ended December 31, 2018 and 2017 are as follows (in years):

	Year Ended December 31, 2018			Year Ended December 31, 2017
	Stahlgruber	Other Acquisitions	Total	All Acquisitions
Trade names and trademarks	18.0	10.0	17.6	11.2
Customer and supplier relationships	3.0	7.9	4.0	18.6
Software and other technology related assets	5.2	6.5	5.2	11.1
Covenants not to compete	—	—	—	4.4
Total acquired finite-lived intangible assets	12.4	8.5	12.0	16.5

Our estimated useful lives for our finite-lived intangible assets are as follows:

	Method of Amortization	Useful Life
Trade names and trademarks	Straight-line	4-30 years
Customer and supplier relationships	Accelerated	3-20 years
Software and other technology related assets	Straight-line	3-15 years
Covenants not to compete	Straight-line	2-5 years

Amortization expense for intangibles was $137 million , $102 million , and $83 million during the years ended December 31, 2018 , 2017 , and 2016 , respectively. Estimated amortization expense for each of the five years in the period ending December 31, 2023 is $140 million , $110 million , $80 million , $66 million and $59 million , respectively.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. If such review indicates that the carrying amount of long-lived assets is not recoverable, the carrying amount of such assets is reduced to fair value. Other than the impairment recorded upon recognition of the PGW glass manufacturing business net assets as held for sale as discussed in Note 3, "Discontinued Operations ," there were no material adjustments to the carrying value of long-lived assets during the years ended December 31, 2018 , 2017 or 2016 .

Investments in Unconsolidated Subsidiaries

Our investment in unconsolidated subsidiaries was $179 million and $208 million as of December 31, 2018 and December 31, 2017, respectively. On December 1, 2016 , we acquired a 26.5% equity interest in Mekonomen AB ("Mekonomen") for an aggregate purchase price of $181 million . Headquartered in Stockholm, Sweden, Mekonomen is a leading independent car parts and service chain in northern Europe, offering a range of products including spare parts and

accessories for cars, and workshop services for consumers and businesses. As a result of the investment, we nominated two representatives for election to Mekonomen's board of directors; both representatives were subsequently elected to and continue to serve on the board of directors, including one as the chairman of the board. We are accounting for our interest in Mekonomen using the equity method of accounting, as our investment gives us the ability to exercise significant influence, but not control, over the investee. As of December 31, 2018, the book value of our investment in Mekonomen exceeded our share of the book value of Mekonomen's net assets by $85 million ; this difference is primarily related to goodwill and the fair value of other intangible assets. We are recording our equity in the net earnings of Mekonomen on a one quarter lag. We recorded equity losses of $64 million during the year ended December 31, 2018, and equity in earnings of $7 million during the year ended December 31, 2017 related to our investment in Mekonomen, including adjustments to convert the results to GAAP and to recognize the impact of our purchase accounting adjustments. In May 2018 and May 2017, we received cash dividends of $8 million (SEK 67 million) and $7 million (SEK 67 million), respectively, related to our investment in Mekonomen. Mekonomen announced in February 2019 that the Mekonomen Board of Directors has proposed no dividend payments in 2019.

On July 6, 2018, Mekonomen announced the acquisition of two automotive spare parts distributors in Denmark and Poland. The objective of the acquisition was to strengthen Mekonomen's position in the sale of automotive spare parts in northern Europe and to establish a strong market position in Denmark and Poland, where Mekonomen previously had no operations. The acquisition was partially financed by a rights issue with preferential rights for Mekonomen's existing shareholders, who were given the right to subscribe for four new Mekonomen shares per seven existing owned shares at a discounted share price. On October 5, 2018, we subscribed for our pro rata share in the rights issue giving us the right to acquire an additional $48 million of equity in Mekonomen at a discounted share price, increasing our equity interest to 26.6% . During the third quarter of 2018, we recorded a derivative instrument of $29 million in Other assets on our Consolidated Balance Sheets, which represented our right to acquire Mekonomen shares at a discount. In the third quarter of 2018, we measured the derivative instrument at fair value, and we recorded a $3 million gain on our fair value remeasurement. We acquired the additional $48 million of equity in Mekonomen in October 2018. In the fourth quarter, we recorded an $8 million loss related to the settlement of the derivative instrument in October 2018 due to a decrease in the Mekonomen share price from the last day of the third quarter to the settlement date. The net derivative loss of $5 million is recorded in Interest income and other income, net on the Consolidated Statements of Income.

We evaluated our investment in Mekonomen for other-than-temporary impairment as of December 31, 2018, and concluded the decline in fair value was other-than-temporary due to a significant stock price decrease since September 30, 2018. Therefore, we recognized an other-than-temporary impairment of $48 million , which represented the difference in the carrying value and the fair value of our investment in Mekonomen. The fair value of our investment in Mekonomen was determined using the Mekonomen share price of SEK 92 as of December 31, 2018. During the third quarter of 2018, we had recognized an other-than-temporary impairment of $23 million due to a prolonged and significant stock price decrease; the fair value was determined using the Mekonomen share price of SEK 126 as of September 30, 2018. The impairment charges are recorded in Equity in (losses) earnings of unconsolidated subsidiaries in our Consolidated Statements of Income. Equity in losses and earnings from our investment in Mekonomen are reported in the Europe segment. As a result of the impairment charge in the fourth quarter, the Level 1 fair value of our equity investment in the publicly traded Mekonomen common stock at December 31, 2018 approximated the carrying value of $154 million . From year-end to February 22, 2019, the Mekonomen share price declined to SEK 69 , or 24.9% relative to the December 31, 2018 share price. This further decrease creates the potential for an additional other-than-temporary impairment charge in 2019.

Warranty Reserve

Some of our salvage mechanical products are sold with a standard six month warranty against defects. Additionally, some of our remanufactured engines are sold with a standard three year warranty against defects. We also provide a limited lifetime warranty for certain of our aftermarket products. These assurance-type warranties are not considered a separate performance obligation, and thus no transaction price is allocated to them. We record the warranty costs in Cost of goods sold on our Consolidated Statements of Income. Our warranty reserve is calculated using historical claim information to project future warranty claims activity and is recorded within Other accrued expenses and Other noncurrent liabilities on our Consolidated Balance Sheets based on the expected timing of the related payments.

The changes in the warranty reserve are as follows (in thousands):

Balance as of January 1, 2017	$	19,634
Warranty expense		38,608
Warranty claims		(35,091)
Balance as of December 31, 2017		23,151
Warranty expense		43,682
Warranty claims		(43,571)
Balance as of December 31, 2018	$	23,262

Self-Insurance Reserves

We self-insure a portion of employee medical benefits under the terms of our employee health insurance program. We purchase certain stop-loss insurance to limit our liability exposure. We also self-insure a portion of our property and casualty risk, which includes automobile liability, general liability, directors and officers liability, workers' compensation, and property coverage, under deductible insurance programs. The insurance premium costs are expensed over the contract periods. A reserve for liabilities associated with these losses is established for claims filed and claims incurred but not yet reported based upon our estimate of ultimate cost, which is calculated using analysis of historical data. We monitor new claims and claim development as well as trends related to the claims incurred but not reported in order to assess the adequacy of our insurance reserves. Total self-insurance reserves were $105 million and $94 million , of which $52 million and $43 million was classified as current, as of December 31, 2018 and 2017 , respectively, and are classified as Other accrued expenses in the Consolidated Balance Sheets. The remaining balances of self-insurance reserves are classified as Other noncurrent liabilities, which reflects management's estimates of when claims will be paid. We had outstanding letters of credit of $65 million and $71 million at December 31, 2018 and 2017 , respectively, to guarantee self-insurance claims payments. While we do not expect the amounts ultimately paid to differ significantly from our estimates, our insurance reserves and corresponding expenses could be affected if future claims experience differs significantly from historical trends and assumptions.

Stockholders' Equity

On October 25, 2018, our Board of Directors authorized a stock repurchase program under which we may purchase up to $500 million of our common stock from time to time through October 25, 2021. Repurchases under the program may be made in the open market or in privately negotiated transactions, with the amount and timing of repurchases depending on market conditions and corporate needs. The repurchase program does not obligate us to acquire any specific number of shares and may be suspended or discontinued at any time. Delaware law imposes restrictions on stock repurchases. During 2018, we repurchased 2.3 million shares of common stock for an aggregate price $60 million . As of December 31, 2018, there is $440 million of remaining capacity under our repurchase program. In 2019, we have repurchased 1.8 million shares of common stock for an aggregate purchase price of $46 million during the period ended February 22, 2019. Treasury stock is accounted for using the cost method.

Income Taxes

Current income taxes are provided on income reported for financial reporting purposes, adjusted for transactions that do not enter into the computation of income taxes payable in the same year. Deferred income taxes have been provided to show the effect of temporary differences between the tax bases of assets and liabilities and their reported amounts in the financial statements. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will either expire before we are able to realize their benefit or that future deductibility is uncertain. Provision is made for taxes on undistributed earnings of foreign subsidiaries and related companies to the extent that such earnings are not deemed to be permanently invested.

We recognize the benefits of uncertain tax positions taken or expected to be taken in tax returns in the provision for income taxes only for those positions that are more likely than not to be realized. We follow a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and which may not accurately forecast actual outcomes. Our policy is to include interest and penalties associated with income tax obligations in income tax expense.

During 2017, new tax legislation was signed into law making significant changes to the Internal Revenue Code. See Note 15, "Income Taxes" for further information regarding the new tax law.

Rental Expense

We recognize rental expense on a straight-line basis over the respective lease terms, including reasonably assured renewal periods, for all of our operating leases.

Foreign Currency Translation

For most of our foreign operations, the local currency is the functional currency. Assets and liabilities are translated into U.S. dollars at the period-ending exchange rate. Statements of Income amounts are translated to U.S. dollars using monthly average exchange rates during the period. Translation gains and losses are reported as a component of Accumulated other comprehensive income (loss) in stockholders' equity.

Recent Accounting Pronouncements

Adoption of New Revenue Standard

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2014-09. This update outlines a new comprehensive revenue recognition model that supersedes the prior revenue recognition guidance and requires companies to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB has issued several updates to ASU 2014-09, which collectively with ASU 2014-09, represent the FASB Accounting Standards Codification Topic 606 (“ASC 606”). On January 1, 2018, we adopted ASC 606 for all contracts using the modified retrospective method, which means the historical periods are presented under the previous revenue standards with the cumulative net income effect being adjusted through retained earnings.

Most of the changes resulting from our adoption of ASC 606 were changes in presentation within the Consolidated Balance Sheets and the Consolidated Statements of Income. Therefore, while we made adjustments to certain opening balances on our January 1, 2018 balance sheet, we made no adjustments to opening retained earnings. We expect the impact of the adoption of ASC 606 to be immaterial to our net income on an ongoing basis. See Note 5, "Revenue Recognition" for the required disclosures under ASC 606.

With the adoption of ASC 606, we reclassified certain amounts related to variable consideration. Under ASC 606, we are required to present a refund liability and a returns asset within the Consolidated Balance Sheet, whereas in periods prior to adoption, we presented the estimated margin impact of expected returns as a contra-asset within accounts receivable. Additionally, under ASC 606, the changes in the refund liability are reported in revenue, and the changes in the returns assets are reported in Cost of goods sold on the Consolidated Statements of Income. Prior to adoption, the change in the reserve for returns was generally reported as a net amount within revenue. As a result, the income statement presentation was adjusted concurrently with the balance sheet change beginning in 2018.

The cumulative effect of the changes made to our consolidated January 1, 2018 balance sheet for the adoption of ASC 606 was as follows (in thousands):

	Balance as of December 31, 2017	Adjustments Due to ASC 606	Balance as of January 1, 2018
Balance Sheet			
Assets			
Accounts receivable	$ 1,027,106	$ 38,511	$ 1,065,617
Prepaid expenses and other current assets	134,479	44,508	178,987
Liabilities			
Refund liability	—	83,019	83,019

The impact of the adoption of ASC 606 on our Consolidated Balance Sheet as of December 31, 2018 and our Consolidated Statements of Income for the year ended December 31, 2018 was as follows (in thousands):

	Balance as of December 31, 2018		
	As Reported	Amounts Without Adoption of ASC 606	Effect of Change Higher/(Lower)
Balance Sheet			
Assets			
Accounts receivable	$ 1,154,083	$ 1,105,937	$ 48,146
Prepaid expenses and other current assets	199,030	142,591	56,439
Liabilities			
Refund liability	104,585	—	104,585

	Year ended December 31, 2018		
	As Reported	Amounts Without Adoption of ASC 606	Effect of Change Higher/(Lower)
Income Statement			
Revenue	$ 11,876,674	$ 11,884,651	$ (7,977)
Cost of goods sold	7,301,817	7,306,885	(5,068)
Selling, general and administrative expenses	3,352,731	3,355,640	(2,909)

We have not included a table of the impact of the balance sheet adjustments on the Consolidated Statement of Cash Flows as the adjustment will net to zero within the operating activities section of this statement.

Under ASC 606, we have elected not to adjust consideration for the effect of a significant financing component at contract inception if the period between the transfer of goods to the customer and payment received from the customer is one year or less. Generally, our payment terms are short term in nature, but in some instances we may offer extended terms to customers exceeding one year such that interest would be accrued with respect to those contracts. The interest that would be accrued related to these contracts is immaterial at December 31, 2018.

Other Recently Adopted Accounting Pronouncements

During the first quarter of 2018, we adopted ASU No. 2016-01, “Recognition and Measurement of Financial Assets and Financial Liabilities” (“ASU 2016-01”), which changes how entities will recognize, measure, present and make disclosures about certain financial assets and financial liabilities. The adoption of ASU 2016-01 did not have a significant impact on our financial position, results of operations, cash flows or disclosures.

During the first quarter of 2018, we adopted ASU No. 2016-15, "Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"), which includes guidance on classification for the following items: debt prepayment or debt extinguishment costs, settlement of zero coupon bonds, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims and corporate-owned or bank-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions, and other separately identifiable cash flows where application of the predominance principle is prescribed. No adjustments were required in our Consolidated

Statement of Cash Flows upon adoption. Within our Consolidating Statements of Cash Flows in Note 18, "Condensed Consolidating Financial Information ," we now present a new line item, Payments of deferred purchase price on receivables securitization, as a result of adopting ASU 2016-15; prior year cash flow information within this footnote has been recast to reflect the impact of adopting this accounting standard. Other than the addition of this new line item, there was no impact to our Consolidating Statements of Cash Flows upon adoption.

During the first quarter of 2018, we adopted ASU No. 2016-18, "Restricted Cash" ("ASU 2016-18"), which requires an entity to include in its cash and cash equivalent balances in the statement of cash flows those amounts that are deemed to be restricted cash and restricted cash equivalents, and clarifies how these amounts should be presented therein. At the time we adopted this accounting standard in the first quarter of 2018, there was no impact to our Consolidated Statements of Cash Flows, as we did not have any restricted cash balances. We have restricted cash as of December 31, 2018 and therefore, the Consolidated Statements of Cash Flows have been updated to reflect this guidance. For more information on our restricted cash balances as of December 31, 2018, refer to the "Cash, Cash Equivalents and Restricted Cash" section of this footnote above.

During the first quarter of 2018, we adopted ASU No. 2017-01, "Clarifying the Definition of a Business" ("ASU 2017-01"), which requires an entity to evaluate if substantially all of the fair value of assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets; if so, the transaction does not qualify as a business. The guidance also requires an acquired business to include at least one substantive process and narrows the definition of outputs. The adoption of ASU 2017-01 did not have a material impact on our consolidated financial statements.

During the first quarter of 2018, we adopted ASU No. 2018-02, "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ("ASU 2018-02"), which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the reduction of the U.S. federal statutory income tax rate to 21% from 35% due to the enactment of the Tax Cuts and Jobs Act of 2017 (the "Tax Act"). In addition, under ASU 2018-02, an entity is required to provide certain disclosures regarding stranded tax effects. ASU 2018-02 is effective for fiscal years and interim periods beginning after December 15, 2018; early adoption is permitted. As a result of the adoption of ASU 2018-02, we recorded a $5 million reclassification to increase Accumulated Other Comprehensive (Loss) Income and decrease Retained Earnings.

During the first quarter of 2018, we adopted ASU No. 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" ("ASU 2017-07"), which requires presentation of the current service cost component of net periodic benefit expense with other current compensation expenses for the related employees, and requires presentation of the remaining components of net periodic benefit expense, such as interest, expected return on plan assets, and amortization of actuarial gains and losses, outside of operating income. ASU 2017-07 also specifies that, on a prospective basis, only the service cost component is eligible for capitalization into inventory or other assets. The income statement classification provisions of ASU 2017-07 are applicable on a retrospective basis, therefore we recast prior period income statement information for 2017; the recast had the impact of increasing Selling, general and administrative expenses for the year ended December 31, 2017 by $2 million , with a corresponding increase to Interest income and other income, net. The impact was immaterial to our Consolidated Statements of Income in 2016, thus we did not recast for 2016. The change in the capitalization provisions under ASU 2017-07 did not have a material impact on our consolidated financial statements. See Note 14, "Employee Benefit Plans," for further disclosure on the components of net periodic benefit expense and classification of the components within our Consolidated Statements of Income for the year ended December 31, 2018 , 2017 , and 2016.

During 2018, the FASB issued ASU No. 2018-15, "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract" ("ASU 2018-15"). This update requires an entity (customer) in a hosting arrangement that is a service contract to follow the guidance in Subtopic 350-40 to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense. ASU 2018-15 is effective for fiscal years and interim periods beginning after December 15, 2019; early adoption is permitted. We adopted ASU 2018-15 in the third quarter of 2018 as we believe that our existing policy is consistent with the new guidance and thus no adjustments were required to be in compliance with this update.

In August 2018, the FASB issued ASU No. 2018-14, "Disclosure Framework- Changes to the Disclosure Requirements for Defined Benefit Plans" ("ASU 2018-14"), which removes, modifies, and adds certain disclosure requirements to the ASC 715 (Compensation- Retirement Benefits) guidance. ASU 2018-14 is effective for fiscal years and interim periods beginning after December 15, 2020; early adoption is permitted. We early adopted ASU 2018-14 in the fourth quarter of 2018; the required disclosures are reflected in Note 14, "Employee Benefit Plans."

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases" ("ASU 2016-02"), to increase transparency and comparability by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between current GAAP and ASU 2016-02 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. ASU 2016-02 is effective for fiscal

years, and interim periods within those years, beginning after December 15, 2018. The standard requires that entities apply the effects of these changes using a modified retrospective approach, which includes a number of optional practical expedients.

We will adopt the standard in the first quarter of 2019 and take advantage of the transition package of practical expedients permitted within the new standard, which, among other things, allows us to carryforward the historical lease classification. We will make an accounting policy election that will keep leases with an initial term of 12 months or less off of the balance sheet and will result in recognizing those lease payments in the Consolidated Statements of Operations on a straight-line basis over the lease term.

While we are continuing to assess all potential impacts of the standard, we expect total liabilities and leased assets to increase by $1.2 billion to $1.4 billion as of the date of adoption. The difference between these amounts primarily represents the existing deferred rent liabilities balance, resulting from the historical straight-line treatment of operating leases, which is reclassified as a reduction of the lease assets upon adoption. We do not believe the standard will materially affect our Statements of Income or Statements of Cash Flows as operating lease payments will still be an operating cash outflow and capital lease payments will still be a financing cash outflow. These estimates, which are based on our current lease portfolio, may change as we continue to evaluate the new standard and perform the necessary reconciliations between our recently implemented global lease accounting system and our lease expense accounts. The estimates could also change due to changes in the lease portfolio, which could include (a) lease volume, (b) lease commencement dates, and (c) renewal option and lease termination expectations. We do not believe the new standard will have a notable impact on our liquidity. The standard will have no impact on our debt-covenant compliance under our current agreements as the covenant calculations are based on the prior lease accounting rules.

In August 2017, the FASB issued ASU No. 2017-12, "Targeted Improvements to Accounting for Hedging Activities" ("ASU 2017-12"), which amends the hedge accounting recognition and presentation requirements in ASC 815 ("Derivatives and Hedging"). ASU 2017-12 significantly alters the hedge accounting model by making it easier for an entity to achieve and maintain hedge accounting and provides for accounting that better reflects an entity's risk management activities. ASU 2017-12 is effective for fiscal years and interim periods beginning after December 15, 2018; we are adopting the standard in the first quarter of 2019. Entities will adopt the provisions of ASU 2017-12 by applying a modified retrospective approach to existing hedging relationships as of the adoption date. At this time, we are still evaluating the impact of this standard on our financial statements.

In August 2018, the FASB issued ASU No. 2018-13, "Disclosure Framework- Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"), which removes, modifies, and adds certain disclosure requirements in ASC 820. ASU 2018-13 is effective for fiscal years and interim periods beginning after December 15, 2019; early adoption is permitted. We are in the process of evaluating the impact of this standard on our disclosures but do not believe that it will have a material impact.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"), and in November 2018 issued a subsequent amendment, ASU 2018-19, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses" ("ASU 2018-19"). ASU 2016-13 significantly changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. ASU 2016-13 will replace today’s “incurred loss” approach with an “expected loss” model for instruments measured at amortized cost. ASU 2018-19 will affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope of this amendment that have the contractual right to receive cash. ASU 2016-13 and ASU 2018-19 should be applied on either a prospective transition or modified-retrospective approach depending on the subtopic. ASU 2016-13 is effective for annual periods beginning after December 15, 2019, and interim periods therein. Early adoption is permitted for annual periods beginning after December 15, 2018, and interim periods therein. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

Note 5. Revenue Recognition

The core principle of ASC 606 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASC 606 defines a five-step process to achieve this core principle, which includes:

1. Identifying contracts with customers,
2. Identifying performance obligations within those contracts,
3. Determining the transaction price,
4. Allocating the transaction price to the performance obligations in the contract, which may include an estimate of variable consideration, and
5. Recognizing revenue when or as each performance obligation is satisfied.

The majority of our revenue is derived from the sale of vehicle parts. Under both the previous revenue standards and ASC 606, we recognize revenue when the products are shipped to, delivered to or picked up by customers, which is the point when title has transferred and risk of ownership has passed.

Sources of Revenue

We report our revenue in two categories: (i) parts and services and (ii) other. The following table sets forth our revenue by category, with our parts and services revenue further disaggregated by reportable segment (in thousands):

	Year Ended December 31,		
	2018	2017	2016
North America	$ 4,558,220	$ 4,278,531	$ 4,009,129
Europe	5,202,231	3,628,906	2,915,841
Specialty	1,472,956	1,301,197	1,219,675
Parts and services	11,233,407	9,208,634	8,144,645
Other	643,267	528,275	439,386
Total revenue	$ 11,876,674	$ 9,736,909	$ 8,584,031

Parts and Services

Our parts revenue is generated from the sale of vehicle products including replacement parts, components and systems used in the repair and maintenance of vehicles and specialty products and accessories to improve the performance, functionality and appearance of vehicles. Services revenue includes additional services that are generally billed concurrently with the related product sales, such as the sale of service-type warranties and fees for admission to our self service yards.

In North America, our vehicle replacement products include sheet metal collision parts such as doors, hoods, and fenders; bumper covers; head and tail lamps; automotive glass products such as windshields; mirrors and grilles; wheels; and large mechanical items such as engines and transmissions. In Europe, our products include a wide variety of small mechanical products such as brake pads, discs and sensors; clutches; electrical products such as spark plugs and batteries; steering and suspension products; filters; and oil and automotive fluids. In our Specialty operations, we serve six product segments: truck and off-road; speed and performance; RV; towing; wheels, tires and performance handling; and miscellaneous accessories.

Our service-type warranties typically have service periods ranging from 6 months to 36 months . Under ASC 606, proceeds from these service-type warranties are deferred at contract inception and amortized on a straight-line basis to revenue over the contract period. The changes in deferred service-type warranty revenue are as follows (in thousands):

Balance as of January 1, 2018	$ 19,465
Additional warranty revenue deferred	38,736
Warranty revenue recognized	(34,195)
Balance as of December 31, 2018	$ 24,006

Other Revenue

Revenue from other sources includes scrap sales, bulk sales to mechanical manufacturers (including cores) and sales of aluminum ingots and sows from our furnace operations. We derive scrap metal from several sources, including vehicles that have been used in both our wholesale and self service recycling operations and from OEMs and other entities that contract with us for secure disposal of "crush only" vehicles. The sale of hulks in our wholesale and self service recycling operations represents one performance obligation, and revenue is recognized based on a price per weight when the customer (processor) collects the scrap. Some adjustments may occur when the customer weighs the scrap at their location, and revenue is adjusted accordingly. We constrain our estimate of consideration to be received to the extent that we believe there will not be a significant reversal in revenue.

Revenue by Geographic Area

See Note 16, "Segment and Geographic Information" for information related to our revenue by geographic region.

Variable Consideration

The amount of revenue ultimately received from the customer can vary due to variable consideration which includes returns, discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The

previous revenue guidance required us to estimate the transaction price using a best estimate approach. Under ASC 606 we are required to select the “expected value method” or the “most likely amount” method in order to estimate variable consideration. We utilize both methods in practice depending on the type of variable consideration. In addition, our estimates of variable consideration are constrained to the extent that a significant reversal in revenue is not expected. We recorded a refund liability and return asset for expected returns of $105 million and $56 million , respectively, as of December 31, 2018 and a net reserve of $38 million as of December 31, 2017. The refund liability is presented separately on the balance sheet within current liabilities while the return asset is presented within prepaid expenses and other current assets. Other types of variable consideration consist primarily of discounts, volume rebates, and other customer sales incentives which are recorded in Receivables, net on the Consolidated Balance Sheets. We recorded a reserve for our variable consideration of $103 million and $78 million as of December 31, 2018 and December 31, 2017 , respectively. Our May 2018 acquisition of Stahlgruber contributed $26 million to our variable consideration reserve; see Note 2, "Business Combinations" for further information on our acquisitions. While other customer incentive programs exist, we characterize them as material rights in the context of our sales transactions. We consider these programs to be immaterial to our consolidated financial statements.

Contract Costs

Under ASC 340, "Other Assets and Deferred Costs," we have elected to recognize incremental costs of obtaining a contract (commissions earned by our sales representatives on product sales) as an expense when incurred, as we believe the amortization period of the asset would be one year or less due to the short-term nature of our contracts.

Sales Taxes

We present taxes assessed by governmental authorities collected from customers on a net basis. Therefore, the taxes are excluded from revenue on our Consolidated Statements of Income and are shown as a current liability on our Consolidated Balance Sheets until remitted.

Note 6. Restructuring and Acquisition Related Expenses

Acquisition Related Expenses

Acquisition related expenses, which include external costs such as legal, accounting and advisory fees, totaled $18 million , $15 million , and $22 million for the years ended December 31, 2018 , 2017 , and 2016 , respectively. Our 2018 expenses primarily consisted of external costs related to our acquisition of Stahlgruber totaling $16 million . The remaining acquisition related costs for the year ended December 31, 2018 related to (i) completed acquisitions, (ii) pending acquisitions as of December 31, 2018 , and (iii) potential acquisitions that were terminated.

Acquisition related expenses for 2017 included $5 million of costs for our acquisition of Andrew Page, primarily related to legal and other professional fees associated with the CMA review. The remaining acquisition related costs for the year ended December 31, 2017 consisted of external costs for (i) completed acquisitions, (ii) pending acquisitions as of December 31, 2017, including $4 million related to Stahlgruber, and (iii) potential acquisitions that were terminated.

Acquisition related expenses for 2016 included $11 million related to our Rhiag acquisition, $4 million related to our acquisition of PGW, and $7 million related to other completed acquisitions and acquisitions that were pending as of December 31, 2016.

Acquisition Integration Plans and Restructuring

During the year ended December 31, 2018 , we incurred $14 million of restructuring expenses. Expenses incurred during the year ended December 31, 2018 primarily consisted of $10 million related to the integration of our acquisition of Andrew Page and $3 million related to our Specialty segment. These integration activities included the closure of duplicate facilities and termination of employees.

During the year ended December 31, 2017, we incurred $5 million of restructuring expenses. Expenses incurred during the year ended December 31, 2017 were primarily a result of our ongoing integration activities in our North America and Specialty segments. Expenses incurred were primarily related to facility closure and the merger of existing facilities into larger distribution centers.

During the year ended December 31, 2016, we incurred $16 million of restructuring expenses. Of this amount, $10 million was related to integration activities in our Specialty segment, primarily a result of the integration of our Coast acquisition into our existing Specialty business. Expenses incurred were primarily related to facility closure and relocation costs for duplicate facilities, the merger of existing facilities into larger distribution centers, and the termination of employees. We also incurred $3 million and $2 million of restructuring expenses, including primarily facility rationalization activities, related to our North America and Europe acquisitions, respectively.

We expect to incur additional expenses related to the integration of certain of our acquisitions into our existing operations in 2019. These integration activities are expected to include the closure of duplicate facilities, rationalization of personnel in connection with the consolidation of overlapping facilities with our existing business, and moving expenses. Future expenses to complete these integration plans are expected to be less than $15 million .

Note 7. Stock-Based Compensation

In order to attract and retain employees, non-employee directors, consultants, and other persons associated with us, we may grant qualified and nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units (“RSUs”), performance shares and performance units under the LKQ Corporation 1998 Equity Incentive Plan (the “Equity Incentive Plan”). The total number of shares approved by our stockholders for issuance under the Equity Incentive Plan is 70 million shares, subject to antidilution and other adjustment provisions. We have granted RSUs, stock options, and restricted stock under the Equity Incentive Plan. Of the shares approved by our stockholders for issuance under the Equity Incentive Plan, 11 million shares remained available for issuance as of December 31, 2018 . We expect to issue new or treasury shares of common stock to cover past and future equity grants.

RSUs

RSUs vest over periods of up to five years, subject to a continued service condition. Currently outstanding RSUs contain either a time-based vesting condition or a combination of a performance-based vesting condition and a time-based vesting condition, in which case both conditions must be met before any RSUs vest. For most of the RSUs containing a performance-based vesting condition, the Company must report positive diluted earnings per share, subject to certain adjustments, during any fiscal year period within five years following the grant date; we have an immaterial amount of RSUs containing other performance-based vesting conditions. Each RSU converts into one share of LKQ common stock on the applicable vesting date. The grant date fair value of RSUs is based on the market price of LKQ stock on the grant date.

The Compensation Committee of our Board of Directors (the "Compensation Committee") approved the grant of 189,204 ; 235,537 ; and 261,851 RSUs to our executive officers that include both a performance-based vesting condition and a time-based vesting condition in 2018 , 2017 , and 2016 , respectively. The performance-based vesting conditions for the 2018 , 2017 , and 2016 grants to our executive officers have been satisfied.

The fair value of RSUs that vested during the years ended December 31, 2018 , 2017 , and 2016 was $27 million , $28 million , and $29 million , respectively; the fair value of RSUs vested is based on the market price of LKQ stock on the date vested.

In February 2019, the Compensation Committee approved the grant of up to $24 million of RSUs to employees. The Compensation Committee also approved the grant of $3 million of performance-based three-year RSUs to employees. As these awards are performance based, the exact number of shares to be paid out may be up to twice the grant amount, depending on the Company's performance and the achievement of certain performance metrics over the three year period ending December 31, 2021. The grant date of these awards is March 1, 2019. The range of the possible number of RSUs to be granted will depend on our share price on the grant date.

The following table summarizes activity related to our RSUs under the Equity Incentive Plan for the year ended December 31, 2018 :

	Number Outstanding	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands) [1]
Unvested as of January 1, 2018	1,624,390	$ 29.94		
Granted [2]	601,802	$ 42.58		
Vested	(704,909)	$ 30.03		
Forfeited / Canceled	(45,601)	$ 33.43		
Unvested as of December 31, 2018	1,475,682	$ 34.94		
Expected to vest after December 31, 2018	1,351,169	$ 34.89	2.3	$ 32,063

(1) The aggregate intrinsic value of expected to vest RSUs represents the total pretax intrinsic value (the fair value of the Company's stock on the last day of each period multiplied by the number of units) that would have been received by the holders had all RSUs vested. This amount changes based on the market price of the Company’s common stock.

(2) The weighted average grant date fair value of RSUs granted during the years ended December 31, 2017 and 2016 was $32.15 and $29.05 , respectively.

Stock Options

Stock options vest over periods of up to five years, subject to a continued service condition. Stock options expire either six or ten years from the date they are granted. No options were granted during 2018 , 2017 or 2016. No options vested during the year ended December 31, 2018 ; all of our outstanding options are fully vested. The total grant-date fair value of options that vested during the year ended December 31, 2017 was $1 million ; no options vested during the years ended December 31, 2018 and 2016 .

The following table summarizes activity related to our stock options under the Equity Incentive Plan for the year ended December 31, 2018 :

	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands) [1]
Balance as of January 1, 2018	1,738,073	$ 9.20		
Exercised	(686,070)	$ 7.73		$ 17,504
Canceled	(509)	$ 32.31		
Balance as of December 31, 2018	1,051,494	$ 10.15	0.9	$ 14,570
Exercisable as of December 31, 2018	1,051,494	$ 10.15	0.9	$ 14,570

(1) The aggregate intrinsic value of outstanding and exercisable options represents the total pretax intrinsic value (the difference between the fair value of the Company's stock on the last day of each period and the exercise price, multiplied by the number of options where the fair value exceeds the exercise price) that would have been received by the option holders had all option holders exercised their options as of the last day of the period indicated. This amount changes based on the market price of the Company's common stock. The aggregate intrinsic value of stock options exercised during the years ended December 31, 2017 and 2016 , was $21 million and $28 million , respectively.

Stock-Based Compensation Expense

For the RSUs that contain both a performance-based vesting condition and a time-based vesting condition, we recognize compensation expense under the accelerated attribution method, pursuant to which expense is recognized over the requisite service period for each separate vesting tranche of the award. During the years ended December 31, 2018 , 2017 , and 2016 , we recognized $8 million , $7 million , and $7 million , respectively, of stock based compensation expense related to the RSUs containing a performance-based vesting condition. For all other awards, which are subject to only a time-based vesting condition, we recognize compensation expense on a straight-line basis over the requisite service period of the entire award. Forfeitures are recorded as they occur.

The components of pre-tax stock-based compensation expense for our continuing operations are as follows (in thousands):

	Year Ended December 31,		
	2018	2017	2016
RSUs	$ 22,760	$ 22,826	$ 22,183
Stock options and other	—	6	162
Total stock-based compensation expense	$ 22,760	$ 22,832	$ 22,345

The following table sets forth the classification of total stock-based compensation expense included in our Consolidated Statements of Income for our continuing operations (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Cost of goods sold	$ 469	$ 434	$ 407
Selling, general and administrative expenses	22,291	22,398	21,938
Total stock-based compensation expense	22,760	22,832	22,345
Income tax benefit	(5,220)	(5,459)	(8,268)
Total stock-based compensation expense, net of tax	$ 17,540	$ 17,373	$ 14,077

We have not capitalized any stock-based compensation costs during the years ended December 31, 2018 , 2017 , and 2016 .

As of December 31, 2018 , unrecognized compensation expense related to unvested RSUs is expected to be recognized as follows (in thousands):

	RSUs
2019	$ 15,166
2020	9,715
2021	6,315
2022	3,458
2023	150
Total unrecognized compensation expense	$ 34,804

Stock-based compensation expense related to these awards will be different to the extent that forfeitures are realized.

Note 8. Earnings Per Share

Basic earnings per share are computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share incorporate the incremental shares issuable upon the assumed exercise of stock options and the assumed vesting of RSUs. Certain of our RSUs and stock options were excluded from the calculation of diluted earnings per share because they were antidilutive, but these equity instruments could be dilutive in the future.

The following chart sets forth the computation of earnings per share (in thousands, except per share amounts):

	Year Ended December 31,		
	2018	2017	2016
Income from continuing operations	$ 487,565	$ 536,974	$ 456,123
Denominator for basic earnings per share—Weighted-average shares outstanding	314,428	308,607	306,897
Effect of dilutive securities:			
RSUs	409	544	689
Stock options	1,012	1,498	2,198
Denominator for diluted earnings per share—Adjusted weighted-average shares outstanding	315,849	310,649	309,784
Basic earnings per share from continuing operations	$ 1.55	$ 1.74	$ 1.49
Diluted earnings per share from continuing operations	$ 1.54	$ 1.73	$ 1.47

The following table sets forth the number of employee stock-based compensation awards outstanding but not included in the computation of diluted earnings per share because their effect would have been antidilutive for the years ended December 31, 2018 , 2017 , and 2016 (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Antidilutive securities:			
RSUs	410	37	57
Stock options	8	39	63

Note 9. Accumulated Other Comprehensive Income (Loss)

The components of Accumulated Other Comprehensive Income (Loss) are as follows (in thousands):

	Foreign Currency Translation	Unrealized (Loss) Gain on Cash Flow Hedges	Unrealized (Loss) Gain on Pension Plans	Other Comprehensive Loss from Unconsolidated Subsidiaries	Accumulated Other Comprehensive (Loss) Income
Balance at January 1, 2016	$ (96,890)	$ (932)	$ (7,648)	$ —	$ (105,470)
Pretax (loss) income	(175,639)	12,382	7,175	—	(156,082)
Income tax effect	—	(4,581)	(2,636)	—	(7,217)
Reclassification of unrealized loss (gain)	—	1,789	496	—	2,285
Reclassification of deferred income taxes	—	(567)	(124)	—	(691)
Balance at December 31, 2016	$ (272,529)	$ 8,091	$ (2,737)	$ —	$ (267,175)
Pretax income (loss)	206,451	(44,550)	361	—	162,262
Income tax effect	(7,366)	16,390	(100)	—	8,924
Reclassification of unrealized loss (gain)	—	50,090	(3,519)	—	46,571
Reclassification of deferred income taxes	—	(18,483)	659	—	(17,824)
Disposal of business, net	1,511	—	(3,436)	—	(1,925)
Other comprehensive loss from unconsolidated subsidiaries	—	—	—	(1,309)	(1,309)
Balance at December 31, 2017	$ (71,933)	$ 11,538	$ (8,772)	$ (1,309)	$ (70,476)
Pretax (loss) income	(113,030)	37,552	1,132	—	(74,346)
Income tax effect	4,507	(8,846)	(403)	—	(4,742)
Reclassification of unrealized (gain) loss	—	(37,009)	(54)	—	(37,063)
Reclassification of deferred income taxes	—	8,653	22	—	8,675
Other comprehensive loss from unconsolidated subsidiaries	—	—	—	(2,343)	(2,343)
Adoption of ASU 2018-02	2,859	2,486	—	—	5,345
Balance at December 31, 2018	$ (177,597)	$ 14,374	$ (8,075)	$ (3,652)	$ (174,950)

Net unrealized gains on our interest rate swaps, inclusive of our interest rate swap agreements and the interest rate swap component of our cross currency swaps, totaling $7 million in the year ended December 31, 2018 were reclassified to Interest expense in our Consolidated Statements of Income, compared to losses of $2 million , and $4 million for the years ended December 31, 2017 and 2016 , respectively. We also reclassified gains of $9 million to Interest expense related to the foreign currency forward component of our cross currency swaps during each of the years ended December 31, 2018 and 2017 ; the amount reclassified during the year ended December 31, 2016 was immaterial. Also related to our cross currency swaps, we reclassified gains of $21 million and $2 million to Interest income and other income, net in our Consolidated Statements of Income during the years ended December 31, 2018 and 2016, respectively, compared to losses of $57 million during the year ended December 31, 2017 ; these gains and losses offset the impact of the remeasurement of the underlying contracts. The deferred income taxes related to our cash flow hedges were reclassified from Accumulated other comprehensive income (loss) to provision for income taxes.

Reclassifications of unrealized gains and losses related to our pension plans were reclassified from Accumulated other comprehensive income (loss) to Interest income and other income, net; the related deferred taxes were reclassified from Accumulated other comprehensive income (loss) to provision for income taxes.

As a result of the adoption of ASU 2018-02 in the first quarter of 2018, we recorded a $5 million reclassification to increase Accumulated Other Comprehensive (Loss) Income and decrease Retained Earnings. See Note 4, "Summary of Significant Accounting Policies " for further information regarding the adoption of ASU 2018-02.

Note 10. Long-Term Obligations

Long-term obligations consist of the following (in thousands):

	December 31,	
	2018	2017
Senior secured credit agreement:		
Term loans payable	$ 350,000	$ 704,800
Revolving credit facilities	1,387,177	1,283,551
U.S. Notes (2023)	600,000	600,000
Euro Notes (2024)	573,350	600,150
Euro Notes (2026/28)	1,146,700	—
Receivables securitization facility	110,000	100,000
Notes payable through May 2027 at weighted average interest rates of 2.0% and 1.4%, respectively	23,056	29,146
Other long-term debt at weighted average interest rates of 2.5% and 1.7%, respectively	157,414	110,633
Total debt	4,347,697	3,428,280
Less: long-term debt issuance costs	(36,906)	(21,476)
Less: current debt issuance costs	(291)	(2,824)
Total debt, net of debt issuance costs	4,310,500	3,403,980
Less: current maturities, net of debt issuance costs	(121,826)	(126,360)
Long term debt, net of debt issuance costs	$ 4,188,674	$ 3,277,620

The scheduled maturities of long-term obligations outstanding at December 31, 2018 are as follows (in thousands):

2019	$ 122,117
2020	49,193
2021	137,192
2022	24,410
2023	621,560
Thereafter	3,393,225
Total debt [(1)]	$ 4,347,697

(1) The total debt amounts presented above exclude debt issuance costs totaling $37 million as of December 31, 2018.

Senior Secured Credit Agreement

On November 20, 2018, LKQ Corporation, LKQ Delaware LLP, and certain other subsidiaries (collectively, the "Borrowers") entered into Amendment No. 3 to the Fourth Amended and Restated Credit Agreement ("Credit Agreement"), which amended the Fourth Amended and Restated Credit Agreement dated January 29, 2016 by modifying certain terms to (1) increase the total availability under the revolving credit facility's multicurrency component from $2.75 billion to $3.15 billion ; (2) reduce the margin on borrowings by 25 basis points at the September 30, 2018 leverage ratio, and reduce the number of leverage pricing tiers; (3) extend the maturity date by one year to January 29, 2024; (4) reduce the unused facility fee depending on leverage category; (5) increase the capacity for incurring additional indebtedness under our receivables securitization facility; (6) increase the maximum borrowing limit of swingline loans and add the ability to borrow in British Pounds and Euros; and (7) make other immaterial or clarifying modifications and amendments to the terms of the Credit Agreement. Borrowings will continue to bear interest at variable rates.

Amounts under the revolving credit facility are due and payable upon maturity of the Credit Agreement on January 29, 2024. Term loan borrowings, which total $350 million as of December 31, 2018 , are due and payable in quarterly installments equal to $2 million on the last day of each of the first four fiscal quarters ending on or after March 31, 2019 and approximately $4 million on the last day of each fiscal quarter thereafter, with the remaining balance due and payable on January 29, 2024.

The increase in the revolving credit facility's multicurrency component of $400 million was used in part to pay down $240 million of the term loan (to the new $350 million amount); the remainder will be used for general corporate purposes.

We are required to prepay the term loan by amounts equal to proceeds from the sale or disposition of certain assets if the proceeds are not reinvested within twelve months. We also have the option to prepay outstanding amounts under the Credit Agreement without penalty.

The Credit Agreement contains customary representations and warranties and customary covenants that provide limitations and conditions on our ability to enter into certain transactions. The Credit Agreement also contains financial and affirmative covenants, including limitations on our net leverage ratio and a minimum interest coverage ratio.

Borrowings under the Credit Agreement bear interest at variable rates, which depend on the currency and duration of the borrowing elected, plus an applicable margin. The applicable margin is subject to change in increments of 0.25% depending on our net leverage ratio. Interest payments are due on the last day of the selected interest period or quarterly in arrears depending on the type of borrowing. Including the effect of the interest rate swap agreements described in Note 11, "Derivative Instruments and Hedging Activities," the weighted average interest rates on borrowings outstanding under the Credit Agreement at December 31, 2018 and 2017 were 1.9% and 2.2% , respectively. We also pay a commitment fee based on the average daily unused amount of the revolving credit facilities. The commitment fee is subject to change in increments of 0.05% depending on our net leverage ratio. In addition, we pay a participation commission on outstanding letters of credit at an applicable rate based on our net leverage ratio, and a fronting fee of 0.125% to the issuing bank, which are due quarterly in arrears.

Of the total borrowings outstanding under the Credit Agreement, there were $9 million classified as current maturities at December 31, 2018 compared to $18 million at December 31, 2017 . As of December 31, 2018 , there were letters of credit outstanding in the aggregate amount of $65 million . The amounts available under the revolving credit facilities are reduced by the amounts outstanding under letters of credit, and thus availability under the revolving credit facilities at December 31, 2018 was $1.7 billion .

Related to the execution of Amendment No. 3 to the Fourth Amended and Restated Credit Agreement in November 2018, we incurred $4 million of fees, the majority of which were capitalized as an offset to Long-Term Obligations and are amortized over the term of the agreement. The amounts recorded as a loss on debt extinguishment in the Consolidated Statement of Income for the years ended December 31, 2018 and 2017 were primarily related to the write-off of capitalized debt issuance costs related to various amendments to our Fourth Amended and Restated Credit Agreement.

U.S. Notes (2023)

In 2013, we issued $600 million aggregate principal amount of 4.75% senior notes due 2023 (the "U.S. Notes (2023)"). The U.S. Notes (2023) are governed by the Indenture dated as of May 9, 2013 (the "U.S. Notes (2023) Indenture") among LKQ Corporation, certain of our subsidiaries (the "Guarantors"), the trustee, paying agent, transfer agent and registrar. The U.S. Notes (2023) are registered under the Securities Act of 1933.

The U.S. Notes (2023) bear interest at a rate of 4.75% per year from the most recent payment date on which interest has been paid or provided for. Interest on the U.S. Notes (2023) is payable in arrears on May 15 and November 15 of each year. The U.S. Notes (2023) are fully and unconditionally guaranteed, jointly and severally, by the Guarantors.

The U.S. Notes (2023) and the related guarantees are, respectively, LKQ Corporation's and each Guarantor's senior unsecured obligations and are subordinated to all of the Guarantors' existing and future secured debt to the extent of the assets securing that secured debt. In addition, the U.S. Notes (2023) are effectively subordinated to all of the liabilities of our subsidiaries that are not guaranteeing the U.S. Notes (2023) to the extent of the assets of those subsidiaries.

Repayment of Rhiag Acquired Debt and Debt Related Liabilities

On March 24, 2016, LKQ Netherlands B.V., a wholly-owned subsidiary of LKQ Corporation, borrowed €508 million under our multi-currency revolving credit facility to repay the debt and debt related liabilities assumed as part of our acquisition of Rhiag. The borrowed funds were passed through an intercompany note to Rhiag and then were used to pay (i) $520 million (€465 million) for the principal of Rhiag senior note debt assumed with the acquisition, (ii) accrued interest of $8 million (€7 million) on the notes, (iii) the call premium of $24 million (€21 million) associated with early redemption of the notes and (iv) $5 million (€4 million) to terminate Rhiag’s outstanding interest rate swap related to the floating rate portion of the notes. The call premium is recorded as a loss on debt extinguishment in the Consolidated Statements of Income.

Euro Notes (2024)

On April 14, 2016, LKQ Italia Bondco S.p.A. (“LKQ Italia”), an indirect, wholly-owned subsidiary of LKQ Corporation, completed an offering of €500 million aggregate principal amount of senior notes due April 1, 2024 (the “Euro Notes (2024)”) in a private placement conducted pursuant to Regulation S and Rule 144A under the Securities Act of 1933. The proceeds from the offering were used to repay a portion of the revolver borrowings under the Credit Agreement and to pay related fees and expenses. The Euro Notes (2024) are governed by the Indenture dated as of April 14, 2016 (the “Euro Notes (2024) Indenture”) among LKQ Italia, LKQ Corporation and certain of our subsidiaries (the “Euro Notes (2024) Subsidiaries”), the trustee, and the paying agent, transfer agent, and registrar.

The Euro Notes (2024) bear interest at a rate of 3.875% per year from the date of original issuance or from the most recent payment date on which interest has been paid or provided for. Interest on the Euro Notes (2024) is payable in arrears on April 1 and October 1 of each year. The Euro Notes (2024) are fully and unconditionally guaranteed by LKQ Corporation and the Euro Notes (2024) Subsidiaries (the "Euro Notes (2024) Guarantors").

The Euro Notes (2024) and the related guarantees are, respectively, LKQ Italia’s and each Euro Notes (2024) Guarantor’s senior unsecured obligations and are subordinated to all of LKQ Italia's and the Euro Notes (2024) Guarantors’ existing and future secured debt to the extent of the assets securing that secured debt. In addition, the Euro Notes (2024) are effectively subordinated to all of the liabilities of our subsidiaries that are not guaranteeing the Euro Notes (2024) to the extent of the assets of those subsidiaries. The Euro Notes (2024) have been listed on the ExtraMOT, Professional Segment of the Borsa Italia S.p.A. securities exchange and the Global Exchange Market of Euronext Dublin.

Related to the execution of the Euro Notes (2024) in April 2016, we incurred $10 million of fees which were capitalized as an offset to Long-Term Obligations and are amortized over the term of the Euro Notes (2024).

Euro Notes (2026/28)

On April 9, 2018, LKQ European Holdings B.V. ("LKQ Euro Holdings"), a wholly-owned subsidiary of LKQ Corporation, completed an offering of €1.0 billion aggregate principal amount of senior notes. The offering consisted of €750 million senior notes due 2026 (the "2026 notes") and €250 million senior notes due 2028 (the "2028 notes" and, together with the 2026 notes, the "Euro Notes (2026/28)") in a private placement conducted pursuant to Regulation S and Rule 144A under the Securities Act of 1933. The proceeds from the offering, together with borrowings under our senior secured credit facility, were or will be used to (i) finance a portion of the consideration paid for the Stahlgruber acquisition, (ii) for general corporate purposes and (iii) to pay related fees and expenses, including the refinancing of net financial debt. The Euro Notes (2026/28) are governed by the Indenture dated as of April 9, 2018 (the “Euro Notes (2026/28) Indenture”) among LKQ Euro Holdings, LKQ Corporation and certain of our subsidiaries (the “Euro Notes (2026/28) Subsidiaries”), the trustee, paying agent, transfer agent, and registrar.

The 2026 notes and 2028 notes bear interest at a rate of 3.625% and 4.125% , respectively, per year from the date of original issuance or from the most recent payment date on which interest has been paid or provided for. Interest on the Euro Notes (2026/28) is payable in arrears on April 1 and October 1 of each year, beginning on October 1, 2018. The Euro Notes (2026/28) are fully and unconditionally guaranteed by LKQ Corporation and the Euro Notes (2026/28) Subsidiaries (the "Euro Notes (2026/28) Guarantors").

The Euro Notes (2026/28) and the related guarantees are, respectively, LKQ Euro Holdings' and each Euro Notes (2026/28) Guarantor’s senior unsecured obligations and will be subordinated to all of LKQ Euro Holdings' and the Euro Notes (2026/28) Guarantors’ existing and future secured debt to the extent of the assets securing that secured debt. In addition, the Euro Notes (2026/28) are effectively subordinated to all of the liabilities of our subsidiaries that are not guaranteeing the Euro Notes (2026/28) to the extent of the assets of those subsidiaries. The Euro Notes (2026/28) have been listed on the Global Exchange Market of Euronext Dublin.

Related to the execution of the Euro Notes (2026/28) in April 2018, we incurred $16 million of fees, which were capitalized as an offset to Long-Term Obligations and are amortized over the term of the Euro Notes (2026/28).

Restricted Payments

Our senior secured credit agreement and our senior notes indentures contain limitations on payment of cash dividends or other distributions of assets. Based on limitations in effect under our senior secured credit agreement and senior notes indentures, the maximum amount of dividends we could pay as of December 31, 2018 was approximately $1.7 billion . The limit on the payment of dividends is calculated using historical financial information and will change from period to period.

Receivables Securitization Facility

On December 20, 2018, we amended the terms of our receivables securitization facility with MUFG to: (i) extend the term of the facility to November 8, 2021; (ii) increase the maximum amount available to $110 million ; and (iii) make other clarifying and updating changes. Under the facility, LKQ sells an ownership interest in certain receivables, related collections and security interests to MUFG for the benefit of conduit investors and/or financial institutions for cash proceeds. Upon payment of the receivables by customers, rather than remitting to MUFG the amounts collected, LKQ retains such collections as proceeds for the sale of new receivables generated by certain of the ongoing operations of the Company.

The sale of the ownership interest in the receivables is accounted for as a secured borrowing in our Consolidated Balance Sheets, under which the receivables included in the program collateralize the amounts invested by MUFG, the conduit investors and/or financial institutions (the "Purchasers"). The receivables are held by LKQ Receivables Finance Company, LLC ("LRFC"), a wholly owned bankruptcy-remote special purpose subsidiary of LKQ, and therefore, the receivables are available first to satisfy the creditors of LRFC, including the Purchasers. Net receivables totaling $132 million and $144 million were collateral for the investment under the receivables facility as of December 31, 2018 and 2017, respectively.

Under the receivables facility, we pay variable interest rates plus a margin on the outstanding amounts invested by the Purchasers. The variable rates are based on (i) commercial paper rates, (ii) LIBOR, or (iii) base rates, and are payable monthly in arrears. The commercial paper rate is the applicable variable rate unless conduit investors are not available to invest in the receivables at commercial paper rates. In such case, financial institutions will invest at the LIBOR rate or at base rates. We also pay a commitment fee on the excess of the investment maximum over the average daily outstanding investment, payable monthly in arrears. As of December 31, 2018 , the interest rate under the receivables facility was based on commercial paper rates and was 3.4% . The outstanding balances of $110 million and $100 million as of December 31, 2018 and 2017 , respectively, were classified as long-term on the Consolidated Balance Sheets because we have the ability and intent to refinance these borrowings on a long-term basis.

Note 11. Derivative Instruments and Hedging Activities

We are exposed to market risks, including the effect of changes in interest rates, foreign currency exchange rates and commodity prices. Under our current policies, we use derivatives to manage our exposure to variable interest rates on our senior secured debt and changing foreign exchange rates for certain foreign currency denominated transactions. We do not hold or issue derivatives for trading purposes.

Cash Flow Hedges

We hold interest rate swap agreements to hedge a portion of the variable interest rate risk on our variable rate borrowings under our Credit Agreement, with the objective of minimizing the impact of interest rate fluctuations and stabilizing cash flows. Under the terms of the interest rate swap agreements, we pay the fixed interest rate and receive payment at a variable rate of interest based on LIBOR for the respective currency of each interest rate swap agreement’s notional amount. The effective portion of changes in the fair value of the interest rate swap agreements is recorded in Accumulated Other Comprehensive Income (Loss) and is reclassified to interest expense when the underlying interest payment has an impact on earnings. The ineffective portion of changes in the fair value of the interest rate swap agreements is reported in interest expense. Our interest rate swap contracts have maturity dates ranging from January to June 2021. In December 2018, we sold two interest rate swap contracts with a notional amount of $110 million . As of December 31, 2018 , we held interest rate swap contracts related to $480 million of U.S. dollar-denominated debt.

From time to time, we may hold foreign currency forward contracts related to certain foreign currency denominated intercompany transactions, with the objective of minimizing the impact of fluctuating exchange rates on these future cash flows. Under the terms of the foreign currency forward contracts, we will sell the foreign currency in exchange for U.S. dollars at a fixed rate on the maturity dates of the contracts. The effective portion of the changes in fair value of the foreign currency forward contracts is recorded in Accumulated Other Comprehensive Income (Loss) and reclassified to other income, net when the underlying transaction has an impact on earnings.

In 2016, we entered into three cross currency swap agreements for a total notional amount of $422 million (€400 million). The notional amount steps down by €15 million annually through 2020 with the remainder maturing in January 2021. These cross currency swaps contain an interest rate swap component and a foreign currency forward contract component that, combined with related intercompany financing arrangements, effectively convert variable rate U.S. dollar-denominated borrowings into fixed rate euro-denominated borrowings. The swaps are intended to minimize the impact of fluctuating exchange rates and interest rates on the cash flows resulting from the related intercompany financing arrangements. The effective portion of the changes in the fair value of the derivative instruments is recorded in Accumulated Other Comprehensive Income (Loss) and is reclassified to interest expense and interest income and other income, net when the underlying transactions have an impact on earnings.

In October 2018, we entered into two cross currency swap agreements for a total notional amount of $184 million (€160 million). Half of the notional amount matures in October 2019 with the remainder in October 2020. The purpose and accounting of the swaps are similar to those described in the previous paragraph.

The activity related to our cash flow hedges is presented in operating activities in our Consolidated Statements of Cash Flows.

The following table summarizes the notional amounts and fair values of our designated cash flow hedges as of December 31, 2018 and 2017 (in thousands):

	Notional Amount	Fair Value at December 31, 2018 (USD)			
	December 31, 2018	Other Current Assets	Other Assets	Other Accrued Expenses	Other Noncurrent Liabilities
Interest rate swap agreements					
USD denominated	$ 480,000	$ —	$ 14,967	$ —	$ —
Cross currency swap agreements					
USD/euro	$ 574,315	211	7,669	127	40,870
Total cash flow hedges		$ 211	$ 22,636	$ 127	$ 40,870

	Notional Amount	Fair Value at December 31, 2017 (USD)	
	December 31, 2017	Other Assets	Other Noncurrent Liabilities
Interest rate swap agreements			
USD denominated	$ 590,000	$ 19,102	$ —
Cross currency swap agreements			
USD/euro	$ 406,546	5,504	61,492
Total cash flow hedges		$ 24,606	$ 61,492

While certain derivative instruments executed with the same counterparty are subject to master netting arrangements, we present our cash flow hedge derivative instruments on a gross basis in our Consolidated Balance Sheets. The impact of netting the fair values of these contracts would result in a decrease to Other Assets and Other Noncurrent Liabilities on our Consolidated Balance Sheets of $14 million and $12 million at December 31, 2018 and 2017, respectively.

The activity related to our cash flow hedges is included in Note 9, "Accumulated Other Comprehensive Income (Loss) ." Ineffectiveness related to our cash flow hedges was immaterial to our results of operations during 2018 , 2017 , and 2016 . We do not expect future ineffectiveness related to our cash flow hedges to have a material effect on our results of operations.

As of December 31, 2018 , we estimate that $2 million of derivative gains (net of tax) included in Accumulated Other Comprehensive Income (Loss) will be reclassified into our Consolidated Statements of Income within the next 12 months.

Other Derivative Instruments

During the third quarter of 2018, we recorded the fair value of a derivative instrument of $29 million related to our right to acquire Mekonomen shares at a discount. During the year ended December 31, 2018, we recorded a net $5 million loss related to the remeasurement and settlement of the derivative instrument. Refer to Note 4, "Summary of Significant Accounting Policies ," for more information on the derivative instrument.

We hold other short-term derivative instruments, including foreign currency forward contracts, to manage our exposure to variability related to inventory purchases and intercompany financing transactions denominated in a non-functional currency. We have elected not to apply hedge accounting for these transactions, and therefore the contracts are adjusted to fair value through our results of operations as of each balance sheet date, which could result in volatility in our earnings. The notional amount and fair value of these contracts at December 31, 2018 and 2017 , along with the effect on our results of operations in 2018 , 2017 and 2016 , were immaterial.

Note 12. Fair Value Measurements

Financial Assets and Liabilities Measured at Fair Value

We use the market and income approaches to estimate the fair value of our financial assets and liabilities, and during the year ended December 31, 2018 , there were no significant changes in valuation techniques or inputs related to the financial assets or liabilities that we have historically recorded at fair value. The tiers in the fair value hierarchy include: Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as significant unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The following tables present information about our financial assets and liabilities measured at fair value on a recurring basis and indicate the fair value hierarchy of the valuation inputs we utilized to determine such fair value as of December 31, 2018 and December 31, 2017 (in thousands):

	Balance as of December 31, 2018	Fair Value Measurements as of December 31, 2018		
		Level 1	Level 2	Level 3
Assets:				
Cash surrender value of life insurance	$ 47,649	$ —	$ 47,649	$ —
Interest rate swaps	14,967	—	14,967	—
Cross currency swap agreements	7,880	—	7,880	—
Total Assets	$ 70,496	$ —	$ 70,496	$ —
Liabilities:				
Contingent consideration liabilities	$ 5,209	$ —	$ —	$ 5,209
Deferred compensation liabilities	48,984	—	48,984	—
Cross currency swap agreements	40,997	—	40,997	—
Total Liabilities	$ 95,190	$ —	$ 89,981	$ 5,209

	Balance as of December 31, 2017	Fair Value Measurements as of December 31, 2017		
		Level 1	Level 2	Level 3
Assets:				
Cash surrender value of life insurance	$ 45,984	$ —	$ 45,984	$ —
Interest rate swaps	19,102	—	19,102	—
Cross currency swap agreements	5,504	—	5,504	—
Total Assets	$ 70,590	$ —	$ 70,590	$ —
Liabilities:				
Contingent consideration liabilities	$ 2,636	$ —	$ —	$ 2,636
Deferred compensation liabilities	47,199	—	47,199	—
Cross currency swap agreements	61,492	—	61,492	—
Total Liabilities	$ 111,327	$ —	$ 108,691	$ 2,636

The cash surrender value of life insurance is included in Other assets on our Consolidated Balance Sheets. The current portion of deferred compensation is included in Accrued payroll-related liabilities and the current portion of contingent consideration liabilities is included in Other current liabilities on our Consolidated Balance Sheets; the noncurrent portion of these amounts is included in Other noncurrent liabilities on our Consolidated Balance Sheets based on the expected timing of the related payments. The balance sheet classification of the interest rate swaps and cross currency swap agreements is presented in Note 11, "Derivative Instruments and Hedging Activities ."

Our Level 2 assets and liabilities are valued using inputs from third parties and market observable data. We obtain valuation data for the cash surrender value of life insurance and deferred compensation liabilities from third party sources, which determine the net asset values for our accounts using quoted market prices, investment allocations and reportable trades. We value our other derivative instruments using a third party valuation model that performs a discounted cash flow analysis based on the terms of the contracts and market observable inputs such as current and forward interest rates and current and forward foreign exchange rates.

Our contingent consideration liabilities are related to our business acquisitions. Under the terms of the contingent consideration agreements, payments may be made at specified future dates depending on the performance of the acquired

business subsequent to the acquisition. The liabilities for these payments are classified as Level 3 liabilities because the related fair value measurement, which is determined using an income approach, includes significant inputs not observable in the market.

Financial Assets and Liabilities Not Measured at Fair Value

Our debt is reflected on the Consolidated Balance Sheets at cost. Based on market conditions as of December 31, 2018 and 2017 , the fair value of our credit agreement borrowings reasonably approximated the carrying values of $1.7 billion and $2.0 billion , respectively. In addition, based on market conditions, the fair values of the outstanding borrowings under the receivables facility reasonably approximated the carrying values of $110 million and $100 million at December 31, 2018 and December 31, 2017 , respectively. As of December 31, 2018 and December 31, 2017 , the fair values of the U.S. Notes (2023) were approximately $574 million and $615 million , respectively, compared to a carrying value of $600 million at each date. As of December 31, 2018 and December 31, 2017 , the fair values of the Euro Notes (2024) were approximately $586 million and $658 million compared to carrying values of $573 million and $600 million , respectively. As of December 31, 2018, the fair value of the Euro Notes (2026/28) approximated the carrying value of $ 1.1 billion .

The fair value measurements of the borrowings under our credit agreement and receivables facility are classified as Level 2 within the fair value hierarchy since they are determined based upon significant inputs observable in the market, including interest rates on recent financing transactions with similar terms and maturities. We estimated the fair value by calculating the upfront cash payment a market participant would require at December 31, 2018 to assume these obligations. The fair value of our U.S. Notes (2023) is classified as Level 1 within the fair value hierarchy since it is determined based upon observable market inputs including quoted market prices in an active market. The fair values of our Euro Notes (2024) and Euro Notes (2026/28) are determined based upon observable market inputs including quoted market prices in markets that are not active, and therefore are classified as Level 2 within the fair value hierarchy.

Note 13. Commitments and Contingencies

Operating Leases

We are obligated under noncancelable operating leases for corporate office space, warehouse and distribution facilities, trucks and certain equipment.

The future minimum lease commitments under these leases at December 31, 2018 are as follows (in thousands):

Years ending December 31:		
2019	$	294,269
2020		256,172
2021		210,632
2022		158,763
2023		131,518
Thereafter		777,165
Future Minimum Lease Payments	$	1,828,519

Rental expense for operating leases was approximately $300 million , $247 million , and $212 million during the years ended December 31, 2018 , 2017 and 2016 , respectively.

We guarantee the residual values of the majority of our truck and equipment operating leases. The residual values decline over the lease terms to a defined percentage of original cost. In the event the lessor does not realize the residual value when a piece of equipment is sold, we would be responsible for a portion of the shortfall. Similarly, if the lessor realizes more than the residual value when a piece of equipment is sold, we would be paid the amount realized over the residual value. Had we terminated all of our operating leases subject to these guarantees at December 31, 2018 , our portion of the guaranteed residual value would have totaled approximately $76 million . We have not recorded a liability for the guaranteed residual value of equipment under operating leases as the recovery on disposition of the equipment under the leases is expected to approximate the guaranteed residual value.

Litigation and Related Contingencies

We have certain contingencies resulting from litigation, claims and other commitments and are subject to a variety of environmental and pollution control laws and regulations incident to the ordinary course of business. We currently expect that the resolution of such contingencies will not materially affect our financial position, results of operations or cash flows.

Note 14. Employee Benefit Plans

Defined Benefit Plans

We have funded and unfunded defined benefit plans covering certain employee groups in the U.S. and various European countries. Local statutory requirements govern many of our European plans. The defined benefit plans are plans are mostly closed to new participants and, in some cases, existing participants no longer accrue benefits.

Funded Status

The table below summarizes the funded status of our defined benefit plans (in thousands):

	December 31,	
	2018	2017
Change in projected benefit obligation:		
Projected benefit obligation - beginning of year	$ 126,031	$ 111,547
Acquisitions [1]	79,211	938
Service cost	3,215	4,525
Interest cost	3,476	3,670
Participant contributions	415	573
Actuarial (gain) / loss	(989)	4,539
Benefits paid [2]	(4,447)	(3,806)
Curtailment [3]	—	(4,064)
Settlement	(756)	(245)
Currency impact	(4,664)	8,354
Projected benefit obligation - end of year	$ 201,492	$ 126,031
Change in fair value of plan assets:		
Fair value - beginning of year	$ 82,852	$ 73,057
Acquisitions [1]	251	—
Actual return on plan assets	3,018	3,307
Employer contributions	9,975	2,931
Participant contributions	415	573
Benefits paid	(2,788)	(3,040)
Currency impact	(2,051)	6,024
Fair value - end of year	$ 91,672	$ 82,852
Funded status at end of year (liability)	$ (109,820)	$ (43,179)
Accumulated benefit obligation	$ 199,337	$ 125,389

(1) 2018 amounts relate primarily to the addition of plans in connection with our acquisition of Stahlgruber.

(2) Includes amounts paid from plan assets as well as amounts paid from Company assets.

(3) In 2017, we froze one of our Europe pension plans, resulting in a curtailment. No additional participants may join this plan and as of December 31, 2017, participants no longer accrue future benefits under this plan.

The net amounts recognized for defined benefit plans in the Consolidated Balance Sheets were as follows (in thousands):

	December 31,	
	2018	2017
Non-current assets	$ 377	$ —
Current liabilities	(3,280)	—
Non-current liabilities	(106,917)	(43,179)
	$ (109,820)	$ (43,179)

The following table summarizes the accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets (in thousands):

	December 31,	
	2018	2017
Accumulated benefit obligation	$ 169,097	$ 125,389
Aggregate fair value of plan assets	60,988	82,852

The following table summarizes the projected benefit obligation and aggregate fair value of plan assets for pension plans with projected benefit obligations in excess of plan assets (in thousands):

	December 31,	
	2018	2017
Projected benefit obligation	$ 171,185	$ 126,031
Aggregate fair value of plan assets	60,988	82,852

The table below summarizes the weighted-average assumptions used to calculate the year-end benefit obligations:

	2018	2017
Discount rate used to determine benefit obligation	2.1%	2.1%
Rate of future compensation increase	0.9%	1.3%

Net Periodic Benefit Cost

The table below summarizes the components of net periodic benefit cost for our defined benefit plans (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Service cost	$ 3,215	$ 4,525	$ 3,843
Interest cost	3,476	3,670	2,719
Expected return on plan assets [1]	(2,949)	(2,467)	(2,624)
Amortization of prior service credit	—	(181)	(266)
Amortization of actuarial (gain) loss [2]	(54)	473	762
Curtailment gain	—	(3,811)	—
Settlement (gain) / loss	74	(4)	2
Net periodic benefit cost	$ 3,762	$ 2,205	$ 4,436

(1) We use the fair value of our plan assets to calculate the expected return on plan assets.

(2) Actuarial gains and losses are amortized using a corridor approach. Gains and losses are amortized if, as of the beginning of the year, the cumulative net gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the fair value of the plan assets. Gains and losses in excess of the corridor are amortized over the average

remaining service period of active members expected to receive benefits under the plan or, in the case of closed plans, the expected future lifetime of the employees participating in the plan.

For the years ended December 31, 2018 and 2017, the service cost component of net periodic benefit cost was classified in Selling, general and administrative expenses, while the other components of net periodic benefit cost were classified in Other income, net in our Consolidated Statements of Income. For the year ended December 31, 2016, all components of net periodic benefit expense were included in Selling, general, and administrative expenses in our Consolidated Statements of Income. For the year ending December 31, 2019, we expect net periodic benefit costs to increase by approximately $2 million due to the fact that we will incur a full year of pension expense related to our Stahlgruber business, compared to a partial year in 2018.

The table below summarizes the weighted-average assumptions used to calculate the net periodic benefit cost in the table above:

	2018	2017	2016
Discount rate used to determine service cost	1.3%	1.5%	1.6%
Discount rate used to determine interest cost	2.5%	3.0%	3.0%
Rate of future compensation increase	1.9%	1.3%	2.0%
Expected long-term return on plan assets [(1)]	4.8%	5.0%	5.1%

(1) Our expected long-term return on plan assets is determined based on our asset allocation and estimate of future long-term returns by asset class.

Assumed mortality is also a key assumption in determining benefit obligations and net periodic benefit cost. In some of our European plans, a price inflation index is also an assumption in determining benefit obligations and net periodic benefit cost.

As of December 31, 2018 , the pre-tax amounts recognized in Accumulated other comprehensive income consisted of $10 million of net actuarial losses for our defined benefit plans that have not yet been recognized in net periodic benefit cost. Of this amount, we expect $0.2 million to be recognized as a component of net periodic benefit cost during the year ending December 31, 2019.

Fair Value of Plan Assets

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants. The tiers in the fair value hierarchy include: Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as significant unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. Investments that are valued using net asset value ("NAV") (or its equivalent) as a practical expedient are excluded from the fair value hierarchy disclosure.

The following is a description of the valuation methodologies used for assets reported at fair value. The methodologies used at December 31, 2018 and December 31, 2017 are the same.

Level 1 investments: Cash and cash equivalents are valued based on cost, which approximates fair value. Mutual funds are valued based on reported market prices on the last trading day of the fiscal year.

Level 3 investments: Investments in insurance contracts represent the cash surrender value of the insurance policy. These are actuarially determined amounts based on projections of future benefit payments, discount rates, and expected long-term rate of return on assets.

For our unfunded pension plans, the Company pays the defined benefit plan obligations when they become due. The table below summarizes the fair value of our defined benefit plan assets by asset category within the fair value hierarchy for our funded defined benefit pension plans (in thousands):

	December 31,							
	2018				2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents [1]	$ 30,684	$ —	$ —	$ 30,684	$ 369	$ —	$ —	$ 369
Mutual funds [2]	—	—	—	—	21,709	—	—	21,709
Insurance contracts	—	—	60,988	60,988	—	—	60,774	60,774
Total investments at fair value	$ 30,684	$ —	$ 60,988	$ 91,672	$ 22,078	$ —	$ 60,774	$ 82,852

(1) Consists of institutional short-term investment funds.

(2) Mutual funds consist of investments in equity securities, fixed-income securities, and real estate.

The following table summarizes the changes in fair value measurements of Level 3 investments for our defined benefit plans (in thousands):

	December 31,	
	2018	2017
Balance at beginning of year	$ 60,774	$ 53,803
Actual return on plan assets:		
Relating to assets held at the reporting date	2,556	464
Purchases, sales and settlements	(541)	483
Transfers in and/or out of Level 3	255	—
Currency impact	(2,056)	6,024
Balance at end of year	$ 60,988	$ 60,774

Assets for our defined benefit pension plans in Europe are invested in insurance policies. Under these contracts, we pay premiums to the insurance company, which are based on an internal actuarial analysis performed by the insurance company; the insurance company then funds the pension payments to the plan participants upon retirement. The assets for our U.S. plan are managed by a master trust, with oversight responsibility by our Benefits Committee. As of December 31, 2018, our pension assets for our U.S. pension plan are fully invested in money market funds. The investment strategy for our U.S. plan is to invest in low risk investments to protect our principal balance. The investment policy and allocation of the assets in the master trust were approved by our Benefits Committee.

Employer Contributions and Estimated Future Benefit Payments

During the year ended December 31, 2018 , we contributed $12 million to our pension plans. We estimate that contributions to our pension plans during 2019 will be $4 million .

The following table summarizes estimated future benefit payments as of December 31, 2018 (in thousands):

Year Ended December 31,	Amount
2019	$ 5,818
2020	5,627
2021	6,263
2022	6,966
2023	6,948
2024 - 2028	39,823

Note 15. Income Taxes

The provision for income taxes consists of the following components (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Current:			
Federal	$ 90,216	$ 196,825	$ 159,547
State	25,851	27,149	27,120
Foreign	77,508	58,123	45,545
Total current provision for income taxes	$ 193,575	$ 282,097	$ 232,212
Deferred:			
Federal	$ 14,977	$ (37,486)	$ 1,169
State	4,386	4,044	2,131
Foreign	(21,543)	(13,095)	(14,946)
Total deferred benefit for income taxes	$ (2,180)	$ (46,537)	$ (11,646)
Provision for income taxes	$ 191,395	$ 235,560	$ 220,566

Income taxes have been based on the following components of income from continuing operations before provision for income taxes (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Domestic	$ 562,758	$ 575,148	$ 513,844
Foreign	180,673	191,479	163,437
Income from continuing operations before provision for income taxes	$ 743,431	$ 766,627	$ 677,281

The U.S. federal statutory rate is reconciled to the effective tax rate as follows:

	Year Ended December 31,		
	2018	2017	2016
U.S. federal statutory rate	21.0 %	35.0 %	35.0 %
U.S. federal tax reform - federal deferred tax rate change	— %	(9.5)%	— %
U.S. federal tax reform - transition tax on foreign earnings	(1.3)%	6.6 %	— %
State income taxes, net of state credits and federal tax impact	3.5 %	2.8 %	2.7 %
Impact of rates on international operations	0.9 %	(3.2)%	(3.2)%
Notional interest deductions	(0.6)%	(0.9)%	(2.5)%
Excess tax benefits from stock-based compensation	(0.6)%	(1.0)%	(1.6)%
Non-deductible expenses	1.6 %	1.1 %	1.3 %
Other, net	1.2 %	(0.2)%	0.9 %
Effective tax rate	25.7 %	30.7 %	32.6 %

On December 22, 2017, the U.S. government enacted the Tax Act. The Tax Act introduced broad and complex changes to U.S. income tax laws that impact us, most notably a reduction of the U.S. statutory corporate tax rate from 35% to 21% for tax years beginning after December 31, 2017. Additionally, beginning in 2018 the Tax Act imposed a regime of taxation on foreign subsidiary earnings, GILTI, and on certain related party payments, BEAT. As part of the transition of U.S. international taxation from a worldwide tax system to a modified territorial tax system, the Tax Act imposed a one-time transition tax on the deemed repatriation of historical earnings of foreign subsidiaries as of December 31, 2017.

On December 22, 2017, the U.S. Securities and Exchange Commission Staff issued SAB 118, which provided guidance on accounting for the tax effects of the Tax Act. SAB 118 provided a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting required under ASC 740, *Income Taxes* . In accordance with SAB 118, a company was required to reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 was complete. To the extent that a company's accounting for certain income tax

effects of the Tax Act was incomplete but the company was able to determine a reasonable estimate, it was required to record a provisional estimate in the financial statements.

Transition Tax on Foreign Earnings: In the fourth quarter of 2017, we recognized a provisional income tax expense of $51 million related to the one-time transition tax on foreign earnings. During the third quarter of 2018, we recorded a $10 million favorable adjustment to the provisional amount. As of December 31, 2018, we have completed our analysis of the transition tax, and the liability is no longer considered provisional. As permitted by the Tax Act, we elected to pay the final $41 million liability in installments over 8 years . This liability has been reduced by the first installment and other payment credits to $33 million and is recorded in other liabilities in our consolidated balance sheet.

Revaluation of Deferred Tax Assets and Liabilities: As a result of the Tax Act reduction in the U.S. federal statutory rate from 35% to 21% , at December 31, 2017, we recorded a provisional decrease to net deferred tax liabilities and a corresponding provisional U.S. federal deferred tax benefit of $73 million . There were no adjustments recognized in 2018 with regard to the revaluation of deferred taxes, and the accounting for this impact of the Tax Act is now complete.

GILTI: While the Tax Act provides for a modified territorial tax system, under a highly complex provision commonly known as GILTI, the Tax Act subjects a U.S. shareholder to current tax on certain earnings of foreign subsidiaries, subject to relief for available foreign tax credits. The FASB Staff Q&A, Topic 740, No. 5, "Accounting for GILTI," provides that an accounting policy election can be made either to recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years, or to provide for the tax expense related to GILTI in the year the tax is incurred as a period expense only. We have elected to account for GILTI in the year the tax is incurred. For the year ended December 31, 2018, the impact of GILTI increased our effective tax rate by approximately 0.3% . The GILTI legislative provisions and related foreign tax credit calculations are still subject to finalization of U.S. Treasury Department regulatory guidance, which could have an impact on our effective tax rate in the future.

Indefinite Reinvestment Assertion: Undistributed earnings of our foreign subsidiaries amounted to approximately $664 million at December 31, 2018. Through December 31, 2017, it was our practice and intention to permanently reinvest the undistributed earnings of our foreign subsidiaries, and no U.S. deferred income taxes or foreign withholding taxes were recorded. Beginning in 2018, the Tax Act generally provides a 100% participation exemption from further U.S. taxation of dividends received from 10-percent or more owned foreign corporations held by U.S. corporate shareholders. Although future dividend income is now exempt from U.S. federal tax in the hands of the U.S. corporate shareholders, either as a result of the new participation exemption, or due to the previous taxation of such earnings under the transition tax, companies must still apply the guidance of ASC 740 to account for the tax consequences of outside basis differences and other tax impacts of their investments in non-U.S. subsidiaries. Further, the 2017 transition tax will close a majority of the previous outside basis differences in our foreign subsidiaries, and much of any new differences arising will have extensive interaction with the GILTI regime discussed above.

Based on a review of our global financing and capital expenditure requirements as of December 31, 2018, we have made no changes to our assertion that we plan to permanently reinvest the undistributed earnings of our international subsidiaries. Thus, no deferred U.S. income taxes or potential foreign withholding taxes have been recorded. Due to the complexity of the new U.S. tax regime, it remains impractical to estimate the amount of deferred taxes potentially payable were such earnings to be repatriated.

Although the SAB 118 measurement period has closed, further technical guidance related to the Tax Act, including final regulations on a broad range of topics, is expected to be issued. In accordance with ASC 740, the Company will recognize any effects of the guidance in the period that such guidance is issued.

The significant components of our deferred tax assets and liabilities are as follows (in thousands):

	December 31,	
	2018	2017
Deferred Tax Assets:		
Accrued expenses and reserves	$ 60,337	$ 40,317
Qualified and nonqualified retirement plans	20,525	19,074
Inventory	15,474	17,886
Accounts receivable	16,208	16,036
Interest deduction carryforwards	20,392	13,845
Stock-based compensation	4,859	4,963
Net operating loss carryforwards	13,222	11,734
Other	12,370	8,971
Total deferred tax assets, gross	163,387	132,826
Less: valuation allowance	(34,779)	(21,527)
Total deferred tax assets	$ 128,608	$ 111,299
Deferred Tax Liabilities:		
Goodwill and other intangible assets	$ 216,699	$ 192,688
Property, plant and equipment	87,839	67,467
Trade name	116,615	72,233
Other	15,511	16,165
Total deferred tax liabilities	$ 436,664	$ 348,553
Net deferred tax liability	$ (308,056)	$ (237,254)

Deferred tax assets and liabilities are reflected on our Consolidated Balance Sheets as follows (in thousands):

	December 31,	
	2018	2017
Noncurrent deferred tax assets	$ 3,378	$ 15,105
Noncurrent deferred tax liabilities	311,434	252,359

Our acquisition of Stahlgruber in May 2018 contributed $78 million of net deferred tax liabilities relating to intangible assets; property, plant and equipment; and reserves, including pension and other post-retirement benefit obligations. Noncurrent deferred tax assets and noncurrent deferred tax liabilities are included in Other assets and Deferred income taxes, respectively, on our Consolidated Balance Sheets.

We had net operating loss carryforwards, primarily for certain international tax jurisdictions, the tax benefits of which were approximately $13 million and $12 million at December 31, 2018 and 2017 , respectively. At December 31, 2018 and 2017 , we had tax credit carryforwards for certain U.S. state jurisdictions, the tax benefits of which total approximately $1 million and $2 million , respectively. At December 31, 2018 and 2017, we had interest deduction carryforwards, primarily in Italy and Germany, the tax benefits of which were $20 million and $14 million , respectively. As of December 31, 2018, we had a U.S. capital loss carryforward attributable to the sale of the glass manufacturing business of PGW in 2017, the tax benefit of which was $5 million . As of December 31, 2018 and 2017, valuation allowances of $35 million and $22 million , respectively, were recorded for deferred tax assets related to carryforwards of interest deductions, net operating losses, capital losses and tax credits. The $13 million net increase in valuation allowances was primarily attributable to a $6 million valuation allowance provided on certain interest deduction carryforwards suspended due to thin capitalization constraints in Italy and Germany, and a $5 million valuation allowance provided on the U.S. capital loss carryforward.

The net operating losses generally carry forward for an indefinite period. The interest deduction carryforwards in Italy and Germany do not expire. U.S. capital losses carry forward for five years. Realization of these deferred tax assets is dependent on the generation of sufficient taxable income prior to the expiration dates, where applicable, or in the case of the interest carryforwards, the availability of typically EBITDA limitations under thin capitalization constraints. Based on historical and projected operating results, we believe that it is more likely than not that earnings will be sufficient to realize the deferred tax assets for which valuation allowances have not been provided. While we expect to realize the deferred tax assets, net of valuation allowances, changes in tax laws or in estimates of future taxable income may alter this expectation.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows (in thousands):

	2018	2017	2016
Balance at January 1	$ 1,690	$ 2,146	$ 2,273
Additions for acquired tax positions	—	73	—
Additions based on tax positions related to the current year	5	5	5
Lapse of statutes of limitations	(458)	(534)	(132)
Balance at December 31	$ 1,237	$ 1,690	$ 2,146

Included in the balance of unrecognized tax benefits above as of December 31, 2018 , 2017 and 2016 are $1 million of tax benefits that, if recognized, would affect the effective tax rate. The balance of unrecognized tax benefits at December 31, 2018 , 2017 and 2016 include approximately $1 million of tax benefits that, if recognized, would result in adjustments to deferred taxes.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits as income tax expense. Attributable to the unrecognized tax benefits noted above, the Company had accumulated interest and penalties of less than $1 million at December 31, 2018 , 2017 and 2016 . During each of the years ended December 31, 2018 , 2017 and 2016 , an immaterial amount of interest and penalties were recorded through the income tax provision, prior to any reversals for lapses in the statutes of limitations.

During the twelve months beginning January 1, 2019, it is reasonably possible that we will reduce unrecognized tax benefits by substantially less than $1 million , most of which would impact our effective tax rate, primarily as a result of the expiration of certain statutes of limitations.

The company and/or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various U.S. state and international jurisdictions. With few exceptions, the company is no longer subject to U.S. federal, state and local, or international income tax examinations by tax authorities for years before 2015. Adjustments from examinations, if any, are not expected to have a material effect on our consolidated financial statements.

Note 16. Segment and Geographic Information

We have four operating segments: Wholesale – North America, Europe, Specialty and Self Service. Our Wholesale – North America and Self Service operating segments are aggregated into one reportable segment, North America, because they possess similar economic characteristics and have common products and services, customers, and methods of distribution. Our reportable segments are organized based on a combination of geographic areas served and type of product lines offered. The reportable segments are managed separately as each business serves different customers (i.e. geographic in the case of North America and Europe and product type in the case of Specialty) and is affected by different economic conditions. Therefore, we present three reportable segments: North America, Europe and Specialty.

The following tables present our financial performance by reportable segment for the periods indicated (in thousands):

	North America	Europe	Specialty	Eliminations	Consolidated
Year Ended December 31, 2018					
Revenue:					
Third Party	$ 5,181,964	$ 5,221,754	$ 1,472,956	$ —	$ 11,876,674
Intersegment	645	—	4,724	(5,369)	—
Total segment revenue	$ 5,182,609	$ 5,221,754	$ 1,477,680	$ (5,369)	$ 11,876,674
Segment EBITDA	$ 660,153	$ 422,721	$ 168,525	$ —	$ 1,251,399
Depreciation and amortization [1]	87,348	178,473	28,256	—	294,077
Year Ended December 31, 2017					
Revenue:					
Third Party	$ 4,798,901	$ 3,636,811	$ 1,301,197	$ —	$ 9,736,909
Intersegment	750	—	4,319	(5,069)	—
Total segment revenue	$ 4,799,651	$ 3,636,811	$ 1,305,516	$ (5,069)	$ 9,736,909
Segment EBITDA	$ 655,275	$ 319,156	$ 142,159	$ —	$ 1,116,590
Depreciation and amortization [1]	86,303	120,805	23,095	—	230,203
Year Ended December 31, 2016					
Revenue:					
Third Party	$ 4,443,886	$ 2,920,470	$ 1,219,675	$ —	$ 8,584,031
Intersegment	739	—	4,048	(4,787)	—
Total segment revenue	$ 4,444,625	$ 2,920,470	$ 1,223,723	$ (4,787)	$ 8,584,031
Segment EBITDA	$ 589,945	$ 283,608	$ 131,427	$ —	$ 1,004,980
Depreciation and amortization [1]	80,923	94,979	22,432	—	198,334

(1) Amounts presented include depreciation and amortization expense recorded within cost of goods sold.

The key measure of segment profit or loss reviewed by our chief operating decision maker, who is our Chief Executive Officer, is Segment EBITDA. Segment EBITDA includes revenue and expenses that are controllable by the segment. Corporate general and administrative expenses are allocated to the segments based on usage, with shared expenses apportioned based on the segment's percentage of consolidated revenue. We calculate Segment EBITDA as EBITDA excluding restructuring and acquisition related expenses, change in fair value of contingent consideration liabilities, other gains and losses related to acquisitions, equity method investments, or divestitures, equity in losses and earnings of unconsolidated subsidiaries and impairment of goodwill. EBITDA, which is the basis for Segment EBITDA, is calculated as net income, less net income (loss) attributable to noncontrolling interest, excluding discontinued operations, depreciation, amortization, interest (which includes loss on debt extinguishment) and income tax expense.

The table below provides a reconciliation of Net Income to Segment EBITDA (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Net income	$ 483,168	$ 530,228	$ 463,975
Less: net income (loss) attributable to noncontrolling interest	3,050	(3,516)	—
Net income attributable to LKQ stockholders	480,118	533,744	463,975
Subtract:			
Net (loss) income from discontinued operations	(4,397)	(6,746)	7,852
Net income from continuing operations attributable to LKQ stockholders	484,515	540,490	456,123
Add:			
Depreciation and amortization	274,213	219,546	191,433
Depreciation and amortization - cost of goods sold	19,864	10,657	6,901
Interest expense, net of interest income	144,536	100,620	87,682
Loss on debt extinguishment	1,350	456	26,650
Provision for income taxes	191,395	235,560	220,566
EBITDA	1,115,873	1,107,329	989,355
Subtract:			
Equity in (losses) earnings of unconsolidated subsidiaries [1]	(64,471)	5,907	(592)
Fair value loss on Mekonomen derivative instrument [1]	(5,168)	—	—
Gains on foreign exchange contracts - acquisition related [2]	—	—	18,342
Gains on bargain purchases [3]	2,418	3,870	8,207
Add:			
Restructuring and acquisition related expenses [4]	32,428	19,672	37,762
Inventory step-up adjustment - acquisition related	403	3,584	3,614
Impairment of goodwill [1]	33,244	—	—
Impairment of net assets held for sale	2,438	—	—
Change in fair value of contingent consideration liabilities	(208)	(4,218)	206
Segment EBITDA	$ 1,251,399	$ 1,116,590	$ 1,004,980

(1) See Note 4, "Summary of Significant Accounting Policies ," for further information.

(2) Reflects gains on foreign currency forwards used to fix the euro purchase price of Rhiag. See Note 2, "Business Combinations ," for further information.

(3) Reflects the gains on bargain purchases related to our acquisitions of wholesale businesses in Europe and Andrew Page. See Note 2, "Business Combinations ," for further information.

(4) See Note 6, "Restructuring and Acquisition Related Expenses," for further information.

The following table presents capital expenditures by reportable segment (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Capital Expenditures			
North America	$ 129,391	$ 95,823	$ 91,618
Europe	99,885	71,494	77,689
Specialty	20,751	8,175	13,611
Discontinued operations	—	3,598	24,156
Total capital expenditures	$ 250,027	$ 179,090	$ 207,074

The following table presents assets by reportable segment (in thousands):

	December 31,		
	2018	2017	2016
Receivables, net			
North America	$ 411,818	$ 379,666	$ 351,681
Europe [1]	649,174	555,372	443,281
Specialty	93,091	92,068	65,587
Total receivables, net [2]	1,154,083	1,027,106	860,549
Inventories			
North America	1,076,306	1,076,393	915,244
Europe [1]	1,410,264	964,068	718,729
Specialty	349,505	340,322	301,264
Total inventories	2,836,075	2,380,783	1,935,237
Property, Plant and Equipment, net			
North America	570,508	537,286	505,925
Europe [1]	562,600	293,539	247,910
Specialty	87,054	82,264	57,741
Total property, plant and equipment, net	1,220,162	913,089	811,576
Equity Method Investments			
North America	16,404	336	336
Europe [3]	162,765	208,068	183,131
Total equity method investments	179,169	208,404	183,467
Other unallocated assets	6,003,913	4,837,490	4,512,370
Total assets	$ 11,393,402	$ 9,366,872	$ 8,303,199

(1) The increase in assets for the Europe segment is primarily attributable to the Stahlgruber acquisition. Refer to Note 2, "Business Combinations ," for further detail on the opening balance sheet amounts.

(2) Refer to "Recent Accounting Pronouncements" in Note 4, "Summary of Significant Accounting Policies ," for the increase in total receivables, net compared to December 31, 2017 as a result of the adoption of ASC 606.

(3) Refer to "Investments in Unconsolidated Subsidiaries" in Note 4, "Summary of Significant Accounting Policies ," for further information.

We report net receivables; inventories; net property , plant and equipment; and equity method investments by segment as that information is used by the chief operating decision maker in assessing segment performance. These assets provide a measure for the operating capital employed in each segment. Unallocated assets include cash and cash equivalents, prepaid and other current and noncurrent assets, goodwill and other intangibles.

Our largest countries of operation are the U.S., followed by the U.K. and Germany. Our other European operations are located in the Netherlands, Italy, Czech Republic, Belgium, Poland, Slovakia, Austria, and other European countries. Our operations in other countries include operations in Canada, engine remanufacturing and bumper refurbishing operations in Mexico, an aftermarket parts freight consolidation warehouse in Taiwan, and administrative support functions in India. Our net sales are attributed to geographic area based on the location of the selling operation.

The following table sets forth our revenue by geographic area (in thousands):

	Year Ended December 31,		
	2018	2017	2016
Revenue			
United States	$ 6,192,636	$ 5,662,016	$ 5,226,918
United Kingdom	1,665,317	1,548,212	1,390,775
Germany	974,514	1,744	1,227
Other countries	3,044,207	2,524,937	1,965,111
Total revenue	$ 11,876,674	$ 9,736,909	$ 8,584,031

The following table sets forth our tangible long-lived assets by geographic area (in thousands):

	December 31,		
	2018	2017	2016
Long-lived Assets			
United States	$ 620,125	$ 583,236	$ 531,425
Germany	217,476	41	19
United Kingdom	165,145	178,021	159,689
Other countries	217,416	151,791	120,443
Total long-lived assets	$ 1,220,162	$ 913,089	$ 811,576

Note 17. Selected Quarterly Data (unaudited)

The following table presents unaudited selected quarterly financial data for the two years ended December 31, 2018 . The operating results for any quarter are not necessarily indicative of the results for any future period.

	Quarter Ended [1]			
(In thousands, except per share data)	Dec. 31 [2] [3]	Sep. 30 [3]	Jun. 30	Mar. 31
2018				
Revenue	$ 3,002,781	$ 3,122,378	$ 3,030,751	$ 2,720,764
Gross margin	1,161,809	1,197,198	1,161,879	1,053,971
Operating income [2]	164,146	234,733	256,794	226,568
Income from continuing operations [3]	42,456	134,480	157,866	152,763
Net loss from discontinued operations [4]	(4,397)	—	—	—
Net income	38,059	134,480	157,866	152,763
Net income (loss) attributable to noncontrolling interest	2,010	378	859	(197)
Net income attributable to LKQ stockholders	36,049	134,102	157,007	152,960
Basic earnings per share from continuing operations [6]	$ 0.13	$ 0.42	$ 0.51	$ 0.49
Diluted earnings per share from continuing operations [6]	$ 0.13	$ 0.42	$ 0.50	$ 0.49

(In thousands, except per share data)	Quarter Ended Dec. 31	Sep. 30	Jun. 30	Mar. 31
2017				
Revenue	$ 2,469,855	$ 2,465,800	$ 2,458,411	$ 2,342,843
Gross margin	947,645	956,876	965,009	930,093
Operating income [5]	165,634	199,099	244,573	235,692
Income from continuing operations	122,870	122,381	150,914	140,809
Net loss from discontinued operations [4]	(2,215)	—	—	(4,531)
Net income	120,655	122,381	150,914	136,278
Net loss attributable to noncontrolling interest	(3,516)	—	—	—
Net income attributable to LKQ stockholders	124,171	122,381	150,914	136,278
Basic earnings per share from continuing operations [6]	$ 0.40	$ 0.40	$ 0.49	$ 0.46
Diluted earnings per share from continuing operations [6]	$ 0.39	$ 0.39	$ 0.49	$ 0.45

(1) The 2018 amounts presented above include the results of operations of Stahlgruber, from its acquisition effective May 30, 2018.

(2) Reflects a $33 million goodwill impairment charge on the Aviation reporting unit recorded in the fourth quarter of 2018. See "Intangible Assets" in Note 4, "Summary of Significant Accounting Policies ," for further information.

(3) Reflects impairment charges of $48 million and $23 million recorded in the fourth and third quarters of 2018, respectively, related to the Mekonomen equity investment. See "Investments in Unconsolidated Subsidiaries" in Note 4, "Summary of Significant Accounting Policies ," for further information.

(4) In the first quarter of 2017, LKQ completed the sale of the glass manufacturing business of its PGW subsidiary and recorded a loss on sale of $4 million and an immaterial loss from discontinued operations, net of tax. During the fourth quarter of 2017, we recorded an additional loss on sale of $2 million . During the fourth quarter of 2018, we recorded a final tax expense adjustment of $4 million to the loss on sale of the glass manufacturing business of PGW. See Note 3, "Discontinued Operations" for further information regarding the disposal of the glass manufacturing business.

(5) Certain amounts in the fourth quarter of 2017 have been recast to reflect the 2018 adoption of ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." See "Other Recently Adopted Accounting Pronouncements" within Note 4, "Summary of Significant Accounting Policies " for further information.

(6) The sum of the quarters may not equal the total of the respective year's earnings per share on either a basic or diluted basis due to changes in weighted average shares outstanding throughout the year.

Note 18. Condensed Consolidating Financial Information

LKQ Corporation (the "Parent") issued, and the Guarantors have fully and unconditionally guaranteed, jointly and severally, the U.S. Notes (2023) due on May 15, 2023. A Guarantor's guarantee will be unconditionally and automatically released and discharged upon the occurrence of any of the following events: (i) a transfer (including as a result of consolidation or merger) by the Guarantor to any person that is not a Guarantor of all or substantially all assets and properties of such Guarantor, provided the Guarantor is also released from its obligations with respect to indebtedness under the Credit Agreement or other indebtedness of ours, which obligation gave rise to the guarantee of the U.S. Notes (2023); (ii) a transfer (including as a result of consolidation or merger) to any person that is not a Guarantor of the equity interests of a Guarantor or issuance by a Guarantor of its equity interests such that the Guarantor ceases to be a subsidiary, as defined in the U.S. Notes (2023) Indenture, provided the Guarantor is also released from its obligations with respect to indebtedness under the Credit Agreement or other indebtedness of ours, which obligation gave rise to the guarantee of the U.S. Notes (2023); (iii) the release of the Guarantor from its obligations with respect to indebtedness under the Credit Agreement or other indebtedness of ours, which obligation gave rise to the guarantee of the U.S. Notes (2023); and (iv) upon legal defeasance, covenant defeasance or satisfaction and discharge of the U.S. Notes (2023) Indenture, as defined in the U.S. Notes (2023) Indenture.

Presented below are the condensed consolidating financial statements of the Parent, the Guarantors, the non-guarantor subsidiaries (the "Non-Guarantors"), and the elimination entries necessary to present our financial statements on a consolidated basis as required by Rule 3-10 of Regulation S-X of the Securities Exchange Act of 1934 resulting from the guarantees of the U.S. Notes (2023). Investments in consolidated subsidiaries have been presented under the equity method of accounting. The

principal elimination entries eliminate investments in subsidiaries, intercompany balances, and intercompany revenue and expenses. The condensed consolidating financial statements below have been prepared from our financial information on the same basis of accounting as the consolidated financial statements, and may not necessarily be indicative of the financial position, results of operations or cash flows had the Parent, Guarantors and Non-Guarantors operated as independent entities.

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Statements of Income
(In thousands)

	Year Ended December 31, 2018				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenue	$ —	$ 6,276,951	$ 5,766,958	$ (167,235)	$ 11,876,674
Cost of goods sold	—	3,783,376	3,685,676	(167,235)	7,301,817
Gross margin	—	2,493,575	2,081,282	—	4,574,857
Selling, general and administrative expenses	27,394	1,713,118	1,612,219	—	3,352,731
Restructuring and acquisition related expenses	—	3,140	29,288	—	32,428
Impairment of goodwill	—	33,244	—	—	33,244
Depreciation and amortization	137	99,665	174,411	—	274,213
Operating (loss) income	(27,531)	644,408	265,364	—	882,241
Other expense (income):					
Interest expense	66,794	640	78,943	—	146,377
Intercompany interest (income) expense, net	(65,072)	40,756	24,316	—	—
Loss on debt extinguishment	1,350	—	—	—	1,350
Gains on bargain purchases	—	—	(2,418)	—	(2,418)
Interest income and other (income) expense, net	(1,082)	(15,586)	10,169	—	(6,499)
Total other expense, net	1,990	25,810	111,010	—	138,810
(Loss) income before (benefit) provision for income taxes	(29,521)	618,598	154,354	—	743,431
(Benefit) provision for income taxes	(18,600)	163,937	46,058	—	191,395
Equity in earnings (losses) of unconsolidated subsidiaries	—	173	(64,644)	—	(64,471)
Equity in earnings of subsidiaries	495,436	16,598	—	(512,034)	—
Income from continuing operations	484,515	471,432	43,652	(512,034)	487,565
Net loss from discontinued operations	(4,397)	(4,397)	—	4,397	(4,397)
Net income	480,118	467,035	43,652	(507,637)	483,168
Less: net income attributable to noncontrolling interest	—	—	3,050	—	3,050
Net income attributable to LKQ stockholders	$ 480,118	$ 467,035	$ 40,602	$ (507,637)	$ 480,118

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Statements of Income
(In thousands)

	Year Ended December 31, 2017				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenue	$ —	$ 5,780,904	$ 4,116,161	$ (160,156)	$ 9,736,909
Cost of goods sold	—	3,458,304	2,639,138	(160,156)	5,937,286
Gross margin	—	2,322,600	1,477,023	—	3,799,623
Selling, general and administrative expenses	29,884	1,557,883	1,127,640	—	2,715,407
Restructuring and acquisition related expenses	—	7,352	12,320	—	19,672
Depreciation and amortization	118	96,717	122,711	—	219,546
Operating (loss) income	(30,002)	660,648	214,352	—	844,998
Other expense (income):					
Interest expense	66,030	546	35,064	—	101,640
Intercompany interest (income) expense, net	(17,873)	(2,383)	20,256	—	—
Loss on debt extinguishment	456	—	—	—	456
Gains on bargain purchases	—	—	(3,870)	—	(3,870)
Interest income and other expense (income), net	242	(14,323)	(5,774)	—	(19,855)
Total other expense (income), net	48,855	(16,160)	45,676	—	78,371
(Loss) income from continuing operations before provision for income taxes	(78,857)	676,808	168,676	—	766,627
Provision for income taxes	28,684	168,288	38,588	—	235,560
Equity in earnings of unconsolidated subsidiaries	—	—	5,907	—	5,907
Equity in earnings of subsidiaries	648,031	21,836	—	(669,867)	—
Income from continuing operations	540,490	530,356	135,995	(669,867)	536,974
Net (loss) income from discontinued operations	(6,746)	(6,746)	2,050	4,696	(6,746)
Net income	533,744	523,610	138,045	(665,171)	530,228
Less: net loss attributable to noncontrolling interest	—	—	(3,516)	—	(3,516)
Net income attributable to LKQ stockholders	$ 533,744	$ 523,610	$ 141,561	$ (665,171)	$ 533,744

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Statements of Income
(In thousands)

	Year Ended December 31, 2016				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenue	$ —	$ 5,467,430	$ 3,301,503	$ (184,902)	$ 8,584,031
Cost of goods sold	—	3,313,503	2,103,727	(184,902)	5,232,328
Gross margin	—	2,153,927	1,197,776	—	3,351,703
Selling, general and administrative expenses	34,163	1,450,588	874,359	—	2,359,110
Restructuring and acquisition related expenses	—	21,162	16,600	—	37,762
Depreciation and amortization	132	94,165	97,136	—	191,433
Operating (loss) income	(34,295)	588,012	209,681	—	763,398
Other expense (income):					
Interest expense	59,415	547	28,301	—	88,263
Intercompany interest (income) expense, net	(27,470)	17,124	10,346	—	—
Loss on debt extinguishment	2,894	—	23,756	—	26,650
Gains on foreign exchange contracts - acquisition related	(18,342)	—	—	—	(18,342)
Gains on bargain purchase	—	—	(8,207)	—	(8,207)
Interest income and other expense (income), net	470	(3,773)	1,056	—	(2,247)
Total other expense, net	16,967	13,898	55,252	—	86,117
(Loss) income from continuing operations before (benefit) provision for income taxes	(51,262)	574,114	154,429	—	677,281
(Benefit) provision for income taxes	(20,498)	213,794	27,270	—	220,566
Equity in (loss) earnings of unconsolidated subsidiaries	(795)	—	203	—	(592)
Equity in earnings of subsidiaries	487,682	22,314	—	(509,996)	—
Income from continuing operations	456,123	382,634	127,362	(509,996)	456,123
Net income from discontinued operations	7,852	7,852	3,285	(11,137)	7,852
Net income	$ 463,975	$ 390,486	$ 130,647	$ (521,133)	$ 463,975

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Statements of Comprehensive Income
(In thousands)

	Year Ended December 31, 2018				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net income	$ 480,118	$ 467,035	$ 43,652	$ (507,637)	$ 483,168
Less: net income attributable to noncontrolling interest	—	—	3,050	—	3,050
Net income attributable to LKQ stockholders	480,118	467,035	40,602	(507,637)	480,118
Other comprehensive (loss) income:					
Foreign currency translation, net of tax	(108,523)	(8,628)	(75,462)	84,090	(108,523)
Net change in unrealized gains/losses on cash flow hedges, net of tax	350	—	—	—	350
Net change in unrealized gains/losses on pension plans, net of tax	697	1,266	(569)	(697)	697
Net change in other comprehensive loss from unconsolidated subsidiaries	(2,343)	—	(2,343)	2,343	(2,343)
Other comprehensive loss	(109,819)	(7,362)	(78,374)	85,736	(109,819)
Comprehensive income (loss)	370,299	459,673	(34,722)	(421,901)	373,349
Less: comprehensive income attributable to noncontrolling interest	—	—	3,050	—	3,050
Comprehensive income (loss) attributable to LKQ stockholders	$ 370,299	$ 459,673	$ (37,772)	$ (421,901)	$ 370,299

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Statements of Comprehensive Income
(In thousands)

	Year Ended December 31, 2017				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net income	$ 533,744	$ 523,610	$ 138,045	$ (665,171)	$ 530,228
Less: net loss attributable to noncontrolling interest	—	—	(3,516)	—	(3,516)
Net income attributable to LKQ stockholders	533,744	523,610	141,561	(665,171)	533,744
Other comprehensive income (loss):					
Foreign currency translation, net of tax	200,596	16,743	206,049	(222,792)	200,596
Net change in unrealized gains/losses on cash flow hedges, net of tax	3,447	(133)	—	133	3,447
Net change in unrealized gains/losses on pension plans, net of tax	(6,035)	(3,254)	(2,781)	6,035	(6,035)
Net change in other comprehensive loss from unconsolidated subsidiaries	(1,309)	—	(1,309)	1,309	(1,309)
Other comprehensive income	196,699	13,356	201,959	(215,315)	196,699
Comprehensive income	730,443	536,966	340,004	(880,486)	726,927
Less: comprehensive loss attributable to noncontrolling interest	—	—	(3,516)	—	(3,516)
Comprehensive income attributable to LKQ stockholders	$ 730,443	$ 536,966	$ 343,520	$ (880,486)	$ 730,443

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Statements of Comprehensive Income
(In thousands)

	Year Ended December 31, 2016				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net income	$ 463,975	$ 390,486	$ 130,647	$ (521,133)	$ 463,975
Other comprehensive (loss) income:					
Foreign currency translation, net of tax	(175,639)	(48,914)	(177,911)	226,825	(175,639)
Net change in unrecognized gains/losses on cash flow hedges, net of tax	9,023	133	389	(522)	9,023
Net change in unrealized gains/losses on pension plans, net of tax	4,911	3,962	1,061	(5,023)	4,911
Total other comprehensive loss	(161,705)	(44,819)	(176,461)	221,280	(161,705)
Total comprehensive income (loss)	$ 302,270	$ 345,667	$ (45,814)	$ (299,853)	$ 302,270

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Balance Sheets
(In thousands)

	December 31, 2018				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	$ 25,633	$ 29,285	$ 276,843	$ —	$ 331,761
Receivables, net	310	316,726	837,047	—	1,154,083
Intercompany receivables, net	6,978	—	12,880	(19,858)	—
Inventories	—	1,343,612	1,492,463	—	2,836,075
Prepaid expenses and other current assets	18,611	99,356	81,063	—	199,030
Total current assets	51,532	1,788,979	2,700,296	(19,858)	4,520,949
Property, plant and equipment, net	1,547	600,054	618,561	—	1,220,162
Intangible assets:					
Goodwill	—	1,973,364	2,408,094	—	4,381,458
Other intangibles, net	260	272,451	656,041	—	928,752
Investment in subsidiaries	5,224,006	111,826	—	(5,335,832)	—
Intercompany notes receivable	1,220,582	10,515	—	(1,231,097)	—
Equity method investments	—	16,404	162,765	—	179,169
Other assets	70,283	40,548	52,081	—	162,912
Total assets	$ 6,568,210	$ 4,814,141	$ 6,597,838	$ (6,586,787)	$ 11,393,402
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable	$ 2,454	$ 343,116	$ 596,828	$ —	$ 942,398
Intercompany payables, net	—	12,880	6,978	(19,858)	—
Accrued expenses:					
Accrued payroll-related liabilities	6,652	70,267	95,086	—	172,005
Other accrued expenses	5,454	105,672	177,299	—	288,425
Refund liability	—	50,899	53,686	—	104,585
Other current liabilities	283	17,860	42,966	—	61,109
Current portion of long-term obligations	8,459	2,932	110,435	—	121,826
Total current liabilities	23,302	603,626	1,083,278	(19,858)	1,690,348
Long-term obligations, excluding current portion	1,628,677	13,532	2,546,465	—	4,188,674
Intercompany notes payable	—	597,283	633,814	(1,231,097)	—
Deferred income taxes	8,045	135,355	168,034	—	311,434
Other noncurrent liabilities	125,888	99,147	139,159	—	364,194
Stockholders' equity:					
Total Company stockholders' equity	4,782,298	3,365,198	1,970,634	(5,335,832)	4,782,298
Noncontrolling interest	—	—	56,454	—	56,454
Total stockholders' equity	4,782,298	3,365,198	2,027,088	(5,335,832)	4,838,752
Total liabilities and stockholders' equity	$ 6,568,210	$ 4,814,141	$ 6,597,838	$ (6,586,787)	$ 11,393,402

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Balance Sheets
(In thousands)

	December 31, 2017				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	$ 34,360	$ 35,131	$ 210,275	$ —	$ 279,766
Receivables, net	—	290,958	736,148	—	1,027,106
Intercompany receivables, net	2,669	3,010	230	(5,909)	—
Inventories	—	1,334,766	1,046,017	—	2,380,783
Prepaid expenses and other current assets	34,136	44,849	55,494	—	134,479
Total current assets	71,165	1,708,714	2,048,164	(5,909)	3,822,134
Property, plant and equipment, net	910	563,262	348,917	—	913,089
Intangible assets:					
Goodwill	—	2,010,209	1,526,302	—	3,536,511
Other intangibles, net	—	291,036	452,733	—	743,769
Investment in subsidiaries	5,952,687	102,931	—	(6,055,618)	—
Intercompany notes receivable	1,156,550	782,638	—	(1,939,188)	—
Equity method investments	—	336	208,068	—	208,404
Other assets	70,590	33,597	38,778	—	142,965
Total assets	$ 7,251,902	$ 5,492,723	$ 4,622,962	$ (8,000,715)	$ 9,366,872
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable	$ 5,742	$ 340,951	$ 441,920	$ —	$ 788,613
Intercompany payables, net	—	230	5,679	(5,909)	—
Accrued expenses:					
Accrued payroll-related liabilities	9,448	65,811	68,165	—	143,424
Other accrued expenses	5,219	95,900	117,481	—	218,600
Other current liabilities	282	27,066	18,379	—	45,727
Current portion of long-term obligations	16,468	1,912	107,980	—	126,360
Total current liabilities	37,159	531,870	759,604	(5,909)	1,322,724
Long-term obligations, excluding current portion	2,095,826	7,372	1,174,422	—	3,277,620
Intercompany notes payable	750,000	677,708	511,480	(1,939,188)	—
Deferred income taxes	12,402	116,021	123,936	—	252,359
Other noncurrent liabilities	158,346	101,189	47,981	—	307,516
Stockholders' equity:					
Total Company stockholders' equity	4,198,169	4,058,563	1,997,055	(6,055,618)	4,198,169
Noncontrolling interest	—	—	8,484	—	8,484
Total stockholders' equity	4,198,169	4,058,563	2,005,539	(6,055,618)	4,206,653
Total liabilities and stockholders' equity	$ 7,251,902	$ 5,492,723	$ 4,622,962	$ (8,000,715)	$ 9,366,872

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Statements of Cash Flows
(In thousands)

	Year Ended December 31, 2018				
	Parent	Guarantors	Non-Guarantors (1)	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash provided by operating activities	$ 481,138	$ 277,595	$ 111,213	$ (159,207)	$ 710,739
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of property, plant and equipment	(848)	(136,033)	(113,146)	—	(250,027)
Proceeds from disposals of property, plant and equipment	—	22,393	5,266	—	27,659
Investment and intercompany note activity with subsidiaries	(97,261)	—	—	97,261	—
Return of investment in subsidiaries	143,524	—	—	(143,524)	—
Acquisitions, net of cash and restricted cash acquired	—	(8,217)	(1,206,778)	—	(1,214,995)
Investments in unconsolidated subsidiaries	—	(12,216)	(48,084)	—	(60,300)
Receipts of deferred purchase price on receivables under factoring arrangements	—	317,091	36,991	(317,091)	36,991
Other investing activities, net	887	180	666	—	1,733
Net cash provided by (used in) investing activities	46,302	183,198	(1,325,085)	(363,354)	(1,458,939)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from exercise of stock options	5,303	—	—	—	5,303
Taxes paid related to net share settlements of stock-based compensation awards	(5,567)	—	—	—	(5,567)
Debt issuance costs	(5,434)	—	(15,694)	—	(21,128)
Proceeds from issuance of Euro Notes (2026/28)	—	—	1,232,100	—	1,232,100
Purchase of treasury stock	(60,000)	—	—	—	(60,000)
Borrowings under revolving credit facilities	765,632	—	901,693	—	1,667,325
Repayments under revolving credit facilities	(884,863)	—	(644,107)	—	(1,528,970)
Repayments under term loans	(354,800)	—	—	—	(354,800)
Borrowings under receivables securitization facility	—	—	10,120	—	10,120
Repayments under receivables securitization facility	—	—	(120)	—	(120)
Payment of assumed debt and notes issued from acquisitions	—	—	(54,888)	—	(54,888)
Repayments of other debt, net	(385)	(3,636)	(7,709)	—	(11,730)
Other financing activities, net	3,947	—	1,403	—	5,350
Investment and intercompany note activity with parent	—	(68,435)	165,696	(97,261)	—
Dividends	—	(392,883)	(226,939)	619,822	—
Net cash (used in) provided by financing activities	(536,167)	(464,954)	1,361,555	522,561	882,995
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(1,685)	(75,626)	—	(77,311)
Net (decrease) increase in cash, cash equivalents and restricted cash	(8,727)	(5,846)	72,057	—	57,484
Cash, cash equivalents and restricted cash, beginning of period	34,360	35,131	210,275	—	279,766
Cash, cash equivalents and restricted cash, end of period	$ 25,633	$ 29,285	$ 282,332	$ —	$ 337,250

(1) Restricted cash is only included in the condensed consolidating financial statements of the Non-Guarantors

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Statements of Cash Flows
(In thousands)

	Year Ended December 31, 2017				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash provided by operating activities	$ 243,011	$ 186,459	$ 95,617	$ (6,187)	$ 518,900
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of property, plant and equipment	(648)	(87,102)	(91,340)	—	(179,090)
Proceeds from disposals of property, plant and equipment	—	6,490	2,217	—	8,707
Investment and intercompany note activity with subsidiaries	57,735	—	—	(57,735)	—
Acquisitions, net of cash acquired	—	(335,582)	(177,506)	—	(513,088)
Proceeds from disposals of business/investment	—	305,740	(4,443)	—	301,297
Investments in unconsolidated subsidiaries	—	(2,750)	(4,914)	—	(7,664)
Receipts of deferred purchase price on receivables under factoring arrangements [1]	—	294,925	—	(294,925)	—
Other investing activities, net	—	—	5,243	—	5,243
Net cash provided by (used in) investing activities	57,087	181,721	(270,743)	(352,660)	(384,595)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from exercise of stock options	7,470	—	—	—	7,470
Taxes paid related to net share settlements of stock-based compensation awards	(5,525)	—	—	—	(5,525)
Debt issuance costs	(4,267)	—	—	—	(4,267)
Borrowings under revolving credit facilities	558,000	—	281,171	—	839,171
Repayments under revolving credit facilities	(824,862)	—	(121,615)	—	(946,477)
Repayments under term loans	(27,884)	—	—	—	(27,884)
Borrowings under receivables securitization facility	—	—	11,245	—	11,245
Repayments under receivables securitization facility	—	—	(11,245)	—	(11,245)
(Repayments) borrowings of other debt, net	(1,700)	(1,318)	22,724	—	19,706
Other financing activities, net	—	(1,336)	6,575	—	5,239
Investment and intercompany note activity with parent	—	(65,498)	7,763	57,735	—
Dividends	—	(301,112)	—	301,112	—
Net cash (used in) provided by financing activities	(298,768)	(369,264)	196,618	358,847	(112,567)
Effect of exchange rate changes on cash and cash equivalents	—	706	22,806	—	23,512
Net increase (decrease) in cash and cash equivalents	1,330	(378)	44,298	—	45,250
Cash and cash equivalents of continuing operations, beginning of period	33,030	35,360	159,010	—	227,400
Add: Cash and cash equivalents of discontinued operations, beginning of period	—	149	6,967	—	7,116
Cash and cash equivalents of continuing and discontinued operations, beginning of period	33,030	35,509	165,977	—	234,516
Cash and cash equivalents, end of period	$ 34,360	$ 35,131	$ 210,275	$ —	$ 279,766

[1] Reflects the impact of adopting ASU 2016-15

LKQ CORPORATION AND SUBSIDIARIES

Condensed Consolidating Statements of Cash Flows
(In thousands)

	Year Ended December 31, 2016				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash provided by operating activities	$ 308,299	$ 149,785	$ 99,894	$ 77,036	$ 635,014
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of property, plant and equipment	(36)	(120,761)	(86,277)	—	(207,074)
Proceeds from disposals of property, plant and equipment	3	1,953	1,554	—	3,510
Investment and intercompany note activity with subsidiaries	(1,720,732)	—	—	1,720,732	—
Acquisitions, net of cash acquired	—	(685,278)	(664,061)	—	(1,349,339)
Proceeds from disposal of business/investment	—	—	10,304	—	10,304
Investments in unconsolidated subsidiaries	—	(4,400)	(181,271)	—	(185,671)
Receipts of deferred purchase price on receivables under factoring arrangements [1]	—	389,533	—	(389,533)	—
Proceeds from foreign exchange contracts	18,342	—	—	—	18,342
Net cash used in investing activities	(1,702,423)	(418,953)	(919,751)	1,331,199	(1,709,928)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from exercise of stock options	7,963	—	—	—	7,963
Taxes paid related to net share settlements of stock-based compensation awards	(4,438)	—	—	—	(4,438)
Debt issuance costs	(7,104)	—	(9,450)	—	(16,554)
Proceeds from issuance of Euro Notes (2024)	—	—	563,450	—	563,450
Borrowings under revolving credit facilities	1,744,408	—	892,188	—	2,636,596
Repayments under revolving credit facilities	(654,000)	—	(1,094,664)	—	(1,748,664)
Borrowings under term loans	332,954	—	249,161	—	582,115
Repayments under term loans	(10,898)	—	(244,894)	—	(255,792)
Borrowings under receivables securitization facility	—	—	106,400	—	106,400
Repayments under receivables securitization facility	—	—	(69,400)	—	(69,400)
Borrowings (repayments) of other debt, net	653	(2,935)	(28,874)	—	(31,156)
Payments of Rhiag debt and related payments	—	—	(543,347)	—	(543,347)
Other financing activities, net	—	(1,436)	—	—	(1,436)
Investment and intercompany note activity with parent	—	608,270	1,112,462	(1,720,732)	—
Dividends	—	(312,497)	—	312,497	—
Net cash provided by financing activities	1,409,538	291,402	933,032	(1,408,235)	1,225,737
Effect of exchange rate changes on cash and cash equivalents	—	(157)	(3,547)	—	(3,704)
Net increase in cash and cash equivalents	15,414	22,077	109,628	—	147,119
Cash and cash equivalents of continuing operations, beginning of period	17,616	13,432	56,349	—	87,397
Cash and cash equivalents of continuing and discontinued operations, end of period	33,030	35,509	165,977	—	234,516
Less: Cash and cash equivalents of discontinued operations, end of period	—	(149)	(6,967)	—	(7,116)
Cash and cash equivalents, end of period	$ 33,030	$ 35,360	$ 159,010	$ —	$ 227,400

[1] Reflects the impact of adopting ASU 2016-15

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of December 31, 2018 , the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of LKQ Corporation's management, including our Chief Executive Officer and our Chief Financial Officer, of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports we file with the Securities and Exchange Commission ("SEC") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that information required to be disclosed is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Report of Management on Internal Control over Financial Reporting dated March 1, 2019

Management of LKQ Corporation and subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's financial statements.

We have excluded from our assessment the internal control over financial reporting at Stahlgruber, which was acquired during 2018 . The financial statements of Stahlgruber constitute 32% and 17% of net and total assets, respectively, 9% of revenue, and 6% of net income attributable to LKQ stockholders of the consolidated financial statement amounts as of and for the year ended December 31, 2018 .

Internal control over financial reporting includes the controls themselves, monitoring and internal auditing practices, and actions taken to correct deficiencies as identified. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2018 . Management based this assessment on criteria for effective internal control over financial reporting described in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Management reviewed the results of its assessment with the Audit Committee of the Company's Board of Directors.

Based on this assessment, management determined that, as of December 31, 2018 , the Company maintained effective internal control over financial reporting. Deloitte & Touche LLP, independent registered public accounting firm, who audited and reported on the consolidated financial statements of the Company included in this report, has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2018 .

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and stockholders of LKQ Corporation:

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of LKQ Corporation and subsidiaries (the "Company") as of December 31, 2018 , based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018 , based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2018 , of the Company and our report dated March 1, 2019 , expressed an unqualified opinion on those financial statements.

As described in the Report of Management on Internal Control over Financial Reporting dated March 1, 2019 , management excluded from its assessment the internal control over financial reporting at Stahlgruber GmbH. The financial statements of Stahlgruber GmbH constitute 32% and 17% of net and total assets, respectively, 9% of revenue, and 6% of net income attributable to LKQ stockholders of the consolidated financial statement amounts as of and for the year ended December 31, 2018 . Accordingly, our audit did not include the internal control over financial reporting at Stahlgruber GmbH.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
March 1, 2019

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

The information appearing under the caption "Election of our Board of Directors" in our Proxy Statement for the Annual Meeting of Stockholders to be held May 6, 2019 (the "Proxy Statement") is incorporated herein by reference.

Executive Officers

Our executive officers, their ages at December 31, 2018 , and their positions with us are set forth below. Our executive officers are elected by and serve at the discretion of our Board of Directors.

Name	Age	Position
Dominick Zarcone	60	President, Chief Executive Officer and Director
Varun Laroyia	47	Executive Vice President and Chief Financial Officer
John S. Quinn	60	Chief Executive Officer and Managing Director, LKQ Europe
Victor M. Casini	56	Senior Vice President, General Counsel and Corporate Secretary
Walter P. Hanley	52	Senior Vice President - Development
Justin L. Jude	42	Senior Vice President of Operations - Wholesale Parts Division
Ashley T. Brooks	55	Senior Vice President and Chief Information Officer
Matthew J. McKay	41	Senior Vice President - Human Resources
Michael S. Clark	44	Vice President - Finance and Controller

Dominick Zarcone became our President and Chief Executive Officer in May 2017. Mr. Zarcone was our Executive Vice President and Chief Financial Officer from March 2015 to May 2017. Prior to joining our Company, he was the Managing Director and Chief Financial Officer of Baird Financial Group, a capital markets and wealth management company, and certain of its affiliates from April 2011 to March 2015. He also served from April 2011 to March 2015 as Treasurer of Baird Funds, Inc., a family of fixed income and equity mutual funds managed by Robert W. Baird & Co. Incorporated, a registered broker/dealer. From February 1995 to April 2011, Mr. Zarcone was a Managing Director of the Investment Banking department of Robert W. Baird & Co. Incorporated. From February 1986 to February 1995, he was with the investment banking company Kidder, Peabody & Co., Incorporated, most recently as Senior Vice President of Investment Banking. Mr. Zarcone is a member of the Board of Directors of Generac Power Systems, Inc., a designer and manufacturer of power generation equipment and engine-powered products.

Varun Laroyia became our Executive Vice President and Chief Financial Officer in October 2017. Prior to joining our Company, he was the Chief Financial Officer of CBRE's Global Workplace Solutions ("GWS") business since 2015, following CBRE's acquisition of the GWS business from Johnson Controls Inc. ("JCI"), where he was the Chief Financial Officer and Vice President of Information Technology since 2013. From 2006 to 2013, Mr. Laroyia held various positions at JCI including Group Vice President of Global Audit and Vice President of Finance and Administration for its Building Efficiency business across Europe and Africa. From 2000 to 2006, Mr. Laroyia held various positions at Gateway, Inc., including Vice President and Controller based in the U.S. and Finance Director for the United Kingdom and Ireland. Prior to Gateway, he was with General Electric in the U.S. and then GE Capital in London where he served as a Manager of European Corporate Development. Mr. Laroyia started his career at KPMG in London.

John S. Quinn became our Chief Executive Officer and Managing Director, LKQ Europe in February 2015. Prior to that he was our Executive Vice President and Chief Financial Officer from November 2009. Prior to joining our Company, he was the Senior Vice President, Chief Financial Officer and Treasurer of Casella Waste Systems, Inc., a company in the solid waste management services industry, from January 2009. From January 2001 to January 2009 he held various positions of increasing responsibility with Allied Waste Industries, Inc., a company also in the solid waste management services industry, including Senior Vice President of Finance from January 2005 to January 2009, Controller and Chief Accounting Officer from November 2006 to September 2007 and Vice President Financial Analysis and Planning from January 2003 to January 2005. From August 1987 to January 2001, he held various positions with Waste Management Inc.'s foreign subsidiaries, and Waste Management

International, plc. in Canada and the United Kingdom. Prior to working for Waste Management, he worked for Ford Glass Ltd., a subsidiary of Ford Motor Company. In January 2017, he was elected to the Board of Directors of Mekonomen Group, an automotive spare parts chain in the Nordic region, of which we are a 26.6% owner.

Victor M. Casini has been our Vice President, General Counsel and Corporate Secretary from our inception in February 1998. In March 2008, he was elected Senior Vice President. Mr. Casini was a member of our Board of Directors from May 2010 until May 2012. From July 1992 to December 2011, Mr. Casini was the Executive Vice President and General Counsel of Flynn Enterprises, Inc., a venture capital, hedging and consulting firm. Mr. Casini served as Senior Vice President, General Counsel and Corporate Secretary of Discovery Zone, Inc., an operator and franchiser of family entertainment centers, from July 1992 until May 1995. Prior to July 1992, Mr. Casini practiced corporate and securities law with the law firm of Bell, Boyd & Lloyd LLP (now known as K&L Gates LLP) in Chicago, Illinois for more than five years.

Walter P. Hanley joined us in December 2002 as our Vice President of Development, Associate General Counsel and Assistant Secretary. In December 2005, he became our Senior Vice President of Development. Mr. Hanley served as Senior Vice President, General Counsel and Secretary of Emerald Casino, Inc., an owner of a license to operate a riverboat casino in the State of Illinois, from June 1999 until August 2002. Mr. Hanley served as Senior Vice President, General Counsel and Secretary of Blue Chip Casino, Inc., an owner and operator of a riverboat gaming vessel in Michigan City, Indiana, from July 1996 until November 1999. Mr. Hanley served as Vice President and Associate General Counsel of Flynn Enterprises, Inc. from May 1995 until February 1998 and as Associate General Counsel of Discovery Zone, Inc. from March 1993 until May 1995. Prior to March 1993, Mr. Hanley practiced corporate and securities law with the law firm of Bell, Boyd & Lloyd LLP (now known as K&L Gates LLP) in Chicago, Illinois.

Justin L. Jude became our Senior Vice President of Operations—Wholesale Parts Division in July 2015. Mr. Jude has been with us since February 2004 in various roles, including from March 2008 to February 2011 as Vice President - Supply Chain, from February 2011 to May 2014 as Vice President - Information Systems (North America), and from June 2014 to July 2015 as President of Keystone Automotive Operations, Inc., our specialty automotive business. Mr. Jude has been in the Company's industry for over 19 years.

Ashley T. Brooks joined us as Senior Vice President—Chief Information Officer in May 2016. Prior to joining us, he held various information technology positions from 1999 to 2016 with Arrow Electronics, Inc., a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions. Mr. Brooks' most recent position with Arrow Electronics was Chief Information Officer, Global Components from April 2012 to May 2016.

Matthew J. McKay became our Senior Vice President of Human Resources in June 2016. Prior thereto, he served as our Associate General Counsel from December 2007 to May 2016, focusing on employment-related matters. Prior to joining us, Mr. McKay served as a law clerk for Judge William Bauer at the United States Court of Appeals for the Seventh Circuit.

Michael S. Clark has been our Vice President—Finance and Controller since February 2011. Prior thereto, he served as our Assistant Controller since May 2008. Prior to joining our Company, he was the SEC Reporting Manager of FMC Technologies, Inc., a global provider of technology solutions for the energy industry, from December 2004 to May 2008. Before joining FMC Technologies, Mr. Clark, a certified public accountant, worked in public accounting for more than eight years, leaving as a Senior Manager in the audit practice of Deloitte & Touche.

Code of Ethics

A copy of our Code of Ethics for Financial Officers is available free of charge through our website at *www.lkqcorp.com* . Any amendments to our Code of Ethics for Financial Officers or waivers granted to the applicable financial officers will be posted on our website.

Section 16 Compliance

Information appearing under the caption "Other Information—Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement is incorporated herein by reference.

Audit Committee

Information appearing under the caption "Corporate Governance—Committees of the Board—Audit Committee" in the Proxy Statement is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information appearing under the captions "Director Compensation—Director Compensation Table," "Executive Compensation—Compensation Discussion and Analysis," "Corporate Governance—Compensation Committee Interlocks and Insider Participation" and "Executive Compensation—Compensation Tables" in the Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information appearing under the caption "Other Information—Principal Stockholders" in the Proxy Statement is incorporated herein by reference.

The following table provides information about our common stock that may be issued under our equity compensation plans as of December 31, 2018 :

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a)	Weighted-average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders			
Stock options	1,051,494	$ 10.15	
Restricted stock units	1,475,682	$ —	
Total equity compensation plans approved by stockholders	2,527,176		11,271,832
Equity compensation plans not approved by stockholders	—	$ —	—
Total	2,527,176		11,271,832

See Note 7, "Stock-Based Compensation ," to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information related to the equity incentive plans listed above.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information appearing under the captions "Other Information—Certain Transactions," "Election of our Board of Directors" and "Corporate Governance—Director Independence" in the Proxy Statement is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information appearing under the captions "Ratification of Appointment of Our Independent Registered Public Accounting Firm—Audit Fees and Non-Audit Fees" and "Ratification of Appointment of Our Independent Registered Public Accounting Firm—Policy on Audit Committee Approval of Audit and Non-Audit Services" in the Proxy Statement is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

Reference is made to the information set forth in Part II, Item 8 of this Annual Report on Form 10-K, which information is incorporated herein by reference.

(a)(2) Financial Statement Schedules

Other than as set forth below, all schedules for which provision is made in the applicable accounting regulations of the SEC have been omitted because they are not required under the related instructions, are not applicable, or the information has been provided in the consolidated financial statements or the notes thereto.

Schedule II—Valuation and Qualifying Accounts and Reserves
(in thousands)

Description	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions	Acquisitions and Other	Balance at End of Period
ALLOWANCE FOR DOUBTFUL ACCOUNTS:					
Year ended December 31, 2018	$ 57,609	$ 13,970	$ (15,945)	$ 1,573	$ 57,207
Year ended December 31, 2017	45,608	15,387	(13,012)	9,626	57,609
Year ended December 31, 2016	24,583	13,280	(21,829)	29,574	45,608
ALLOWANCE FOR ESTIMATED RETURNS, DISCOUNTS & ALLOWANCES: (1)					
Year ended December 31, 2017	38,345	1,885,517	(1,884,250)	2,713	42,325
Year ended December 31, 2016	32,774	1,670,911	(1,673,040)	7,700	38,345

(1) Subsequent to our adoption of ASC 606 in 2018, we present a refund liability and a returns asset within the Consolidated Balance Sheet, whereas in periods prior to adoption, we presented the estimated margin impact of expected returns as a contra-asset within accounts receivable. See Note 4, "Summary of Significant Accounting Policies," to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to our adoption of ASC 606.

(a)(3) Exhibits

The exhibits to this Annual Report on Form 10-K are listed in Item 15(b) of this Annual Report on Form 10-K. Included in the exhibits listed therein are the following exhibits which constitute management contracts or compensatory plans or arrangements:

10.1	LKQ Corporation 401(k) Plus Plan dated August 1, 1999.
10.2	Amendment to LKQ Corporation 401(k) Plus Plan.
10.3	Trust for LKQ Corporation 401(k) Plus Plan.
10.4	LKQ Corporation 401(k) Plus Plan II, as amended and restated effective as of January 1, 2019.
10.5	LKQ Corporation 1998 Equity Incentive Plan, as amended.
10.6	Form of LKQ Corporation Award Agreement for options granted under the 1998 Equity Incentive Plan.
10.7	Form of LKQ Corporation Restricted Stock Unit Agreement for Non-Employee Directors.
10.8	Form of LKQ Corporation Restricted Stock Unit Agreement.
10.9	Form of LKQ Corporation Performance-Based Restricted Stock Unit Agreement.
10.10	LKQ Corporation Amended and Restated Stock Option and Compensation Plan for Non-Employee Directors, as amended.
10.11	Form of Indemnification Agreement between directors and officers of LKQ Corporation and LKQ Corporation.
10.12	LKQ Corporation Management Incentive Plan.
10.13	Form of LKQ Corporation Executive Officer Management Incentive Plan Award Memorandum.
10.14	Amended and Restated LKQ Corporation Long Term Incentive Plan.
10.15	Form of LKQ Corporation Executive Officer Long Term Incentive Plan Award Memorandum.
10.16	Change of Control Agreement between LKQ Corporation and John S. Quinn dated as of July 24, 2014.
10.17	Change of Control Agreement between LKQ Corporation and Walter P. Hanley dated as of July 24, 2014.
10.18	Change of Control Agreement between LKQ Corporation and Victor M. Casini dated as of July 24, 2014.
10.19	Change of Control Agreement between LKQ Corporation and Michael S. Clark dated as of July 24, 2014.
10.20	Change of Control Agreement between LKQ Corporation and Dominick P. Zarcone dated as of March 30, 2015.
10.21	Change of Control Agreement between LKQ Corporation and Justin L. Jude dated as of May 13, 2015.
10.22	Change of Control Agreement between LKQ Corporation and Ashley T. Brooks dated as of May 2, 2016.
10.23	Change of Control Agreement between LKQ Corporation and Matthew J. McKay dated as of June 1, 2016.
10.24	Change of Control Agreement between LKQ Corporation and Varun Laroyia dated as of October 1, 2017.
10.25	LKQ Severance Policy for Key Executives.
10.32	Offer Letter to John S. Quinn dated February 12, 2015, as amended.
10.33	Services Agreement dated as of February 26, 2015 between LKQ Corporation and John S. Quinn.
10.34	Offer Letter to Dominick P. Zarcone dated February 12, 2015.
10.35	Memorandum dated as of May 25, 2017 from Joseph M. Holsten to Dominick P. Zarcone.
10.37	Employee Transition Agreement dated as of May 31, 2017 between LKQ Corporation and Robert L. Wagman.
10.38	Offer letter to Varun Laroyia dated September 5, 2017.
10.39	Service Agreement between Euro Car Parts Limited and Sukhpal Singh Ahluwalia dated as of September 7, 2017.
10.40	Settlement Agreement among Euro Car Parts Limited, LKQ Corporation and Sukhpal Singh Ahluwalia dated as of January 2, 2019.

(b) Exhibits

3.1	Restated Certificate of Incorporation of LKQ Corporation (incorporated herein by reference to Exhibit 3.1 to the Company's report on Form 10-Q filed with the SEC on October 31, 2014).
3.2	Amended and Restated Bylaws of LKQ Corporation, as amended as of March 8, 2017 (incorporated herein by reference to Exhibit 3.1 to the Company's report on Form 8-K filed with the SEC on March 10, 2017).
4.1	Specimen of common stock certificate (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1/A, Registration No. 333-107417 filed with the SEC on September 12, 2003).

4.2	Amendment and Restatement Agreement dated as of January 29, 2016 by and among LKQ Corporation, LKQ Delaware LLP, and certain additional subsidiaries of LKQ Corporation, as borrowers, certain financial institutions, as lenders, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 4.1 to the Company's report on Form 8-K filed with the SEC on February 2, 2016).
4.3	Amendment No. 1 dated as of December 14, 2016 to the Fourth Amended and Restated Credit Agreement, which is Exhibit A to the Amendment and Restatement Agreement dated as of January 29, 2016 by and among LKQ Corporation, LKQ Delaware LLP, and certain additional subsidiaries of LKQ Corporation, as borrowers, certain financial institutions, as lenders, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 4.3 to the Company's report on Form 10-K filed with the SEC on February 27, 2017).
4.4	Amendment No. 2 dated as of December 1, 2017 to the Fourth Amended and Restated Credit Agreement, which is Exhibit A to the Amendment and Restatement Agreement dated as of January 29, 2016 by and among LKQ Corporation, LKQ Delaware LLP, and certain additional subsidiaries of LKQ Corporation, as borrowers, certain financial institutions, as lenders, and Wells Fargo Bank, National Association, as administrative agent. (incorporated herein by reference to Exhibit 4.4 to the Company's report on Form 10-K filed with the SEC on February 28, 2018).
4.5	Amendment No. 3 dated as of November 20, 2018 to the Fourth Amended and Restated Credit Agreement, which is Exhibit A to the Amendment and Restatement Agreement dated as of January 29, 2016 by and among LKQ Corporation, LKQ Delaware LLP, and certain additional subsidiaries of LKQ Corporation, as borrowers, certain financial institutions, as lenders, and Wells Fargo Bank, National Association, as administrative agent.
4.6	Indenture dated as of May 9, 2013 among LKQ Corporation, as Issuer, the Guarantors, and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.1 to the Company's report on Form 8-K filed with the SEC on May 10, 2013).
4.7	Supplemental Indenture dated as of May 8, 2014 among LKQ Corporation, as Issuer, the Guarantors, and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.1 to the Company's report on Form 10-Q filed with the SEC on August 1, 2014).
4.8	Supplemental Indenture dated as of September 9, 2016 among LKQ Corporation, as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.11 to the Company's report on Form 10-K filed with the SEC on February 27, 2017).
4.9	Supplemental Indenture dated as of July 20, 2017 among LKQ Corporation, as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.8 to the Company's report on Form 10-K filed with the SEC on February 28, 2018).
4.10	Supplemental Indenture dated as of November 29, 2017 among LKQ Corporation, as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.9 to the Company's report on Form 10-K filed with the SEC on February 28, 2018).
4.11	Supplemental Indenture dated as of April 6, 2018 among LKQ Corporation, as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.2 to the Company's report on Form 10-Q filed with the SEC on May 7, 2018).
4.12	Supplemental Indenture dated as of July 12, 2018 among LKQ Corporation, as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.4 to the Company's report on Form 10-Q filed with the SEC on August 6, 2018).
4.13	Indenture dated as of April 14, 2016 among LKQ Italia Bondco S.p.A., as Issuer, LKQ Corporation, certain subsidiaries of LKQ Corporation, the Trustee, and the Paying Agent, Transfer Agent and Registrar (incorporated herein by reference to Exhibit 4.1 to the Company's report on Form 8-K filed with the SEC on April 18, 2016).
4.14	Supplemental Indenture dated as of June 13, 2016 among Auto Kelly a.s., LKQ Corporation, LKQ Italia Bondco S.p.A. and the Trustee (incorporated herein by reference to Exhibit 4.2 to the Company's report on Form 10-Q filed with the SEC on August 2, 2016).
4.15	Supplemental Indenture dated as of June 13, 2016 among ELIT CZ, spol. s r.o., LKQ Corporation, LKQ Italia Bondco S.p.A. and the Trustee (incorporated herein by reference to Exhibit 4.3 to the Company's report on Form 10-Q filed with the SEC on August 2, 2016).
4.16	Supplemental Indenture dated as of June 13, 2016 among Rhiag-Inter Auto Parts Italia S.p.A., LKQ Corporation, LKQ Italia Bondco S.p.A. and the Trustee (incorporated herein by reference to Exhibit 4.4 to the Company's report on Form 10-Q filed with the SEC on August 2, 2016).
4.17	Supplemental Indenture dated as of June 13, 2016 among Bertolotti S.p.A., LKQ Corporation, LKQ Italia Bondco S.p.A. and the Trustee (incorporated herein by reference to Exhibit 4.5 to the Company's report on Form 10-Q filed with the SEC on August 2, 2016).
4.18	Supplemental Indenture dated as of September 9, 2016 among LKQ Corporation, LKQ Italia Bondco S.p.A., as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and BNP Paribas Trust Corporation UK Limited, as Trustee (incorporated herein by reference to Exhibit 4.2 to the Company's report on Form 10-Q filed with the SEC on November 1, 2016).

4.19	Supplemental Indenture dated as of July 24, 2017 among LKQ Corporation, LKQ Italia Bondco S.p.A., as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and BNP Paribas Trust Corporation UK Limited, as Trustee (incorporated herein by reference to Exhibit 4.16 to the Company's report on Form 10-K filed with the SEC on February 28, 2018).
4.20	Supplemental Indenture dated as of November 29, 2017 among LKQ Corporation, LKQ Italia Bondco S.p.A., as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and BNP Paribas Trust Corporation UK Limited, as Trustee (incorporated herein by reference to Exhibit 4.17 to the Company's report on Form 10-K filed with the SEC on February 28, 2018).
4.21	Supplemental Indenture dated as of April 27, 2018 among LKQ Italia Bondco S.p.A., as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and BNP Paribas Trust Corporation UK Limited, as Trustee (incorporated herein by reference to Exhibit 4.3 to the Company's report on Form 10-Q filed with the SEC on August 6, 2018).
4.22	Supplemental Indenture dated as of July 16, 2018 among LKQ Italia Bondco S.p.A., as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and BNP Paribas Trust Corporation UK Limited, as Trustee (incorporated herein by reference to Exhibit 4.5 to the Company's report on Form 10-Q filed with the SEC on August 6, 2018).
4.23	Indenture dated as of April 9, 2018 among LKQ European Holdings B.V., as Issuer, LKQ Corporation, certain subsidiaries of LKQ Corporation, the trustee, paying agent, transfer agent, and registrar (incorporated herein by reference to Exhibit 4.1 to the Company's report on Form 8-K filed with the SEC on April 12, 2018).
4.24	Supplemental Indenture dated as of July 16, 2018 among LKQ European Holdings B.V., as Issuer, certain subsidiaries of LKQ Corporation, as Guarantors, and BNP Paribas Trust Corporation UK Limited, as Trustee (incorporated herein by reference to Exhibit 4.6 to the Company's report on Form 10-Q filed with the SEC on August 6, 2018).
10.1	LKQ Corporation 401(k) Plus Plan dated August 1, 1999 (incorporated herein by reference to Exhibit 10.23 to the Company’s Registration Statement on Form S-1, Registration No. 333-107417 filed with the SEC on July 28, 2003).
10.2	Amendment to LKQ Corporation 401(k) Plus Plan (incorporated herein by reference to Exhibit 10.24 to the Company’s Registration Statement on Form S-1, Registration No. 333-107417 filed with the SEC on July 28, 2003).
10.3	Trust for LKQ Corporation 401(k) Plus Plan (incorporated herein by reference to Exhibit 10.25 to the Company’s Registration Statement on Form S-1, Registration No. 333-107417 filed with the SEC on July 28, 2003).
10.4	LKQ Corporation 401(k) Plus Plan II, as amended and restated effective as of January 1, 2019.
10.5	LKQ Corporation 1998 Equity Incentive Plan, as amended (incorporated herein by reference to Exhibit 10.1 to the Company’s report on Form 10-Q filed with the SEC on November 1, 2016).
10.6	Form of LKQ Corporation Award Agreement for options granted under the 1998 Equity Incentive Plan (incorporated herein by reference to Exhibit 99.1 to the Company’s report on Form 8-K filed with the SEC on January 11, 2005).
10.7	Form of LKQ Corporation Restricted Stock Unit Agreement for Non-Employee Directors.
10.8	Form of LKQ Corporation Restricted Stock Unit Agreement.
10.9	Form of LKQ Corporation Performance-Based Restricted Stock Unit Agreement (incorporated herein by reference to Exhibit 10.9 to the Company's report on Form 10-K filed with the SEC on February 28, 2018).
10.10	LKQ Corporation Amended and Restated Stock Option and Compensation Plan for Non-Employee Directors, as amended (incorporated herein by reference to Exhibit 10.5 to the Company’s report on Form 10-Q filed with the SEC on November 7, 2008).
10.11	Form of Indemnification Agreement between directors and officers of LKQ Corporation and LKQ Corporation (incorporated herein by reference to Exhibit 10.30 to the Company’s Registration Statement on Form S-1, Registration No. 333-107417 filed with the SEC on July 28, 2003).
10.12	LKQ Corporation Management Incentive Plan (incorporated herein by reference to Exhibit 10.12 to the Company’s report on Form 10-K filed with the SEC on March 2, 2015).
10.13	Form of LKQ Corporation Executive Officer Management Incentive Plan Award Memorandum.
10.14	Amended and Restated LKQ Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Company’s report on Form 8-K filed with the SEC on November 7, 2014).
10.15	Form of LKQ Corporation Executive Officer Long Term Incentive Plan Award Memorandum.
10.16	Change of Control Agreement between LKQ Corporation and John S. Quinn dated as of July 24, 2014 (incorporated herein by reference to Exhibit 10.3 to the Company’s report on Form 8-K filed with the SEC on July 28, 2014).

10.17	Change of Control Agreement between LKQ Corporation and Walter P. Hanley dated as of July 24, 2014 (incorporated herein by reference to Exhibit 10.4 to the Company's report on Form 8-K filed with the SEC on July 28, 2014).
10.18	Change of Control Agreement between LKQ Corporation and Victor M. Casini dated as of July 24, 2014 (incorporated herein by reference to Exhibit 10.5 to the Company's report on Form 8-K filed with the SEC on July 28, 2014).
10.19	Change of Control Agreement between LKQ Corporation and Michael S. Clark dated as of July 24, 2014 (incorporated herein by reference to Exhibit 10.8 to the Company's report on Form 8-K filed with the SEC on July 28, 2014).
10.20	Change of Control Agreement between LKQ Corporation and Dominick P. Zarcone dated as of March 30, 2015 (incorporated herein by reference to Exhibit 10.7 to the Company's report on Form 10-Q filed with the SEC on May 1, 2015).
10.21	Change of Control Agreement between LKQ Corporation and Justin L. Jude dated as of May 13, 2015 (incorporated herein by reference to Exhibit 10.32 to the Company's report on Form 10-K filed with the SEC on February 25, 2016).
10.22	Change of Control Agreement between LKQ Corporation and Ashley T. Brooks dated as of May 2, 2016 (incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 10-Q filed with the SEC on August 2, 2016).
10.23	Change of Control Agreement between LKQ Corporation and Matthew J. McKay dated as of June 1, 2016 (incorporated herein by reference to Exhibit 10.34 to the Company's report on Form 10-K filed with the SEC on February 27, 2017).
10.24	Change of Control Agreement between LKQ Corporation and Varun Laroyia dated as of October 1, 2017 (incorporated herein by reference to Exhibit 10.26 to the Company's report on Form 10-K filed with the SEC on February 28, 2018).
10.25	LKQ Severance Policy for Key Executives (incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 8-K filed with the SEC on July 28, 2014).
10.26	Receivables Sale Agreement dated as of September 28, 2012 among Keystone Automotive Industries, Inc., as an Originator, Greenleaf Auto Recyclers, LLC, as an Originator, and LKQ Receivables Finance Company, LLC, as Buyer (incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 8-K filed with the SEC on October 4, 2012).
10.27	Receivables Purchase Agreement dated as of September 28, 2012 among LKQ Receivables Finance Company, LLC, as Seller, LKQ Corporation, as Servicer, Victory Receivables Corporation, as a Conduit and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as a Financial Institution, as Administrative Agent and as a Managing Agent (incorporated herein by reference to Exhibit 10.2 to the Company's report on Form 8-K filed with the SEC on October 4, 2012).
10.28	Amendment No. 1 to Receivables Purchase Agreement dated as of September 29, 2014 among LKQ Receivables Finance Company, LLC, as Seller, LKQ Corporation, as Servicer, Victory Receivables Corporation, as a Conduit and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as a Financial Institution, as Administrative Agent and as a Managing Agent (incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 8-K filed with the SEC on October 3, 2014).
10.29	Performance Undertaking, dated as of September 28, 2012 by LKQ Corporation in favor of LKQ Receivables Finance Company, LLC (incorporated herein by reference to Exhibit 10.3 to the Company's report on Form 8-K filed with the SEC on October 4, 2012).
10.30	Amendment No. 2 to Receivables Purchase Agreement dated as of November 28, 2016 among LKQ Receivables Finance Company, LLC, as Seller, LKQ Corporation, as Servicer, the Conduits, the Purchasers, the Managing Agents and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Administrative Agent (incorporated herein by reference to Exhibit 10.40 to the Company's report on Form 10-K filed with the SEC on February 27, 2017).
10.31	Amendment No. 3 to Receivables Purchase Agreement dated as of December 20, 2018 among LKQ Receivables Finance Company, LLC, as Seller, LKQ Corporation, as Servicer, the Conduits, the Purchasers, the Managing Agents and MUFG Bank, as Administrative Agent.
10.32	Offer Letter to John S. Quinn dated February 12, 2015, as amended (incorporated herein by reference to Exhibit 10.41 to the Company's report on Form 10-K filed with the SEC on February 25, 2016).
10.33	Services Agreement dated as of February 26, 2015 between LKQ Corporation and John S. Quinn (incorporated herein by reference to Exhibit 10.3 to the Company's report on Form 8-K filed with the SEC on March 3, 2015).
10.34	Offer Letter to Dominick P. Zarcone dated February 12, 2015 (incorporated herein by reference to Exhibit 10.4 to the Company's report on Form 8-K filed with the SEC on March 3, 2015).
10.35	Memorandum dated as of May 25, 2017 from Joseph M. Holsten to Dominick P. Zarcone (incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 8-K filed with the SEC on June 5, 2017).

10.36	Stock and Asset Purchase Agreement dated as of December 18, 2016 among Vitro Automotive Glass LLC and VIMexico, S.A. de C.V., as Buyers, LKQ PGW Holdings, LLC, Pittsburgh Glass Works, LLC, KPGW European Holdco, LLC, and Pittsburgh Glass Works, ULC, as Sellers, PGW Holdings, LLC, as the Company, LKQ Corporation, Vitro S.A.B. de C.V. and Vitro Assets Corp. (incorporated herein by reference to Exhibit 10.50 to the Company's report on Form 10-K filed with the SEC on February 27, 2017).
10.37	Employee Transition Agreement dated as of May 31, 2017 between LKQ Corporation and Robert L. Wagman (incorporated herein by reference to Exhibit 10.2 to the Company's report on Form 8-K filed with the SEC on June 5, 2017).
10.38	Offer letter to Varun Laroyia dated September 5, 2017 (incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 8-K filed with the SEC on September 6, 2017).
10.39	Service Agreement between Euro Car Parts Limited and Sukhpal Singh Ahluwalia dated as of September 7, 2017 (incorporated herein by reference to Exhibit 10.1 to the Company's report on Form 8-K filed with the SEC on September 13, 2017).
10.40	Settlement Agreement among Euro Car Parts Limited, LKQ Corporation and Sukhpal Singh Ahluwalia dated as of January 2, 2019.
10.41	Sale and Purchase Agreement dated as of December 20, 2017 among the Company, LKQ German Holdings GmbH, an indirect wholly-owned subsidiary of the Company, and Stahlgruber Otto Gruber AG, the owners of Stahlgruber GmbH, a company incorporated in Germany (incorporated herein by reference to Exhibit 10.42 to the Company's report on Form 10-K filed with the SEC on February 28, 2018).
14.1	LKQ Corporation Code of Ethics (incorporated herein by reference to Exhibit 14.1 to the Company’s report on Form 10-Q filed with the SEC on August 2, 2013).
21.1	List of subsidiaries, jurisdictions and assumed names.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 1, 2019 .

LKQ CORPORATION

By: /s/ DOMINICK ZARCONE

Dominick Zarcone

President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 1, 2019 .

Signature	Title
Principal Executive Officer:	
/s/ DOMINICK ZARCONE **Dominick Zarcone**	President and Chief Executive Officer
Principal Financial Officer:	
/s/ VARUN LAROYIA **Varun Laroyia**	Executive Vice President and Chief Financial Officer
Principal Accounting Officer:	
/s/ MICHAEL S. CLARK **Michael S. Clark**	Vice President—Finance and Controller
A Majority of the Directors:	
/s/ A. CLINTON ALLEN **A. Clinton Allen**	Director
/s/ MEG ANN DIVITTO **Meg Ann Divitto**	Director
/s/ ROBERT M. HANSER **Robert M. Hanser**	Director
/s/ JOSEPH M. HOLSTEN **Joseph M. Holsten**	Director
/s/ BLYTHE J. MCGARVIE **Blythe J. McGarvie**	Director
/s/ JOHN W. MENDEL **John W. Mendel**	Director
/s/ JODY G. MILLER **Jody G. Miller**	Director
/s/ JOHN F. O'BRIEN **John F. O'Brien**	Director
/s/ GUHAN SUBRAMANIAN **Guhan Subramanian**	Director
/s/ WILLIAM M. WEBSTER, IV **William M. Webster, IV**	Director
/s/ DOMINICK ZARCONE **Dominick Zarcone**	Director

EXECUTION VERSION

AMENDMENT NO. 3

Dated as of November 20, 2018

to

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of March 25, 2011,

as amended and restated as of September 30, 2011,

as further amended and restated as of May 3, 2013,

as further amended and restated as of March 27, 2014,

as further amended and restated as of January 29, 2016,

THIS AMENDMENT NO. 3 (this " Amendment ") is made as of November 20, 2018 by and among LKQ Corporation, a Delaware corporation (the " Company "), LKQ Delaware LLP, a Delaware limited liability partnership (the " Canadian Primary Borrower "), LKQ Netherlands B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid)* incorporated and existing under the laws of The Netherlands (" LKQ Netherlands "), Atracco Group AB, a private limited liability company organized under the laws of the Sweden (" Atracco "), LKQ European Holdings B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid)* incorporated and existing under the laws of The Netherlands (" Holdings "), LKQ German Holdings GMBH (" GMBH "), a German limited liability company (*Gesellschaft mit beschränkter Haftung*), Euro Car Parts Limited, a company incorporated in England and Wales (" Euro Car Parts "), the financial institutions listed on the signature pages hereof and Wells Fargo Bank, National Association, as Administrative Agent (the " Administrative Agent "), under that certain Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016, among the Company, the Canadian Primary Borrower, LKQ Euro Limited, LKQ Netherlands, Atracco, the other Subsidiary Borrowers from time to time party thereto (collectively with the Company, the Canadian Primary Borrower, LKQ Netherlands, Atracco, Holdings, GMBH and Euro Car Parts, the " Borrowers "), the Lenders and the Administrative Agent (as further amended, restated, supplemented or otherwise modified from time to time, the " Credit Agreement "). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Amended Credit Agreement.

WHEREAS, the Borrowers have requested that the requisite Lenders and the Administrative Agent agree to certain amendments and other modifications to the Credit Agreement; and

WHEREAS, the Borrowers, the Lenders party hereto and the Administrative Agent have so agreed on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto have agreed to enter into this Amendment.

1. Amendments to the Credit Agreement . From and after the Amendment No. 3 Effective Date, the parties hereto agree that each of the Credit Agreement and the applicable Schedules thereto is hereby amended to delete the stricken text (indicated in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated in the same manner as the following example: double-underlined text) as set forth on Exhibit A hereto (the Credit Agreement and such Schedules and Exhibits thereto as so amended being collectively referred to as the " Amended Credit Agreement ").

2. Departing Lenders; New Lenders .

(a) From and after the Amendment No. 3 Effective Date, each of the Lenders listed as "Departing Lenders" on Exhibit B attached hereto (the " Departing Lenders ") assign all of their rights and obligations under the Credit Agreement as set forth on Schedule 2.01 of the Amended Credit Agreement to the Lenders listed as "New Lenders" on Exhibit B attached hereto (the " New Lenders ")

(b) Each of the New Lenders (i) represents and warrants that it is legally authorized to enter into this Amendment, (ii) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment, (iii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Amended Credit Agreement or any other instrument or document furnished pursuant hereto or thereto, (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Amended Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto and (v) agrees that it will be bound by the provisions of the Amended Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Amended Credit Agreement are required to be performed by it as a Lender.

(c) On the Amendment No. 3 Effective Date, (i) each New Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders of such Class, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Loans of such Class of all the Lenders to equal its Applicable Percentage of such outstanding Loans of such Class, and (ii) the Borrowers shall be deemed to have repaid and reborrowed all outstanding Loans of such Class as of the Amendment No. 3 Effective Date (with such reborrowing to consist of the Types of Loans of such Class, with related Interest Periods if applicable, specified in a notice delivered by the applicable Borrower, or the Company on behalf of the applicable Borrower, in accordance with the requirements of Section 2.03 of the Amended Credit Agreement; provided that the Administrative Agent and the New Lenders agree that such notice may be provided three (3) Business Days prior to the Amendment No. 3 Effective Date). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurocurrency Loan and BA Equivalent Loan, shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.16 of the Amended Credit Agreement if the deemed payment occurs other than on the last day of the related Interest Periods

3. Conditions of Effectiveness . This Amendment shall become effective as of the date (the " Amendment No. 3 Effective Date ") each of the following conditions precedent have been satisfied:

(a) the Administrative Agent shall have received counterparts of this Amendment duly executed and delivered by authorized representatives of each Borrower, each Lender, each New Lender, each Issuing Bank and the Swingline Lender;

(b) the Administrative Agent shall have received the Consent and Reaffirmation attached hereto duly executed by the Subsidiary Guarantors;

(c) the Administrative Agent shall have received favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Amendment No. 3 Effective Date) of (A) Sheppard Mullin Richter & Hampton LLP, U.S. counsel to the Loan Parties, (B) Baker & McKenzie Amsterdam N.V., Dutch counsel to the Loan Parties, (C) Baker & McKenzie Advokatbyra KB, Swedish counsel to the Loan Parties, (D) K&L Gates LLP, U.K. counsel to the Loan Parties, (E) Baker & McKenzie Partnerschaft von Rechtsanwälten Wirtschaftsprüfern und Steuerberatem mbB, German counsel to the Loan Parties, and (F) Victor M. Casini, internal counsel to the Loan Parties, in each case in form and substance reasonably satisfactory to the Administrative Agent and covering such matters relating to the Loan Parties, the Loan Documents, this Amendment and the transactions contemplated hereby as the Administrative Agent shall reasonably request. The Company hereby requests such counsel to deliver such opinions;

(d) the Administrative Agent shall have received a certificate, dated the Amendment No. 3 Effective Date and signed by a Responsible Officer of the Company, certifying that, after giving effect to this Amendment and any Borrowings on the Amendment No. 3 Effective Date, (x) all of the representations and warranties of the Company set forth in the Amended Credit Agreement are true and correct in all material respects (or in all respects if the applicable representation and warranty is qualified by materiality or Material Adverse Effect) and (y) no Default or Event of Default has occurred and is then continuing or would result therefrom;

(e) the Administrative Agent shall have received such other documents, certificates and other deliveries as the Administrative Agent or its counsel may reasonably request, including, without limitation, relating to the organization, existence and good standing (or the equivalent in the applicable jurisdiction) of the Loan Parties, the authorization of the transactions contemplated hereby and by the Amended Credit Agreement and any other legal matters relating to the Loan Parties, the Loan Documents or the transactions contemplated hereby or thereby, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel;

(f) each Loan Party or Subsidiary thereof that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall have delivered to the Administrative Agent, and any Lender requesting the same, a Beneficial Ownership Certification in relation to such Loan Party or such Subsidiary, in each case at least five (5) Business Days prior to the Amendment No. 3 Effective Date; and

(g) the Administrative Agent shall have received (x) all fees and other amounts due and payable on or prior to the Amendment No. 3 Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrowers under the Loan Documents, (y) all accrued and unpaid interest under the Credit Agreement and all accrued and unpaid fees under Sections 2.12(a) and 2.12(b) of the Credit Agreement and (z) all amounts (if any) owing by the Augmenting Lender and the Increasing Lenders pursuant to Section 2(b) . If any LC Disbursements and/or

Swingline Loans are outstanding as of the Signing Date, such LC Disbursements and/or Swingline Loans shall be repaid, together with any interest accrued thereon.
The Administrative Agent shall notify in writing the Company and the Lenders of the Amendment No. 3 Effective Date, and such notice shall be conclusive and binding; provided that, notwithstanding the foregoing, this Amendment shall terminate and be of no force or effect if the foregoing conditions precedent set forth in this Section 3 shall not have been satisfied (or otherwise waived with the consent of the Administrative Agent and the Required Lenders) on or prior to 5:00 p.m. (New York time) on December 31, 2018.

The parties hereto agree that, to the extent necessary to effect the amendments contemplated hereby, the Administrative Agent is authorized to make such reallocations, sales, assignments or other relevant actions in respect of, in the case of a "Lender", its "Commitment" of the applicable Class and "Credit Exposure" in respect of the applicable Class, as are necessary in order that each such Lender's Credit Exposure in respect of the applicable Class under the Amended Credit Agreement reflects such Lender's Applicable Percentage thereof on the date hereof after giving effect to this Amendment.

4. Representations and Warranties of the Borrowers . Each of the Borrowers hereby represents and warrants as follows:

(a) This Amendment and the Amended Credit Agreement constitute legal, valid and binding obligations of such Borrower, enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) As of the date hereof and giving effect to the terms of this Amendment and the Transactions to occur on the date hereof, (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) the representations and warranties of such Borrower set forth in Article III of the Amended Credit Agreement are true and correct in all material respects (or in all respects if the applicable representation and warranty is qualified by materiality or Material Adverse Effect) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

5. Reference to and Effect on the Credit Agreement .

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Amended Credit Agreement or any other Loan Document shall mean and be a reference to the Amended Credit Agreement.

(b) The Amended Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except with respect to the subject matter hereof, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

(d) This Amendment is a Loan Document.

6. Lender Acknowledgment . Each of the undersigned Lenders hereby acknowledges that its applicable Commitments and Term Loans, as applicable, shall be as set forth in Schedule 2.01 of the Amended Credit Agreement.

7. No Novation . This Agreement shall not extinguish the Loans or other obligations outstanding under the Credit Agreement. No part of this Agreement is intended to or will create a registerable Lien. This Agreement shall be a Loan Document for all purposes.

8. Governing Law; Jurisdiction . This Amendment shall be construed in accordance with and governed by the law of the State of New York. Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Amendment and any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Amendment or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Amendment or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

9. Headings . Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

10. Counterparts . This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument (including, for the avoidance of doubt, any signature page to this Amendment executed and provided by any Lender more than once in order to provide for separate consents to this Amendment as contemplated herein). Delivery of an executed counterpart of a signature page of this Amendment by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

LKQ CORPORATION, as the Company

By: __/s/ Varun Laroyia_____
Name: Varun Laroyia
Title: Executive Vice President and Chief Financial Officer

LKQ DELAWARE LLP, as a Subsidiary Borrower

By: __/s/ Varun Laroyia_____
Name: Varun Laroyia
Title: Executive Vice President and Chief Financial Officer

LKQ NETHERLANDS B.V., as a Subsidiary Borrower

By: __/s/ John S. Quinn _____
Name: John S. Quinn
Title: Director

ATRACCO GROUP AB, as a Subsidiary Borrower

By: __/s/ John S. Quinn _____
Name: John S. Quinn
Title: Director

By: __/s/ Sinon Galvin _____
Name: Sinon Galvin
Title: Director

LKQ EUROPEAN HOLDINGS B.V., as a Subsidiary Borrower
By: __/s/ John S. Quinn _____
Name: John S. Quinn
Title: Director

LKQ GERMAN HOLDINGS (GMBH), as a Subsidiary Borrower

By: __/s/ John S. Quinn _____
Name: John Sidney Quinn
Title: Managing Director

EURO CAR PARTS LIMITED, as a Subsidiary Borrower

By __/s/ John S. Quinn _____
Name: John S. Quinn
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION,

individually as a Lender, as an Issuing Bank, as the Swingline Lender and as Administrative Agent

By: /s/ Katherine Cordes
Name: Katherine Cordes
Title: Assistant Vice President

BANK OF AMERICA, N.A.,
individually as a Lender and as an Issuing Bank

By: __/s/ Michael Staunton_____
Name: Michael Staunton
Title: Senior Vice President

Name of Lender:

MUFG BANK, LTD. (formerly known as The bank of Tokyo-Mitsubishi UFJ, Ltd.)

By: /s/ Eric Hill
Name: Eric Hill
Title: Authorized Signatory

HSBC BANK USA, NATIONAL ASSOCIATION

By: /s/ Matthew McLaurin
Name: Matthew McLaurin
Title: Director

HSBC BANK PLC (as trustee for HSBC Bank PLC)

By: __/s/ Andrew Metcalfe _____
Name: Andrew Metcalfe
Title: Head of ISB, South UK

For any Lender requiring a second signature line

By _____
Name:
Title:

CITIZENS BANK, N.A.

By: __/s/ Stephen A. Maenhout _____
Name: Stephen A. Maenbout
Title: Senior Vice President

For any Lender requiring a second signature line

By _____
Name:
Title:

SUNTRUST BANK

By: /s/ Lisa Garling
Name: Lisa Garling
Title: Director

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Shweta Parthasarathy
Name: Shweta Parthasarathy
Title: Senior Vice President

TD BANK, N.A.

By: __/s/ Shreya Shah__
Name: Shreya Shah
Title: Senior Vice President

CAPITAL ONE, NATIONAL ASSOCIATION

By: __/s/ Timothy Miller_____
Name: Timothy Miller
Title: Vice President

COMPASS BANK d/b/a/ BBVA COMPASS

By: __/s/ Charles Randolph_ _____
Name: Charles Randolph
Title: Senior Vice President

BRANCH BANKING AND TRUST COMPANY

By: __/s/ Thomas Trail_ _____
Name: Thomas Trail
Title: Senior Vice President

BNP PARIBAS

By: __/s/ Todd Grossnickle_____
Name: Todd Grossnickle
Title: Director

For any Lender requiring a second signature line

By ____ /s/ Nader Tannous_____
Name: Nader Tannous
Title: Managing Director

UniCredit Bank AG, New York Branch

By: __/s/ Douglas Riahi_._____
Name: Douglas Riahi
Title: Managing Director

For any Lender requiring a second signature line

By ____ /s/ Thilo Huber_._____
Name: Thilo Huber
Title: Director

U.S. BANK NATIONAL ASSOCIATION

By: __/s/ James N. DeVries_____
Name: James N. DeVries
Title: Senior Vice President

ROYAL BANK OF CANADA

By: __/s/ Mohannad Hammad_____
Name: Mohannad Hammad
Title: Senior Vice President

CREDIT SUISSE AG, Cayman Islands Branch

By: __/s/ Vipul Dhadda_____
Name: Vipul Dhadda
Title: Authorized Signatory

For any Lender requiring a second signature line

By ____ /s/ D. Andrew Maletta_____
Name: D. Andrew Maletta
Title: Authorized Signatory

Exhibit A

Amendments to Credit Agreement

[Attached]

Exhibit B

Departing Lenders

1. Fifth Third Bank
2. Goldman Sachs Bank USA
3. Associated Bank, National Association
4. MB Financial, N.A., as successor in interest to Cole Taylor Bank
5. First Hawaiian Bank
6. First Midwest Bank
7. The Huntington National Bank
8. E.Sun Commercial Bank, LTD., Los Angeles Branch

New Lenders

1. UniCredit Bank AG, New York Branch

CONSENT AND REAFFIRMATION

Each of the undersigned hereby acknowledges receipt of a copy of the foregoing Amendment No. 3 to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 (as amended, restated, supplemented or otherwise modified, the " Credit Agreement ") by and among LKQ Corporation (the " Company "), the Subsidiary Borrowers from time to time party thereto, the financial institutions from time to time party thereto (the " Lenders ") and Wells Fargo Bank, National Association, as Administrative Agent (the " Administrative Agent "), which Amendment No. 3 is dated as of November 20, 2018 (the " Amendment "). Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement.

In connection with the execution and delivery of the Amendment, each of the undersigned Subsidiary Guarantors, as debtor, grantor, pledgor, guarantor, or in any other similar capacity in which such Subsidiary Guarantor grants liens or security interests in its properties or otherwise acts as an accommodation party or guarantor, as the case may be, in each case under the Loan Documents heretofore executed and delivered in connection with or pursuant to the Credit Agreement (as amended, supplemented or otherwise modified prior to the date of the Amendment, all such agreements being collectively referred to hereinafter as the " Prior Agreements "), (i) hereby consents to the Amendment and the transactions contemplated thereby, (ii) hereby ratifies and reaffirms all of its remaining payment and performance obligations, contingent or otherwise, if any, under each of such Loan Documents (as amended, restated, supplemented or otherwise modified by this Amendment, as the case may be) to which it is a party, (iii) to the extent such Subsidiary Guarantor granted liens on or security interests in any of its properties pursuant to any such Loan Documents, hereby ratifies and reaffirms such grant of security and confirms that such liens and security interests continue to secure the Secured Obligations, including, without limitation, all additional Obligations resulting from or incurred pursuant to the Amendment and the Credit Agreement as amended thereby and (iv) to the extent such Subsidiary Guarantor guaranteed or was an accommodation party with respect to the Secured Obligations or any portion thereof, hereby ratifies and reaffirms such guaranties or accommodation liabilities.

Dated: November 20, 2018

A&A AUTO PARTS STORES, INC.
AEROVISION AIRCRAFT SERVICES, LLC
AEROVISION ENGINE SERVICES, LLC
AEROVISION INTERNATIONAL, LLC
AKRON AIRPORT PROPERTIES, INC.
AMERICAN RECYCLING INTERNATIONAL, INC.
A-RELIABLE AUTO PARTS & WRECKERS, INC.
ARROW SPEED ACQUISITION LLC
AUTOMOTIVE CALIBRATION & TECHNOLOGY SERVICES, LLC
AVI INVENTORY SERVICES, LLC
AVI SALES AND LEASING SERVICES, LLC
DRIVERFX.COM, INC.
GLOBAL POWERTRAIN SYSTEMS, LLC
GREENLEAF AUTO RECYCLERS, LLC
KAIR IL, LLC
KAO LOGISTICS, INC.
KAO WAREHOUSE, INC.
KEYSTONE AUTOMOTIVE INDUSTRIES, INC.
KEYSTONE AUTOMOTIVE OPERATIONS, INC.
KEYSTONE AUTOMOTIVE OPERATIONS OF CANADA, INC.
KPGW CANADIAN HOLDCO, LLC
LKQ 1ST CHOICE AUTO PARTS, LLC
LKQ 250 AUTO, INC.
LKQ ALL MODELS CORP.
LKQ APEX AUTO PARTS, INC.
LKQ AUTO PARTS OF CENTRAL CALIFORNIA, INC.
LKQ AUTO PARTS OF MEMPHIS, INC.
LKQ AUTO PARTS OF NORTH TEXAS, INC.
LKQ AUTO PARTS OF NORTH TEXAS, L.P.
LKQ AUTO PARTS OF UTAH LLC
each as a Subsidiary Guarantor

By: __/s/ Varun Laroyia_____
Name: Varun Laroyia
Title: Vice President and Chief Financial Officer

LKQ BEST AUTOMOTIVE CORP.
LKQ BRAD'S AUTO & TRUCK PARTS, INC.
LKQ BROADWAY AUTO PARTS, INC.
LKQ FOSTER AUTO PARTS SALEM, INC.
LKQ FOSTER AUTO PARTS WESTSIDE LLC
LKQ FOSTER AUTO PARTS, INC.
LKQ GORHAM AUTO PARTS CORP.
LKQ GREAT LAKES CORP.
LKQ HEAVY TRUCK-TEXAS BEST DIESEL, L.P.
LKQ HUNTS POINT AUTO PARTS CORP.
LKQ INVESTMENTS, INC.
LKQ LAKENOR AUTO & TRUCK SALVAGE, INC.
LKQ METRO, INC.
LKQ MID-AMERICA AUTO PARTS, INC.
LKQ MIDWEST AUTO PARTS CORP.
LKQ MINNESOTA, INC.
LKQ OF INDIANA, INC.
LKQ OF MICHIGAN, INC.
LKQ OF NEVADA, INC.
LKQ NORTHEAST, INC.
LKQ ONLINE CORP.
LKQ PICK YOUR PART SOUTHEAST, LLC,
each as a Subsidiary Guarantor

By: /s/ Varun Laroyia
Name: Varun Laroyia
Title: Vice President and Chief Financial Officer

LKQ ROUTE 16 USED AUTO PARTS, INC.
LKQ SELF SERVICE AUTO PARTS-
HOLLAND, INC.
LKQ SELF SERVICE AUTO PARTS- KALAMAZOO,
INC.
LKQ SELF SERVICE AUTO PARTS TULSA, INC.
LKQ SMART PARTS, INC.
LKQ SOUTHEAST, INC.
LKQ SOUTHWICK LLC
LKQ TAIWAN HOLDING COMPANY
LKQ TIRE & RECYCLING, INC.
LKQ TRADING COMPANY
LKQ TRIPLETT ASAP, INC.
LKQ U-PULL-IT AUTO DAMASCUS, INC.
LKQ U-PULL-IT TIGARD, INC.
LKQ WEST MICHIGAN AUTO PARTS, INC.
MSN145056, LLC
NORTH AMERICAN ATK CORPORATION
PGW AUTO GLASS, LLC
PICK-YOUR-PART AUTO WRECKING
POTOMAC GERMAN AUTO, INC.
PULL-N-SAVE AUTO PARTS, LLC
REDDING AUTO CENTER, INC.
SCRAP PROCESSORS, LLC
SUPREME AUTO PARTS, INC.
U-PULL-IT, INC.
U-PULL-IT, NORTH, LLC
WARN INDUSTRIES, INC.,
each as a Subsidiary Guarantor

By: /s/ Varun Laroyia
Name: Varun Laroyia
Title: Vice President and Chief Financial Officer

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

March 25, 2011
as amended and restated as of September 30, 2011
as further amended and restated as of May 3, 2013
as further amended and restated as of March 27, 2014
as further amended and restated as of January 29, 2016

among

LKQ CORPORATION
LKQ DELAWARE LLP
The Subsidiary Borrowers Party Hereto

The Lenders Party Hereto

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Administrative Agent

BANK OF AMERICA, N.A. and
MUFG BANK, LTD. (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
as Syndication Agents

and

CITIZENS BANKS, N.A., SUNTRUST BANK, BBVA COMPASS, PNC BANK, NATIONAL ASSOCIATION,
HSBC BANK USA, NATIONAL ASSOCIATION, TD BANK, N.A.
and CAPITAL ONE, NATIONAL ASSOCIATION
as Documentation Agents

WELLS FARGO SECURITIES, LLC,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
and MUFG BANK, LTD. (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
as Joint Bookrunners and Joint Lead Arrangers

SCHEDULES:

EXHIBITS:

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT (this " Agreement ") dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016, among LKQ CORPORATION, LKQ DELAWARE LLP, the SUBSIDIARY BORROWERS from time to time party hereto, the LENDERS from time to time party hereto, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, BANK OF AMERICA, N.A. and MUFG BANK, LTD. (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.), as Syndication Agents, and CITIZENS BANKS, N.A., SUNTRUST BANK, BBVA COMPASS, PNC BANK, NATIONAL ASSOCIATION, HSBC BANK USA, NATIONAL ASSOCIATION, TD BANK, N.A. and CAPITAL ONE, NATIONAL ASSOCIATION, as Documentation Agents.

WHEREAS, the Borrowers, the Lenders and the Administrative Agent are currently party to that certain Third Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013 and as further amended and restated as of March 27, 2014 (as otherwise amended prior to the date hereof, the " Existing Credit Agreement ").

WHEREAS **,** the Borrowers, the Lenders party to the Amendment and Restatement Agreement and the Administrative Agent now desire to amend and restate in its entirety the provisions of the Existing Credit Agreement to increase the revolving credit facility under the Existing Credit Agreement, to re-evidence and increase the term loan facility under the Existing Credit Agreement and to make certain other modifications and amendments, all as more particularly described herein.

WHEREAS **,** it is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities of the parties under the Existing Credit Agreement or be deemed to evidence or constitute full repayment of such obligations and liabilities, but that this Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations and liabilities of the Borrowers and the other credit parties outstanding thereunder, which shall be payable in accordance with the terms hereof.

WHEREAS **,** it is also the intent of the Borrowers and the Subsidiary Guarantors to confirm that all obligations under the "Loan Documents" (as referred to and defined in the Existing Credit Agreement) shall continue in full force and effect as modified and/or restated by the Loan Documents (as referred to and defined herein) and that, from and after the Restatement Effective Date (as defined below), all references to the "Credit Agreement" contained in any such existing "Loan Documents" shall be deemed to refer to this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree that the Existing Credit Agreement is hereby amended and restated as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms . As used in this Agreement, the following terms have the meanings specified below:

" ABR ", when used in reference to any Loan or Borrowing, refers to a Loan, or the Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate.

" Acquired Person or Business " means either (x) the assets constituting a business, division or product line of any Person not already a Subsidiary of the Company acquired by the Company or a Subsidiary or (y) any such Person which shall, as a result of the acquisition of the Capital Stock of such Person, become a Subsidiary of the Company (or shall be merged or amalgamated with and into the Company or another Subsidiary of the Company, with the Company or such Subsidiary being the surviving or continuing Person).

" Acquisition " means the purchase or other acquisition of Property and assets or businesses of any Person or of assets constituting a business unit, a line of business or division of such Person, or Capital Stock in a Person that, upon the consummation thereof, will be, or will be part of, a Subsidiary of the Company (including as a result of a merger, amalgamation or consolidation).

" Additional Term Lenders " means, as of any date of determination, each Lender having an Additional Term Loan Commitment or that holds Additional Term Loans.

" Additional Term Loan Borrowing " means the Borrowing of an Additional Term Loan.

" Additional Term Loan Commitment " means, with respect to each Additional Term Lender, such Additional Term Lender's Additional Term Loan Percentage of the Additional Term Loans.

" Additional Term Loan Percentage " means, with respect to the applicable Additional Term Loans, the percentage equal to a fraction the numerator of which is such Lender's outstanding principal Dollar Amount of such Additional Term Loans and the denominator of which is the aggregate outstanding Dollar Amount of such Additional Term Loans of all applicable Additional Term Lenders; provided that in the case of Section 2.25 when a Defaulting Lender shall exist, any such Defaulting Lender's applicable Additional Term Loan Commitment shall be disregarded in the calculation.

" Additional Term Loans " means the term loans made by the Additional Term Lenders on the Amendment No. 2 Effective Date to the Company pursuant to Section 2.01(c). As of the Amendment No. 2 Effective Date, there are no outstanding Additional Term Loans.

" Adjusted LIBO Rate " means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (to 1/1000 of 1% with no rounding) equal to the product of (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

" Administrative Agent " means Wells Fargo Bank, National Association (including its branches and affiliates), in its capacity as administrative agent for the Lenders hereunder.

" Administrative Questionnaire " means an Administrative Questionnaire in a form supplied by the Administrative Agent.

" Affected Foreign Subsidiary " means any Foreign Subsidiary to the extent such Foreign Subsidiary being liable for the Obligations of the Company or any Subsidiary (whether by way of a guarantee, the granting of security interests, the pledging of assets, joint and several liability, or otherwise) would cause a Deemed Dividend Problem or any other adverse tax consequence under applicable law to any Loan Party as determined by the Company in its commercially reasonable judgment acting in good faith and in consultation with its legal and tax advisors and the Administrative Agent and its counsel.

" Affiliate " means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control"

of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

" Aggregate Consideration " shall mean, with respect to any Permitted Acquisition, the sum (without duplication) of (i) the aggregate amount of all cash paid (or to be paid) by the Company or any of its Subsidiaries in connection with such Permitted Acquisition (including, without limitation, payments of fees and costs and expenses in connection therewith) and all contingent cash purchase price, earn-out, non-compete and other similar obligations of the Company and its Subsidiaries incurred and reasonably expected to be incurred in connection therewith (as determined in good faith by the Company), (ii) the aggregate principal amount of all Indebtedness assumed, incurred, refinanced and/or issued in connection with such Permitted Acquisition to the extent permitted by Section 6.01, and (iii) the Fair Market Value of all other consideration (other than the Company's common stock) payable in connection with such Permitted Acquisition.

" Agreed Currencies " means (i) Dollars, (ii) euro, (iii) Pounds Sterling, (iv) Canadian Dollars, (v) Australian Dollars, (vi) Mexican Pesos, (vii) Swedish Krona, (viii) Norwegian Krone, (ix) Swiss Francs and (x) any other Foreign Currency reasonably agreed to by the Administrative Agent and each of the Multicurrency Tranche Lenders and that is a lawful currency that is readily available and freely transferable and convertible into Dollars and is available in the London interbank deposit market; provided that if any Agreed Currency (x) is no longer a lawful currency that is readily available and freely transferable and convertible into Dollars or (y) with respect to any Agreed Currency that was readily available in the London interbank market as of the Restatement Effective Date (or, if later, as of the date such Agreed Currency became an Agreed Currency hereunder), is no longer readily available in the London interbank deposit market, such currency shall no longer constitute an "Agreed Currency".

" Alternate Base Rate " means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate in respect of Dollars for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such page) at approximately 11:00 a.m. London time on such day, subject to the interest rate floors set forth therein. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively. For the avoidance of doubt, if the Alternate Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

" Amendment and Restatement Agreement " means the Amendment and Restatement Agreement, dated as of January 29, 2016, among the Borrowers, the Lenders party thereto and the Administrative Agent.

" Amendment No. 1 Effective Date " means December 14, 2016.

" Amendment No. 2 " means Amendment No. 2 to Fourth Amended and Restated Credit Agreement dated as of the Amendment No. 2 Effective Date among the Borrowers, the Subsidiary Guarantors party thereto, the Lenders party thereto, the Issuing Banks, the Swingline Lender and the Administrative Agent.

" Amendment No. 2 Effective Date " means December 1, 2017.

" Amendment No. 3 " means Amendment No. 3 to Fourth Amended and Restated Credit Agreement dated as of the Amendment No. 3 Effective Date among the Borrowers, the Subsidiary Guarantors party thereto, the Lenders party thereto, the Issuing Banks, the Swingline Lender and the Administrative Agent.

" Amendment No. 3 Effective Date " means November 20, 2018.

" Anti-Corruption Laws " means all laws, rules, and regulations of any jurisdiction applicable to the Company or its Subsidiaries from time to time concerning or relating to bribery, corruption or money laundering, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

" Applicable Lender " has the meaning assigned to such term in Section 2.06(d).

" Applicable Payment Office " means, (a) in the case of a Canadian Revolving Borrowing, the Canadian Payment Office and (b) in the case of a Eurocurrency Borrowing, the applicable Eurocurrency Payment Office.

" Applicable Percentage " means, (a) with respect to any Multicurrency Tranche Lender in respect of a Multicurrency Tranche Credit Event, its Multicurrency Tranche Percentage, (b) with respect to any Dollar Tranche Lender in respect of a Dollar Tranche Credit Event, its Dollar Tranche Percentage and (c) with respect to any Term Lender, its Term Loan Percentage.

" Applicable Pledge Percentage " means 100% but (i) 65% in the case of a pledge by the Company or any Domestic Subsidiary of its Equity Interests in an Affected Foreign Subsidiary that would cause a Deemed Dividend Problem and (ii) in the case of a pledge by any Foreign Subsidiary, if such percentage would cause any other Foreign Subsidiary to be an Affected Foreign Subsidiary, then the maximum percentage under applicable law that can be pledged without causing such other Foreign Subsidiary to be an Affected Foreign Subsidiary.

" Applicable Rate " means, for any day, with respect to any Eurocurrency Loan, any LIBOR Market Rate Loan, any BA Equivalent Loan, any ABR Loan or any Canadian Base Rate Loan or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption "Eurocurrency/LIBOR Market Rate/BA Equivalent Spread", "ABR/Canadian Base Rate Spread" or "Commitment Fee Rate", as the case may be, based upon the Net Leverage Ratio applicable on such date:

	Net Leverage Ratio:	Eurocurrency / LIBOR Market Rate / BA Equivalent Spread	ABR / Canadian Base Rate Spread	Commitment Fee
Category 1:	≤ 2.00 to 1.00	1%	—%	0.125%
Category 2:	> 2.00 to 1.00 but ≤ 3.00 to 1.00	1.25%	0.25%	0.175%
Category 3:	> 3.00 to 1.00 but ≤ 4.00 to 1.00	1.5%	0.5%	0.225%
Category 4:	> 4.00 to 1:00	1.75%	0.75%	0.275%

For purposes of the foregoing,

(i) if at any time the Company fails to deliver the Financials on or before the date the Financials are due pursuant to Section 5.01, Category 4 shall be deemed applicable for the period commencing three (3) Business Days after the required date of delivery and ending on the date which is three (3) Business Days after the Financials are actually delivered, after which the Category shall be determined in accordance with the table above as applicable;

(ii) adjustments, if any, to the Category then in effect shall be effective three (3) Business Days after the Administrative Agent has received the applicable Financials (it being understood and agreed that each change in Category shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change); and

(iii) notwithstanding the foregoing, Category 3 shall be deemed to be applicable until three (3) Business Days after the Administrative Agent's receipt of the Financials for the Company's first fiscal quarter ending after the Amendment No. 3 Effective Date and adjustments to the Category then in effect shall thereafter be effected in accordance with the preceding paragraphs.

" Approved Fund " has the meaning assigned to such term in Section 9.04.

" Asset Sale " means any Disposition of Property or series of related Dispositions of Property (excluding any such Disposition permitted by clause (a), (b), (c), (d), (e) and (f) of Section 6.04 and, for avoidance of doubt, the sale or issuance by the Company of its Capital Stock) which yields gross proceeds to the Company or any of its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at Fair Market Value in the case of other non-cash proceeds) in excess of $20,000,000.

" Asset Swap " means any transfer of assets of the Company or any Subsidiary to any Person (other than an Affiliate of the Company or such Subsidiary) in exchange for assets of such Person if:

(i) such exchange would qualify, whether in part or in full, as a like kind exchange pursuant to Section 1031 of the Code; provided that nothing in this definition shall require the Company or any Subsidiary to elect that Section 1031 of the Code be applicable to any Asset Swap;

(ii) the Fair Market Value of any property or assets received is at least equal to the Fair Market Value of the property or assets so transferred; and

(iii) to the extent applicable, any "boot" or other assets received by the Company or any Subsidiary is directly related to, and/or consists of Equity Interests issued by a Person in, a business permitted under Section 6.14 and any Net Cash Proceeds from the disposition of such boot or other assets (and any Net Cash Proceeds in the form of cash "boot") are applied as required by Section 6.04(j).

" Assignment and Assumption " means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

" Attributable Debt " means, in respect of any Sale-Leaseback Transaction, at the time of determination, the present value (discounted at the rate of interest then borne by the Term Loans and compounded annually, determined in accordance with GAAP) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale-Leaseback Transaction (including any period for which such lease has been extended); provided that if such Sale-Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of " Capital Lease Obligations " set forth in this Section 1.01.

" Attributable Receivables Indebtedness " at any time shall mean the principal amount of Indebtedness which (i) if a Permitted Receivables Facility is structured as a lending agreement or other similar agreement, constitutes the principal amount of such Indebtedness or (ii) if a Permitted Receivables Facility is structured as a purchase agreement or other similar agreement, would be outstanding at such time under the Permitted Receivables Facility if the same were structured as a lending agreement rather than a purchase agreement or such other similar agreement (whether such amount is described as "capital" or otherwise).

" Augmenting Lender " has the meaning assigned to such term in Section 2.20.

" Australian Dollars " mean the lawful currency of the Commonwealth of Australia.

" Availability Period " means the period from and including the Original Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Commitments.

" Available Revolving Commitment " means, at any time with respect to any Lender, the Revolving Commitment of such Lender then in effect minus the Revolving Credit Exposure of such Lender at such time; it being understood and agreed that any Lender's Swingline Exposure shall not be deemed to be a component of the Revolving Credit Exposure for purposes of calculating the commitment fee under Section 2.12(a).

" BA Equivalent ", when used in reference to any Canadian Revolving Loan or Canadian Revolving Borrowing, means that such Canadian Revolving Loan bears, or the Canadian Revolving Loans comprising such Canadian Revolving Borrowing bear, interest at a rate determined by reference to the BA Rate.

" BA Rate " means, with respect to any Interest Period for any BA Equivalent Loan, the rate per annum determined by the Administrative Agent by reference to the average of the rates displayed on the "Reuters Screen CDOR Page" (as defined in the International Swap Dealer Association, Inc. definitions, as

amended from time to time), or such other page as may replace such page on such screen for the purpose of displaying Canadian interbank bid rates for Canadian Dollar bankers' acceptances) applicable to Canadian Dollar bankers' acceptances (on a three hundred sixty-five (365) day basis) with a term comparable to such Interest Period as of 10:00 a.m., Eastern time, on the first day of such Interest Period (as adjusted by the Administrative Agent after 10:00 a.m., Eastern time, to reflect any error in a posted rate or in the posted average annual rate of interest) (the " CDOR Rate "). If, for any reason, the rates on the Reuters Screen CDOR Page are unavailable, then BA Rate means the rate of interest determined by the Administrative Agent that is equal to the rate (rounded upwards to the nearest basis point) quoted by the Canadian Reference Bank as its discount rate for purchase of Canadian Dollar bankers' acceptances in an amount substantially equal to such BA Equivalent Loan with a term comparable to such Interest Period as of 10:00 a.m., Eastern time. No adjustment shall be made to account for the difference between the number of days in a year on which the rates referred to in this definition are based and the number of days in a year on the basis of which interest is calculated in this Agreement. For the avoidance of doubt, if the BA Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

" Bail-In Action " means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

" Bail-In Legislation " means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

" Banking Services " means each and any of the following bank services provided to the Company or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards and (c) treasury management services (including, without limitation, any direct debit scheme or arrangement, merchant processing services, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

" Banking Services Agreement " means any agreement entered into by the Company or any Subsidiary in connection with Banking Services.

" Banking Services Obligations " means any and all obligations of the Company or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

" Bankruptcy Event " means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

" Beneficial Ownership Certification " means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

" Beneficial Ownership Regulation " means 31 C.F.R. § 1010.230.

" Benefit Plan " means any of (a) an "employee benefit plan" as defined in (ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

" Board " means the Board of Governors of the Federal Reserve System of the United States of America.

" Borrower " means the Company, the Canadian Primary Borrower, the UK Borrowers, the Dutch Borrowers, the German Borrowers, the Swedish Borrowers, any Domestic Subsidiary Borrower or any Foreign Subsidiary Borrower.

" Borrowing " means (a) Revolving Loans of the same Type, made, converted or continued on the same date in respect of the same Borrower and, in the case of Eurocurrency Loans, LIBOR Market Rate Loans and BA Loans, as to which a single Interest Period is in effect, (b) Term Loans of the same Type and Class made on the same date in respect of the same Borrower and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect or (c) a Swingline Loan.

" Borrowing Request " means a request by any Borrower for (a) a Revolving Borrowing or an Additional Term Loan Borrowing in accordance with Section 2.03 or (b) a Swingline Loan denominated in Pounds Sterling or euro in accordance with Section 2.05(b).

" Borrowing Subsidiary Agreement " means a Borrowing Subsidiary Agreement substantially in the form of Exhibit F-1 .

" Borrowing Subsidiary Termination " means a Borrowing Subsidiary Termination substantially in the form of Exhibit F-2 .

" Business Day " means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, (i) when used in connection with a Eurocurrency Loan or a LIBOR Market Rate Loan, the term " Business Day " shall also exclude any day on which banks are not open for dealings in the relevant Agreed Currency in the London interbank market or the principal financial center of such Agreed Currency (and, if the Borrowings or LC Disbursements which are the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in euro, the term "Business Day" shall also exclude any day on which the TARGET payment system is not open for the settlement of payments in euro) and (ii) when used in connection with any Canadian Revolving Loan, the term " Business Day " shall also exclude any day on which banks are required or authorized by law to close in Toronto, Canada.

" Calculation Period " means, with respect to any Specified Transaction, the period of four consecutive fiscal quarters of the Company most recently ended prior to the date of such Specified Transaction for which financial statements have been delivered to the Lenders pursuant to this Agreement.

" CAM " means the mechanism for the allocation and exchange of interests in the Designated Obligations and collections thereunder established under Article XI .

" CAM Exchange " means the exchange of the Revolving Lenders' interests provided for in Article XI .

" CAM Exchange Date " means the first date on which there shall occur (a) any event referred to in clause (f) of Article VII shall occur with respect to the Company or (b) an acceleration of Loans pursuant to Article VII .

" CAM Percentage " means, as to each Revolving Lender, a fraction, expressed as a decimal, of which (a) the numerator shall be the aggregate Dollar Amount (determined on the basis of Exchange Rates prevailing on the CAM Exchange Date) of the Designated Obligations owed to such Revolving Lender (whether or not at the time due and payable) on the date immediately prior to the CAM Exchange Date and (b) the denominator shall be the Dollar Amount (as so determined) of the Designated Obligations owed to all the Revolving Lenders (whether or not at the time due and payable) on the date immediately prior to the CAM Exchange Date.

" Canadian Base Rate ", when used in reference to any Canadian Revolving Loan or Canadian Revolving Borrowing, refers to a Canadian Revolving Loan, or the Canadian Revolving Loans comprising such Canadian Revolving Borrowing, bearing interest at a rate determined by reference to the Canadian Prime Rate.

" Canadian Borrower " means (i) the Canadian Primary Borrower and (ii) any Borrower incorporated or otherwise organized under the laws of Canada or any province or territory thereof. It is understood and agreed that while the Canadian Primary Borrower is designated as a Canadian Borrower for purposes of receiving Loans hereunder, the Canadian Primary Borrower is a Domestic Subsidiary and shall be treated as such for all other purposes under the Loan Documents.

" Canadian Dollars " or " Cdn. $ " means the lawful currency of Canada.

" Canadian Holding Companies " means, collectively, the Canadian Secured Intercompany Lender, 1323352 Alberta ULC, an unlimited liability company organized under the laws of the province of Alberta, and 1323410 Alberta ULC, an unlimited liability company organized under the laws of the province of Alberta.

" Canadian Intercompany Collateral Agreements " means security agreements and hypothecs, in form and substance reasonably satisfactory to the Administrative Agent, in favor of the Canadian Secured Intercompany Lender securing intercompany loans and advances by the Canadian Secured Intercompany Lender to other Canadian Subsidiaries.

" Canadian Payment Office " of the Administrative Agent means the office, branch, affiliate or correspondent bank of the Administrative Agent for Canadian Dollars as specified from time to time by the Administrative Agent to the Company and each Lender.

" Canadian Primary Borrower " means LKQ Delaware LLP, a Delaware limited liability partnership having two Alberta unlimited liability companies as its partners, or any other such Subsidiary of the Company agreed to by the Administrative Agent in its reasonable discretion.

" Canadian Prime Rate " means the greater of (a) the annual rate of interest (rounded upwards, if necessary, to the next 1/100 of 1%) announced by the Administrative Agent as its reference rate for commercial loans made by it in Canadian Dollars to Canadian customers and designated in Canada as its "prime rate" or "Canadian prime rate" (the "prime rate" is a rate set by the Administrative Agent based upon

various factors, including the Administrative Agent's costs and desired return, general economic conditions and other factors, which is used as a reference point for pricing some loans and may be priced at, above or below such announced rate, and any change in the prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change) and (b) the sum of (x) the CDOR Rate for an Interest Period of one month *plus* (y) 1.0%. For the avoidance of doubt, if the Canadian Prime Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

" Canadian Reference Bank " means Toronto Dominion Bank; provided that if the applicable discount rate is not available from such financial institution at any time for any reason, the Administrative Agent may substitute such financial institution with a reasonably acceptable alternative financial institution.

" Canadian Revolving Borrowing " means a Borrowing of Canadian Revolving Loans.

" Canadian Revolving Loan " means a Multicurrency Tranche Revolving Loan denominated in Canadian Dollars.

" Canadian Secured Intercompany Lender " means LKQ Ontario LP, a limited partnership organized under the laws of the province of Ontario.

" Canadian Subsidiary " means any Subsidiary of the Company organized under the laws of Canada or any province or territory thereof.

" Capital Expenditures " means, for any period, with respect to any Person, the aggregate of all expenditures made by such Person during such period for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) which are required to be capitalized under GAAP for such period on a balance sheet of such Person.

" Capital Lease Obligations " means, with respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP; and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

" Capital Stock " means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

" Captive Insurance Subsidiary " means any Wholly-Owned Subsidiary that (i) is maintained as a special purpose self-insurance subsidiary, (ii) is designated as a "Captive Insurance Company" as provided below, and (iii) in respect of which (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (x) is guaranteed by the Company or any other Subsidiary of the Company, (y) is recourse to or obligates the Company or any other Subsidiary of the Company as a guarantor or co-obligor in any way or (z) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, (b) neither the Company nor any of its Subsidiaries has any contract, agreement, arrangement or understanding on terms less favorable to the Company or such Subsidiary than those that might be obtained at the time from persons that are not Affiliates of the Company, and (c) neither the Company nor any other Subsidiary of the Company has any

obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation shall be evidenced to the Administrative Agent by filing with the Administrative Agent an officer's certificate of the Company certifying that, to the best of such officer's knowledge and belief after consultation with counsel, such designation complied with the foregoing conditions.

" Car Care Acquisition " means the acquisition, directly or indirectly, by the Company of the shares of Sator Beheer B.V., an automotive aftermarket parts distribution company based in The Netherlands, and each of its Subsidiaries.

" Cash Equivalents " means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A 2 by S&P or P-2 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; and (h) in the case of any Canadian Borrower or any Foreign Subsidiary only, cash equivalents satisfying the requirements of clauses (a), (b), (e), (f) or (g) of this definition (but for such purpose, treating references therein to the United States government or any such state, commonwealth or territory thereof as a reference to the applicable foreign government or any province, state or subdivision thereof).

" Change of Control " means the occurrence of any of the following events: (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the " Exchange Act ")), but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d) 5 under the Exchange Act), directly or indirectly, of more than 30% of the outstanding common stock of the Company; (b) the board of directors of the Company shall cease to consist of a majority of Continuing Directors; (c) a Specified Change of Control; or (d) the Company shall cease to own, directly or indirectly, and Control 100% (other than directors' qualifying shares) of the outstanding Capital Stock of any Subsidiary Borrower.

" Change in Law " means the occurrence, after the Original Effective Date (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or

treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or such Issuing Bank's holding company, if any) with any request, rule, requirement, guideline or directive (whether or not having the force of law) of any Governmental Authority made, implemented or issued after the Original Effective Date; provided however , that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in implementation thereof and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, implemented or issued.

" Class ", when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Multicurrency Tranche Revolving Loans, Dollar Tranche Revolving Loans, Initial Term Loans, Incremental US Term Loans, Additional Term Loans or Swingline Loans and (b) any Commitment, refers to whether such Commitment is a Multicurrency Tranche Commitment, a Dollar Tranche Commitment, an Initial Term Loan Commitment, an Incremental US Term Loan Commitment or an Additional Term Loan Commitment.

" Code " means the Internal Revenue Code of 1986.

" Collateral " means any and all property owned, leased or operated by a Person covered by the Collateral Documents and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of Administrative Agent, on behalf of itself and the Secured Parties, to secure the Secured Obligations; provided that Collateral shall exclude Excluded Property. For purposes of clarification, upon written notice given to the Administrative Agent by the Company, the assets or properties owned, leased or operated by a Loan Party covered by the Collateral Documents and any Equity Interests pledged pursuant to the Collateral Documents and any and all other assets or properties of any Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of Administrative Agent, on behalf of itself and the Secured Parties, shall in each case no longer constitute "Collateral" during a Collateral Release Period.

" Collateral Documents " means, collectively, the Guarantee and Collateral Agreement and all other agreements, instruments and documents executed in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Secured Obligations, including, without limitation, all other security agreements, pledge agreements, mortgages, deeds of trust, loan agreements, notes, guarantees, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, leases, financing statements and all other written matter whether heretofore, now, or hereafter executed by the Company or any of its Subsidiaries and delivered to the Administrative Agent.

" Collateral Period " means any period during which a Collateral Release Period is not in effect.

" Collateral Release Date " means any date after the Original Effective Date on which no Default or Event of Default is continuing and one of the following events occurs: (a) Moody's issues a rating for the Index Debt of Baa3 (stable or better outlook) or higher or (b) S&P issues a rating for the Index Debt of BBB- (stable or better outlook) or higher.

" Collateral Release Period " means any period after the Original Effective Date commencing on the occurrence of a Collateral Release Date and ending on the Collateral Trigger Date subsequent to such Collateral Release Date.

" Collateral Requirements " has the meaning set forth in Section 5.09(f).

" Collateral Trigger Date " means any date after the Original Effective Date on which all of the following events shall have occurred: (a) Moody's has issued and maintained a rating for the Index Debt of Ba1 or lower (or changes its outlook to negative) or has ceased to issue a rating for the Index Debt and (b) S&P has issued and maintained a rating for the Index Debt of BB+ or lower (or changes its outlook to negative) or has ceased to issue a rating for the Index Debt.

" Commitment " means, with respect to each Lender, the sum of such Lender's Multicurrency Tranche Revolving Commitment, Dollar Tranche Commitment, Initial Term Loan Commitment, Incremental US Term Loan Commitment and Additional Term Loan Commitment. The amount of each Lender's Multicurrency Tranche Revolving Commitment and Dollar Tranche Commitment as of the Amendment No. 3 Effective Date is set forth on Schedule 2.01 , or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

" Commodity Exchange Act " means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

" Commonly Controlled Entity " means an entity, whether or not incorporated, that is under common control with the Company within the meaning of Section 4001 of ERISA or is part of a group that includes the Company and that is treated as a single employer under Section 414 of the Code.

" Company " means LKQ Corporation, a Delaware corporation.

" Compliance Certificate " means a certificate duly executed by a Responsible Officer, substantially in the form of Exhibit H .

" Computation Date " is defined in Section 2.04.

" Consolidated EBITDA " means, as to any Person for any period, Consolidated Net Income of such Person and its Subsidiaries for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) Consolidated Interest Expense of such Person and its Subsidiaries, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness, (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill), (e) any extraordinary or unusual expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business), (f) transaction fees and expenses and post-acquisition purchase price adjustments in respect of Permitted Acquisitions, all to the extent such fees, expenses and adjustments are required to be treated as an expense under GAAP, (g) mark-to-market costs for Swap Agreements that become ineffective in connection with the amendment and restatement of the Existing Credit Agreement pursuant to the Amendment and Restatement Agreement, (h) financing cost write-offs associated with the amendment and restatement of the Existing Credit Agreement pursuant to the Amendment and Restatement Agreement and (i) any other non-cash charges and expenses, and minus , to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) any extraordinary income or gains (including, whether or not otherwise includable as a separate item in the

statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), (b) mark-to-market income for Swap Agreements that become ineffective in connection with the amendment and restatement of the Existing Credit Agreement pursuant to the Amendment and Restatement Agreement and (c) any other non-cash income, all as determined on a consolidated basis; provided that for purposes of determining the Consolidated EBITDA of the Company and its consolidated Subsidiaries for any period (a " Determination Period "), "Consolidated EBITDA" for such Determination Period shall be determined as otherwise provided above and adjusted by adding thereto (i) the amount of net cost savings (excluding any items that the Company includes as Non-Specified Restructuring Charges and Adjustments) projected by the Company in good faith to be realized in connection with a Permitted Acquisition (calculated on a pro forma basis as though such cost savings had been realized on the first day of such Determination Period), net of the amount of actual benefits realized during such Determination Period related to such cost savings and expenses, provided, however, that (A) such cost savings are reasonably identifiable, factually supportable and actually achievable (in the good faith judgment of the Company) within 18 months after the last day of the first Determination Period in which the Company adds back such cost saving pursuant to this clause (i), and (B) any add backs pursuant to this clause (i) shall be made within 36 months after the consummation of the Permitted Acquisition, (ii) any Non-Specified Restructuring Charges and Adjustments of the Company and its Subsidiaries for such Determination Period and (iii) the amount of net income of the consolidated Subsidiaries of the Company for any such period that is attributable to non-controlling interests held by unaffiliated third parties in such consolidated Subsidiaries to the extent such net income has not been distributed by the applicable Subsidiary; provided further that (x) the aggregate amount of net cost savings described in clause (i) above in any Determination Period shall not exceed 10.0% of Consolidated EBITDA of the Company and its Subsidiaries for such Determination Period (for such purposes, as determined as provided in this definition without regard to the preceding proviso but otherwise on a Pro Forma Basis to the extent provided herein) and (y) for any Determination Period, the sum of the aggregate amount of net cost savings described in clause (i) above in such Determination Period, Non-Specified Restructuring Charges and Adjustments in such Determination Period, and the aggregate amount of Non-Regulation S-X Adjustments attributable to such Determination Period, shall not exceed 15.0% of Consolidated EBITDA of the Company and its Subsidiaries for such Determination Period (for such purposes, as determined as provided in this definition without regard to the preceding proviso but otherwise on a Pro Forma Basis to the extent provided herein).

" Consolidated Interest Expense " means, as to any Person for any period, the sum of (x) total interest expense (including that attributable to Capital Lease Obligations but excluding write-offs associated with the amendment and restatement of the Existing Credit Agreement pursuant to the Amendment and Restatement Agreement) of such Person and its Subsidiaries for such period with respect to (A) all outstanding Indebtedness of such Person and its Subsidiaries (including, without limitation, all commissions, discounts and other fees and charges owed by such Person with respect to letters of credit and bankers' acceptance financing and net costs of such Person under Hedge Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP) and (B) the interest component of all Attributable Receivables Indebtedness of such Person and its Subsidiaries for such period minus (y) interest income of such Person and its Subsidiaries for such period.

" Consolidated Net Income " means, as to any Person for any period, the consolidated net income (or loss) of such Person and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided, that in calculating Consolidated Net Income of the Company and its consolidated Subsidiaries for any period, there shall be excluded (a), except for determinations required to be made on Pro Forma Basis, the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Company or is merged into or amalgamated or consolidated with the Company or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Company) in which

the Company or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Company or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Company to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

" Consolidated Net Income for Restricted Payments " means, with respect to any Person, for any period, the consolidated net income (or loss) of such Person and its Subsidiaries for such period as determined in accordance with GAAP, adjusted, to the extent included in calculating such net income, by excluding, without duplication:

(1) all extraordinary gains or losses (net of fees and expenses relating to the transaction giving rise thereto);

(2) the portion of net income of such Person and its Subsidiaries allocable to minority interests in unconsolidated Persons to the extent that cash dividends or distributions have not actually been received by such Person or one of its Subsidiaries;

(3) gains or losses in respect of any sales of capital stock or asset sales outside the ordinary course of business (including in a Sale and Leaseback Transaction) by such Person or one of its Subsidiaries;

(4) any gain or loss realized as a result of the cumulative effect of a change in accounting principles;

(5) any fees, expenses and other costs incurred or paid (and write-offs recorded) in connection with the offering of the Notes and the subsequent exchange offer, the Senior Secured Credit Facilities, or other Indebtedness;

(6) nonrecurring or unusual gains or losses;

(7) the net after-tax effects of adjustments in the inventory, property and equipment, goodwill and intangible assets line items in such Person's consolidated financial statements pursuant to GAAP resulting from the application of purchase accounting or the amortization or write-off of any amounts thereof;

(8) any fees and expenses incurred (and write-offs recorded) during such period, or any amortization thereof for such period, in connection with any acquisition, investment, asset sale, issuance or repayment or amendment or restatement of indebtedness, issuance of stock, stock options or other equity-based awards, refinancing transaction or amendment or modification of any debt instrument (including without limitation any such transaction undertaken but not completed);

(9) any gain or loss recorded in connection with the designation of a discontinued operation (exclusive of its operating income or loss);

(10) any non-cash compensation or other non-cash expenses or charges arising from the grant of or issuance or repricing of stock, stock options or other equity-based awards or any amendment, modification, substitution or change of any such stock, stock options or other equity-based awards;

(11) any expenses or charges related to any Equity Offering, Asset Disposition, merger, amalgamation, consolidation, arrangement, acquisition, disposition, recapitalization or the incurrence of

Indebtedness permitted to be incurred by the Indenture (including a refinancing thereof) (whether or not successful); and

(12) any non-cash impairment, restructuring or special charge or asset write-off or write-down, and the amortization or write-off of intangibles.

Capitalized terms used in this definition of "Consolidated Net Income for Restricted Payments" shall have the respective meanings given to them in the Indenture as in effect on the Restatement Effective Date.

" Consolidated Net Indebtedness " means, as at any date of determination, Consolidated Total Indebtedness *minus* balance sheet cash and Cash Equivalents (after deducting, without duplication, from such balance sheet cash (to the extent such items are included in such balance sheet cash): encumbered cash (other than cash subject to Liens described in Section 6.02(k) and other customary rights of set-off), restricted cash shown on the balance sheet and cash and Cash Equivalents that the Company is unable to access within thirty (30) days and net of related tax obligations for repatriation and transaction costs and expenses related thereto).

" Consolidated Net Worth " means, as at any date of determination, the stockholders' equity of the Company determined in accordance with GAAP and as would be reflected on a consolidated balance sheet of the Company and its Subsidiaries prepared as of such date.

" Consolidated Senior Secured Indebtedness " means, as at any date of determination, the aggregate principal amount of Consolidated Total Indebtedness on such date to the extent such Indebtedness constitutes (i) Secured Obligations or (ii) any other Indebtedness to the extent it is secured by a Lien on the assets of the Company or any of its Subsidiaries.

" Consolidated Total Assets " means, as of the date of any determination thereof, total assets of the Company and its Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date.

" Consolidated Total Indebtedness " means, at any date, the aggregate principal amount of all Indebtedness of the Company and its Subsidiaries outstanding at such date, determined on a consolidated basis in accordance with GAAP (it being understood, for avoidance of doubt, that (i) the undrawn portion of any outstanding Letters of Credit shall not be included in the determination of "Consolidated Total Indebtedness" and (ii) all Attributable Receivables Indebtedness shall be included in the determination of "Consolidated Total Indebtedness").

" Continuing Directors " means the directors of the Company on the Original Effective Date, after giving effect to the transactions contemplated hereby, and each other director of the Company, if, in each case, such other director's nomination for election to the board of directors of the Company is recommended or approved by at least a majority of the then Continuing Directors.

" Contractual Obligation " means, with respect to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

" Control " means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

" Credit Event " means a Borrowing, the issuance, amendment, renewal or extension of a Letter of Credit, an LC Disbursement or any of the foregoing.

" Credit Exposure " means, as to any Lender at any time, the sum of (a) such Lender's Revolving Credit Exposure at such time, plus (b) an amount equal to the aggregate principal amount of its Term Loans outstanding at such time.

" Credit Party " means the Administrative Agent, each Issuing Bank, the Swingline Lender or any other Lender.

" CRR " the Council Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

" Deemed Dividend Problem " means, with respect to any Foreign Subsidiary Borrower or any other Foreign Subsidiary, such Person's accumulated and undistributed earnings and profits being deemed to be repatriated to the Company or the applicable parent Domestic Subsidiary under Section 956 of the Code and the effect of such repatriation causing adverse tax consequences to the Company or such parent Domestic Subsidiary, in each case as determined by the Company in its commercially reasonable judgment acting in good faith and in consultation with its legal and tax advisors.

" Default " means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

" Defaulting Lender " means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

" Deposit Accounts " shall have the meaning set forth in Article 9 of the UCC.

" Derivatives Counterparty " has the meaning set forth in Section 6.05.

" Designated Obligations " means all obligations of the Borrowers with respect to (a) principal of and interest on the Revolving Loans, (b) participations in Swingline Loans funded by the Revolving

Lenders, (c) unreimbursed LC Disbursements and interest thereon and (d) all commitment fees and Letter of Credit participation fees.

" Disposition " means, with respect to any Property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof (in one transaction or in a series of related transactions and whether effected pursuant to a Division or otherwise); and the terms " Dispose " and " Disposed of " shall have correlative meanings. For the avoidance of doubt, the term "Disposition" shall not include any sale or issuance by the Company of its Capital Stock.

" Disqualified Equity Interests " of any Person means any class of Equity Interests of such Person that, by its terms, or by the terms of any related agreement or of any security into which it is convertible, puttable or exchangeable, is, or upon the happening of any event or the passage of time would be, required to be redeemed by such Person, whether or not at the option of the holder thereof, or matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, in whole or in part, on or prior to the date which is 91 days after the Maturity Date; provided that any class of Equity Interests of such Person that, by its terms, authorizes such Person to satisfy in full its obligations with respect to the payment of dividends or upon maturity, redemption (pursuant to a sinking fund or otherwise) or repurchase thereof or otherwise by the delivery of Equity Interests that are not Disqualified Equity Interests, and that is not convertible, puttable or exchangeable for Disqualified Equity Interests or Indebtedness, will not be deemed to be Disqualified Equity Interests so long as such Person satisfies its obligations with respect thereto solely by the delivery of Equity Interests that are not Disqualified Equity Interests; provided , further , however, that any Equity Interests that would not constitute Disqualified Equity Interests but for provisions thereof giving holders thereof (or the holders of any security into or for which such Equity Interests are convertible, exchangeable or exercisable) the right to require the issuer to redeem such Equity Interests upon the occurrence of a change in control occurring prior to the 91st day after the Maturity Date shall not constitute Disqualified Equity Interests if the change of control provisions applicable to such Equity Interests are no more favorable to such holders than the provisions of Section 4.08 of the Indenture and such Equity Interests specifically provide that the issuer will not redeem any such Equity Interests pursuant to such provisions prior to the issuer's purchase of the notes as required pursuant to Section 4.08 or the Indenture.

" Dividing Person " has the meaning assigned to it in the definition of "Division."

" Division " means the division of the assets, liabilities and/or obligations of a Person (the " Dividing Person ") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

" Documentation Agent " means each of Citizens Bank, N.A., SunTrust Bank, Compass Bank (d/b/a BBVA Compass), PNC Bank, National Association, HSBC Bank USA, National Association, TD Bank, N.A. and Capital One, National Association in its capacity as a documentation agent for the credit facilities evidenced by this Agreement.

" Dollar Amount " of any currency at any date means (i) the amount of such currency if such currency is Dollars or (ii) the equivalent in such currency of Dollars if such currency is a Foreign Currency, calculated on the basis of the Exchange Rate for such currency, on or as of the most recent Computation Date provided for in Section 2.04.

" Dollar Tranche Commitment " means, with respect to each Dollar Tranche Lender, the commitment, if any, of such Dollar Tranche Lender to make Dollar Tranche Revolving Loans and to acquire participations in Dollar Tranche Letters of Credit hereunder, as such commitment may be (a) reduced or

terminated from time to time pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The amount of each Dollar Tranche Lender's Dollar Tranche Commitment as of the Amendment No. 3 Effective Date is set forth on Schedule 2.01 , or in the Assignment and Assumption (or other documentation contemplated by this Agreement) pursuant to which such Dollar Tranche Lender shall have assumed its Dollar Tranche Commitment, as applicable. The aggregate principal amount of the Dollar Tranche Commitments on the Amendment No. 3 Effective Date is $0.

" Dollar Tranche Credit Event " means a Dollar Tranche Revolving Borrowing, the issuance of a Dollar Tranche Letter of Credit, an LC Disbursement with respect to a Dollar Tranche Letter of Credit or any of the foregoing.

" Dollar Tranche LC Exposure " means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Dollar Tranche Letters of Credit at such time plus (b) the aggregate Dollar Amount of all LC Disbursements in respect of Dollar Tranche Letters of Credit that have not yet been reimbursed by or on behalf of the Company at such time. The Dollar Tranche LC Exposure of any Dollar Tranche Lender at any time shall be its Dollar Tranche Percentage of the total Dollar Tranche LC Exposure at such time.

" Dollar Tranche Lender " means a Lender with a Dollar Tranche Commitment or holding Dollar Tranche Revolving Loans.

" Dollar Tranche Letter of Credit " means any letter of credit issued under the Dollar Tranche Commitments pursuant to this Agreement.

" Dollar Tranche Percentage " means the percentage equal to a fraction the numerator of which is such Lender's Dollar Tranche Commitment and the denominator of which is the aggregate Dollar Tranche Commitments of all Dollar Tranche Lenders (if the Dollar Tranche Commitments have terminated or expired, the Dollar Tranche Percentages shall be determined based upon the Dollar Tranche Commitments most recently in effect, giving effect to any assignments); provided that in the case of Section 2.25 when a Defaulting Lender shall exist, any such Defaulting Lender's Dollar Tranche Commitment shall be disregarded in the calculation.

" Dollar Tranche Revolving Borrowing " means a Borrowing comprised of Dollar Tranche Revolving Loans.

" Dollar Tranche Revolving Credit Exposure " means, with respect to any Dollar Tranche Lender at any time, and without duplication, the sum of the outstanding principal amount of such Dollar Tranche Lender's Dollar Tranche Revolving Loans and its Dollar Tranche LC Exposure at such time.

" Dollar Tranche Revolving Loan " means a Loan made by a Dollar Tranche Lender pursuant to Section 2.01(a). Each Dollar Tranche Revolving Loan shall be a Eurocurrency Revolving Loan denominated in Dollars or an ABR Revolving Loan or a LIBOR Market Rate Revolving Loan denominated in Dollars.

" Dollars " or " $ " refers to lawful money of the United States of America.

" Domestic Subsidiary " means a Subsidiary organized under the laws of a jurisdiction located in the United States of America.

" Domestic Subsidiary Borrower " means any Domestic Subsidiary that becomes a Subsidiary Borrower pursuant to Section 2.24 and that has not ceased to be a Subsidiary Borrower pursuant to such Section.

" Dormant Subsidiaries " means the inactive Subsidiaries of the Company on the Restatement Effective Date, as set forth on Schedule 1.01 .

" Dutch Borrowers " means (i) LKQ Netherlands, (ii) LKQ European Holdings B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under the laws of The Netherlands, and (iii) any other Foreign Subsidiary Borrower organized under the laws of The Netherlands that is designated as a Dutch Borrower by the Company.

" ECP " means an "eligible contract participant" as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

" EEA Financial Institution " means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

" EEA Member Country " means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

" EEA Resolution Authority " means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

" Electronic Signature " means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

" Electronic System " means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and any of its respective Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

" Eligible Foreign Subsidiary " means (i) any Foreign Subsidiary organized under the laws of a jurisdiction located in Canada, the United Kingdom, Sweden or The Netherlands and (ii) subject to the provisions of Section 2.24, any other Foreign Subsidiary that is reasonably approved from time to time by the Administrative Agent.

" Environmental Laws " means any and all laws, rules, orders, regulations, statutes, ordinances, guidelines, codes, decrees, or other legally enforceable requirements (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, provincial, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment or of human health, or employee health and safety, as has been, is now, or may at any time hereafter be, in effect.

" Environmental Liability " means any liability, contingent or absolute (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

" Environmental Permits " means any and all permits, licenses, approvals, registrations, notifications, exemptions and other authorizations required under any Environmental Law.

" Equity Interests " means shares of Capital Stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

" Equivalent Amount " of any currency with respect to any amount of Dollars at any date means the equivalent in such currency of such amount of Dollars, calculated on the basis of the Exchange Rate for such other currency at 11:00 a.m., London time, on the date on or as of which such amount is to be determined.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended from time to time.

" ERISA Affiliate " means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

" Establishment " means, in respect of any Person, any place of operations where such Person carries out a non-transitory economic activity with human means and goods, assets or services.

" EU " means the European Union.

" EU Bail-In Legislation Schedule " means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

" euro " or " EUR " or " € " means the single currency of the Participating Member States.

" Eurocurrency ", when used in reference to a currency means an Agreed Currency (other than Canadian Dollars) and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

" Eurocurrency Payment Office " of the Administrative Agent means, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Company and each Lender.

" Event of Default " has the meaning assigned to such term in Article VII.

" Exchange Rate " means, on any day, with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m., Local Time, on such date on the Reuters World Currency Page for such Foreign Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate with respect to such Foreign Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be reasonably selected by the Administrative Agent or, in the event no such service is selected, such Exchange Rate shall instead be calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange of the Administrative Agent for such Foreign Currency on the London market at 11:00 a.m., Local Time, on such date for the purchase of Dollars with such Foreign Currency, for delivery two Business Days later; provided , that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent, after consultation with the Company, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

" Excluded Acquired Subsidiary " has the meaning assigned to such term in Section 6.01(r).

" Excluded Non-Wholly Owned Subsidiary " has the meaning assigned to such term in Section 5.09(g).

" Excluded Property " means the collective reference to:

(i) all Deposit Accounts, Securities Accounts and motor vehicles of the Company and its Subsidiaries;

(ii) 35% of the Equity Interests of any Affected Foreign Subsidiary and 100% of the Equity Interests of any Subsidiary that is owned by an Affected Foreign Subsidiary;

(iii) the assets of any Affected Foreign Subsidiary;

(iv) the assets of any Excluded Acquired Subsidiary;

(v) all real property of the Company and its Subsidiaries;

(vi) any lease, license or other agreement to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement, or creates a right of termination in favor of any other party thereto (other than the Company or its Subsidiaries), until such time as any necessary waiver or consent has been obtained (other than (x) proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC notwithstanding such prohibition, (y) to the extent that any such term has been waived or (z) to the extent any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law); provided that, immediately upon the ineffectiveness, lapse or termination of any such express term (including by the grant of consent, approval or waiver from the applicable third party), such assets shall automatically cease to constitute "Excluded Property";

(vii) Equity Interests in (x) any Excluded Non-Wholly Owned Subsidiary and (y) any other Person (other than Subsidiaries) to the extent not permitted by customary terms in such Person's organizational or joint venture documents without the consent of a third party who owns Equity Interest in such Person which consent has not been obtained; provided that, immediately upon the ineffectiveness (other than due to Section 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction), lapse or termination of any such prohibitions (including

by the grant of consent or other approval from the applicable third party), such assets shall automatically cease to constitute "Excluded Property";

(viii) assets in respect of which pledges and security interests are prohibited by applicable law, rule or regulation or agreements with any Governmental Authority and approval or authorization from such Governmental Authority has not been obtained (other than to the extent that such prohibition would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law); provided that, immediately upon the ineffectiveness, lapse or termination of any such prohibitions (including by the grant of consent, license or other approval from the applicable Governmental Authority), such assets shall automatically cease to constitute "Excluded Property";

(ix) any "intent-to-use" application for registration of a trademark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, prior to the filing of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act of an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto, solely to the extent, if any, that and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable federal law; and

(x) the Equity Interests in and assets of any Captive Insurance Subsidiary;

provided that, "Excluded Property" shall not include any proceeds, products, substitutions or replacements of Excluded Property (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Property).

" Excluded Swap Obligation " means, with respect to any Loan Party, any Specified Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Specified Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an ECP at the time the Guarantee of such Loan Party or the grant of such security interest becomes or would become effective with respect to such Specified Swap Obligation. If a Specified Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Specified Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

" Excluded Taxes " means, with respect to any payment made by any Loan Party under any Loan Document, any of the following Taxes imposed on or with respect to a Recipient:

(a) income or franchise Taxes imposed on (or measured by) net income by the United States of America, or by the jurisdiction under the laws of which such Recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located;

(b) any branch profits Taxes imposed by the United States of America or any similar Taxes imposed by any other jurisdiction in which any Borrower is located;

(c) in the case of a Non U.S. Lender (other than an assignee pursuant to a request by any Borrower under Section 2.19(b)), any U.S. Federal withholding Taxes resulting from any law in effect on the date such Non U.S. Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Non U.S. Lender's failure to comply with Section 2.17(f), except to the extent that such

Non U.S. Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from any Borrower with respect to such withholding Taxes pursuant to Section 2.17(a); and

(d) any U.S. Federal withholding Taxes imposed under FATCA.

" Existing Credit Agreement " is defined in the recitals hereof.

" Existing Letters of Credit " is defined in Section 2.06(a).

" Fair Market Value " means, with respect to any asset (including any Capital Stock of any Person), the price at which a willing buyer, not an Affiliate of the seller, and a willing seller who does not have to sell, would agree to purchase and sell such asset, as determined in good faith by the board of directors or other governing body or, pursuant to a specific delegation of authority by such board of directors or governing body, a designated senior executive officer, of the Company, or the Subsidiary of the Company selling such asset.

" FATCA " means Sections 1471 through 1474 of the Code, as of the Original Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

" Federal Funds Effective Rate " means, for any day, the weighted average (rounded upwards, if necessary, to the next 1\100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. For the avoidance of doubt, if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

" Financials " means the annual or quarterly financial statements, and accompanying certificates and other documents, of the Company and its Subsidiaries required to be delivered pursuant to Section 5.01(a) or 5.01(b).

" Foreign Currencies " means Agreed Currencies other than Dollars.

" Foreign Currency LC Exposure " means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn and unexpired amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the aggregate principal Dollar Amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed at such time.

" Foreign Currency Letter of Credit " means a Multicurrency Tranche Letter of Credit denominated in a Foreign Currency.

" Foreign Subsidiary " means any Subsidiary which is not a Domestic Subsidiary.

" Foreign Subsidiary Borrower " means (i) any Canadian Borrower, (ii) any UK Borrower, (iii) any Dutch Borrower, (iv) any Swedish Borrower, (v) any German Borrower and (vi) any other Eligible

Foreign Subsidiary that becomes a Foreign Subsidiary Borrower pursuant to Section 2.24 and that has not ceased to be a Foreign Subsidiary Borrower pursuant to such Section.

" FSCO " means the Financial Services Commission of Ontario, or other similar body of another Canadian jurisdiction.

" GAAP " means generally accepted accounting principles in the United States of America.

" German Borrowers " means (i) LKQ German Holdings GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung)* and (ii) any other Foreign Subsidiary Borrower organized under the laws of Germany that is designated as a German Borrower by the Company.

" Governmental Authority " means any nation or government, any state, province or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

" Guarantee and Collateral Agreement " means the Amended and Restated Guarantee and Collateral Agreement dated as of the Restatement Effective Date and executed and delivered by the applicable Loan Parties, as the same may be amended, restated, supplemented, replaced and/or otherwise modified from time to time.

" Guarantee Obligation " means, with respect to any Person (the " guaranteeing person "), any obligation of such guaranteeing person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the " primary obligations ") of any other third Person (the " primary obligor ") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided , however , that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Company in good faith.

" Hazardous Materials " means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

" Hedge Agreements " means all interest rate or currency swaps, caps or collar agreements, foreign exchange agreements, commodity contracts or similar arrangements entered into by the Company or its Subsidiaries providing for protection against fluctuations in interest rates, currency exchange rates, commodity prices or the exchange of nominal interest obligations, either generally or under specific contingencies.

" Increasing Lender " has the meaning assigned to such term in Section 2.20.

" Incremental Amount " means, at any time (x) if the Senior Secured Leverage Ratio, at the time of incurrence of any Incremental Increase, Incremental Term Loan or Incremental Equivalent Debt, as the case may be, and after giving effect thereto on a Pro Forma Basis, is greater than 3.00 to 1.00 (assuming for purposes of such calculation that all Revolving Commitments are fully drawn), an amount not to exceed the excess, if any, of (a) $700,000,000 over (b) the aggregate principal amount of all Incremental Equivalent Debt, Incremental Term Loans and increases in Revolving Commitments established prior to such time and on or after the Amendment No. 2 Effective Date pursuant to Sections 2.20 and 2.21 (excluding the increase in Revolving Commitments made pursuant to Amendment No. 2) and (y) if the Senior Secured Leverage Ratio, at the time of incurrence of any Incremental Increase, Incremental Term Loan or Incremental Equivalent Debt, as the case may be, and after giving effect thereto on a Pro Forma Basis, is less than or equal to 3.00 to 1.00 (assuming for purposes of such calculation that all Revolving Commitments are fully drawn), an unlimited amount.

" Incremental Equivalent Debt " has the meaning assigned to such term in Section 2.21.

" Incremental Increase " has the meaning assigned to such term in Section 2.20.

" Incremental Term Loan " has the meaning assigned to such term in Section 2.20.

" Incremental Term Loan Amendment " has the meaning assigned to such term in Section 2.20.

" Incremental US Term Lenders " means, as of any date of determination, each Lender that holds Incremental US Term Loans.

" Incremental US Term Loan Commitment " means, with respect to each Incremental US Term Lender, such Term Lender's Incremental US Term Loan Percentage of the Incremental US Term Loans.

" Incremental US Term Loan Percentage " means the percentage equal to a fraction the numerator of which is such Lender's outstanding principal amount of the Incremental US Term Loans and the denominator of which is the aggregate outstanding amount of the Incremental US Term Loans of all Incremental US Term Lenders; provided that in the case of Section 2.25 when a Defaulting Lender shall exist, any such Defaulting Lender's Incremental US Term Loan Commitment shall be disregarded in the calculation.

" Incremental US Term Loans " means the Incremental Term Loans made by the applicable Incremental US Term Lenders to the Company on the Amendment No. 1 Effective Date.

" Indebtedness " means, of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all payment obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and

remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property), (d) all Capital Lease Obligations, Synthetic Lease Obligations or Attributable Debt of such Person, (e) the maximum amount available to be drawn or paid under all letters of credit, bankers' acceptances, bank guaranties, surety and appeal bonds and similar obligations issued for the account of such Person and all unpaid drawings and unreimbursed payments in respect of such letters of credit, bankers' acceptances, bank guaranties, surety and appeal bonds and similar obligations, (f) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Capital Stock of such Person, (g) all obligations of such Person to pay a specified purchase price for goods or services, whether or not delivered or accepted, i.e., take-or-pay and similar obligations (other than (i) the contract described on Schedule 6.01 and (ii) current trade accounts payable in the ordinary course having payment terms not in excess of 180 days), (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above; (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on Property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation (provided that, if the Person has not assumed or otherwise become liable in respect of such indebtedness, such indebtedness shall be deemed to be in an amount equal to the Fair Market Value of the Property to which such Lien relates), (j) for the purposes of Article VII(e) only, all obligations of such Person in respect of Hedge Agreements, and (k) all Attributable Receivables Indebtedness of such Person. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is directly liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

" Indemnified Taxes " means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by any Loan Party under any Loan Document and (b) Other Taxes.

" Indenture " means that certain Indenture dated as of May 9, 2013 among the Company, as the issuer, the guarantors party thereto and U.S. Bank National Association, as trustee, as amended, restated supplemented or otherwise modified from time to time.

" Index Debt " means senior, unsecured, long-term indebtedness for borrowed money of the Company that is not guaranteed by any other Person (other than the Company's Subsidiaries) or subject to any other credit enhancement (other than guarantees by Subsidiaries of the Company).

" Ineligible Institution " has the meaning assigned to such term in Section 9.04(b).

" Initial Term Lenders " means, as of any date of determination, each Lender that holds Initial Term Loans.

" Initial Term Loan Commitment " means, with respect to each Initial Term Lender, such Term Lender's Initial Term Loan Percentage of the Initial Term Loans.

" Initial Term Loan Percentage " means the percentage equal to a fraction the numerator of which is such Lender's outstanding principal amount of the Initial Term Loans and the denominator of which is the aggregate outstanding amount of the Initial Term Loans of all Initial Term Lenders; provided that in the case of Section 2.25 when a Defaulting Lender shall exist, any such Defaulting Lender's Initial Term Loan Commitment shall be disregarded in the calculation.

" Initial Term Loans " means the term loans made by the applicable Initial Term Lenders to the Company on the Original Effective Date, on September 30, 2011, on May 3, 2013 and on March 27, 2014, as the case may be, pursuant to this Agreement. As of the Amendment No. 2 Effective Date, there are no outstanding Initial Term Loans.

" Insolvency " means, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

" Insolvent " means pertaining to a condition of Insolvency.

" Intellectual Property " means the collective reference to all rights, priorities and privileges relating to intellectual property (whether or not written), whether arising under United States, state, multinational or foreign laws or otherwise, including, without limitation, copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, service- marks, trade names, franchises, domain names, technology, inventions, know-how and processes, recipes, formulas, trade secrets, trade secret licenses, proprietary information (including, but not limited to, rights in computer programs and databases), and permits, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

" Interest Coverage Ratio " has the meaning assigned to such term in Section 6.18(b).

" Interest Election Request " means a request by the applicable Borrower to convert or continue a Borrowing in accordance with Section 2.08.

" Interest Payment Date " means (a) with respect to any ABR Loan (other than a Swingline Loan) or Canadian Base Rate Loan, the last day of each March, June, September and December and the Maturity Date, (b) with respect to any Eurocurrency Loan, any LIBOR Market Rate Loan or BA Equivalent Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing or a BA Equivalent Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Maturity Date.

" Interest Period " means (a) with respect to any Eurocurrency Borrowing or a BA Equivalent Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three, or six months thereafter or, to the extent available and if approved by each Lender under the applicable Tranche, twelve months thereafter as the applicable Borrower (or the Company on behalf of the applicable Borrower) may elect; provided , that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Borrowing or a BA Equivalent Borrowing, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurocurrency Borrowing or a BA Equivalent Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (b) with respect to any LIBOR Market Rate Borrowing, the period commencing on the date of such Borrowing and ending 7 or 14 days thereafter as the applicable Borrower (or the Company on behalf of the applicable Borrower) may elect. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

" Investments " has the meaning assigned to such term in Section 6.07.

" IRS " means the United States Internal Revenue Service.

" ISP " means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

" Issuing Bank " means each of Wells Fargo Bank, National Association and Bank of America, N.A., in its capacity as the issuer of Letters of Credit hereunder, and its respective successors in such capacity as provided in Section 2.06(i). Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates (or branch offices) of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate (or branch office) with respect to Letters of Credit issued by such Affiliate (or branch office).

" ITA " means the United Kingdom Income Tax Act of 2007.

" LC Collateral Account " has the meaning assigned to such term in Section 2.06(j).

" LC Disbursement " means a payment made by any Issuing Bank pursuant to a Letter of Credit.

" LC Exposure " means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Company at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn. The LC Exposure of any Multicurrency Tranche Lender at any time shall be its Multicurrency Tranche Percentage of the total Multicurrency Tranche LC Exposure at such time and the LC Exposure of any Dollar Tranche Lender at any time shall be its Dollar Tranche Percentage of the total Dollar Tranche LC Exposure at such time.

" Lenders " means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption or other documentation contemplated hereby, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or other documentation contemplated hereby. Unless the context otherwise requires, the term "Lenders" includes the Issuing Banks and Swingline Lender, as the context may require.

" Letter of Credit " means any Multicurrency Tranche Letter of Credit or Dollar Tranche Letter of Credit, including the Existing Letters of Credit.

" Letter of Credit Commitment " means, with respect to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit hereunder. The initial amount of each Issuing Bank's Letter of Credit Commitment is set forth on Schedule 2.02 , or if an Issuing Bank has entered into an Assignment and Assumption, the amount set forth for such Issuing Bank as its Letter of Credit Commitment in the Register maintained by the Administrative Agent; each Issuing Bank's Letter of Credit Commitment may be decreased or increased from time to time with the written consent of the Company, the Administrative Agent and the Issuing Banks; provided that any increase in the Letter of Credit Commitment with respect to any Issuing Bank, or any decrease in the Letter of Credit Commitment with respect to any Issuing Bank to an amount not less than such Issuing Bank's Letter of Credit Commitment as of the Restatement Effective Date or the

date of its initial Letter of Credit Commitment if after the Restatement Effective Date, shall only require the consent of the Company and such Issuing Bank.

" LIBO Rate " means, subject to the implementation of a Replacement Rate in accordance with Section 2.14(c),

(i) with respect to any Eurocurrency Borrowing denominated in any Agreed Currency (other than a Non-LIBOR Quoted Currency) for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page or LIBOR02 Page (or on any successor or substitute page of such page providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in the relevant Agreed Currency in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for deposits in the relevant Agreed Currency with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the " LIBO Rate " with respect to such Eurocurrency Borrowing denominated in such Agreed Currency (other than a Non-LIBOR Quoted Currency) for such Interest Period shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in the applicable Agreed Currency (other than a Non-LIBOR Quoted Currency) would be offered by first class banks in the London interbank market to the Administrative Agent and for a maturity comparable to such Interest Period at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period;

(ii) with respect to any Eurocurrency Borrowing denominated in Australian Dollars for any Interest Period, the rate per annum equal to the Australian Bank Bill Swap Bid Rate or the successor thereto as approved by the Administrative Agent as published by Bloomberg (or on any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by the Administrative Agent from time to time) at approximately 10:00 a.m., Sydney, Australia time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for deposits in Australian Dollars with a maturity comparable to such Interest Period; provided that if such rate is not available at such time for any reason, the Administrative Agent may substitute such rate with a reasonably acceptable alternative published interest rate that adequately reflects the all-in-cost of funds to the Administrative Agent for funding such Eurocurrency Borrowings in Australian Dollars;

(iii) with respect to any Eurocurrency Borrowing denominated in Swedish Krona for any Interest Period, the rate per annum equal to the Stockholm Interbank Offered Rate or the successor thereto as approved by the Administrative Agent as published by NASDAQ OMX (or on any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for deposits in Swedish Krona with a maturity comparable to such Interest Period; provided that if such rate is not available at such time for any reason, the Administrative Agent may substitute such rate with a reasonably acceptable alternative published interest rate that adequately reflects the all-in-cost of funds to the Administrative Agent for funding such Eurocurrency Borrowings in Swedish Krona;

(iv) with respect to any Eurocurrency Borrowing denominated in Norwegian Krone for any Interest Period, the rate per annum equal to the Norwegian Interbank Offered Rate or the successor thereto as approved by the Administrative Agent as published by Oslo Børs (or on any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two (2) Business Days

prior to the commencement of such Interest Period, as the rate for deposits in Norwegian Krone with a maturity comparable to such Interest Period; provided that if such rate is not available at such time for any reason, the Administrative Agent may substitute such rate with a reasonably acceptable alternative published interest rate that adequately reflects the all-in-cost of funds to the Administrative Agent for funding such Eurocurrency Borrowings in Norwegian Krone; and

(v) with respect to any Eurocurrency Borrowing denominated in Mexican Pesos for any Interest Period, the rate per annum equal to the 28-day Mexican Interbank Equilibrium Interest Rate (*Tasa de Interes Interbancaria de Equilibrio*) or the successor thereto as approved by the Administrative Agent as published by Banco de México on the Federal Official Gazzette (*Diario Oficial de la Federación*) two (2) Business Days prior to the commencement of such Interest Period; provided that if such rate is not available at such time for any reason, the Administrative Agent may substitute such rate with a reasonably acceptable alternative published interest rate that adequately reflects the all-in-cost of funds to the Administrative Agent for funding such Eurocurrency Borrowings in Mexican Pesos.

For the avoidance of doubt, and notwithstanding the foregoing, (x) if any LIBO Rate (including, without limitation, any Replacement Rate with respect thereto) shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement and (y) unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 2.14(c), in the event that a Replacement Rate with respect to the LIBO Rate is implemented then all references herein to the LIBO Rate shall be deemed references to such Replacement Rate. Each calculation by the Administrative Agent of LIBOR shall be conclusive and binding for all purposes, absent manifest error. It is understood and agreed that all of the terms and conditions of this definition of "LIBO Rate" shall be subject to Section 2.14.

" LIBOR Market Index Rate " means, for any day, the interest rate per annum (to 1/1000 of 1% with no rounding) equal to the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such page providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in the relevant Agreed Currency (other than any Non-LIBOR Quoted Currency) in the London interbank market) in respect of the applicable Agreed Currency (other than any Non-LIBOR Quoted Currency) for a one month Interest Period at approximately 11:00 a.m., London time, on such day (or if such day is not a Business Day, the immediately preceding Business Day). In the event that such rate is not available at such time for any reason, then the " LIBOR Market Index Rate " with respect to any LIBOR Market Rate Borrowing shall be the rate at which deposits in the relevant Agreed Currency (other than any Non-LIBOR Quoted Currency) in an Equivalent Amount of $5,000,000 and for a one month Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market (or other prevailing interbank market for such Agreed Currency at such time) at approximately 11:00 a.m., Local time, on such day (or if such day is not a Business Day, the immediately preceding Business Day). For the avoidance of doubt, if the LIBOR Market Index Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

" LIBOR Market Rate ", when used in reference to a currency means an Agreed Currency (other than a Non-LIBOR Quoted Currency) and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the LIBOR Market Index Rate.

" Lien " means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without

limitation, any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

" Liquidity " means, at any time, the sum of (i) the aggregate Available Revolving Commitment at such time (solely to the extent Borrowings hereunder may be made and no Default or Event of Default exists or shall occur after giving effect (including giving effect on a Pro Forma Basis on the first day of the Calculation Period then last ended) to such Borrowings), *plus* (ii) balance sheet cash and Cash Equivalents (after deducting, without duplication, from such balance sheet cash (to the extent such items are included in such balance sheet cash): encumbered cash (other than cash subject to Liens described in Section 6.02(k) and other customary rights of set-off), restricted cash shown on the balance sheet and cash and Cash Equivalents that the Company is unable to access within thirty (30) days and net of related tax obligations for repatriation and transaction costs and expenses related thereto).

" LKQ Netherlands " means LKQ Netherlands B.V., a *besloten vennootschap met beperkte aansprakelijkheid* organized under the laws of The Netherlands.

" Loan Documents " means this Agreement, each Borrowing Subsidiary Agreement, each Borrowing Subsidiary Termination, any promissory notes issued pursuant to Section 2.10(e) of this Agreement, any Letter of Credit applications, the Collateral Documents, the Canadian Intercompany Collateral Agreements, the Amendment and Restatement Agreement and all other agreements, instruments, documents and certificates executed to, or in favor of, the Administrative Agent or any Lenders, including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements between the Company and any Issuing Bank regarding such Issuing Bank's Letter of Credit Commitment or the respective rights and obligations between the Company and such Issuing Bank in connection with the issuance of Letters of Credit, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

" Loan Parties " means, collectively, the Borrowers and the Subsidiary Guarantors.

" Loans " means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

" Local Time " means (i) New York City time in the case of a Loan, Borrowing or LC Disbursement denominated in Dollars and (ii) local time in the case of a Loan, Borrowing or LC Disbursement denominated in a Foreign Currency (it being understood that such local time shall mean Toronto, Canada time in the case of Canadian Dollars and, in the case of all other Foreign Currencies, London, England time, in each case unless otherwise notified by the Administrative Agent).

" Majority in Interest ", when used in reference to Lenders of any Class, means, at any time (i) in the case of the Revolving Lenders, Lenders having Revolving Credit Exposures and unused Revolving Commitments representing more than 50% of the sum of the aggregate Revolving Credit Exposures and the unused aggregate Revolving Commitments at such time and (ii) in the case of the Term Lenders, Lenders holding outstanding Term Loans representing more than 50% of all outstanding Term Loans.

" Material Adverse Effect " means a material adverse effect on (a) the business, assets, property or condition (financial or otherwise) of the Company and the Subsidiaries taken as a whole or (b) the

validity or enforceability of this Agreement or any and all other Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder.

" Material Environmental Amount " means an amount or amounts payable by the Company and/or any of its Subsidiaries, in the aggregate in excess of $35,000,000, for: costs to comply with any Environmental Law; costs of any investigation, and any remediation, of any Hazardous Material; and compensatory damages (including, without limitation damages to natural resources), punitive damages, fines, and penalties pursuant to any Environmental Law.

" Material Indebtedness " means any Indebtedness in an aggregate principal amount equal to or greater than $75,000,000.

" Maturity Date " means January 29, 2024.

" Maybach " means Euro Car Parts Holdings Limited, a company organized under the laws of England and Wales.

" Member State " means the territory of each member state of the European Community as defined in articles 5 and 6 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.

" Mexican Pesos " mean the lawful currency of Mexico.

" Mexican Reorganization " means (i) the conversion and transformation of Lakefront Capital Holdings Inc., a California corporation (" Lakefront Capital "), into a California limited liability company and (ii) the contribution by the Company of all of its membership interests in such resulting California limited liability company to LKQ Euro Limited, a company incorporated in England and Wales.

" Mexico " means the United Mexican States.

" Moody's " means Moody's Investors Service, Inc.

" Multicurrency Tranche Commitment " means, with respect to each Multicurrency Tranche Lender, the commitment, if any, of such Multicurrency Tranche Lender to make Multicurrency Tranche Revolving Loans and to acquire participations in Multicurrency Tranche Letters of Credit and Swingline Loans hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The amount of each Multicurrency Tranche Lender's Multicurrency Tranche Commitment as of the Amendment No. 3 Effective Date is set forth on Schedule 2.01 , or in the Assignment and Assumption (or other documentation contemplated by this Agreement) pursuant to which such Multicurrency Tranche Lender shall have assumed its Multicurrency Tranche Commitment, as applicable. The aggregate principal amount of the Multicurrency Tranche Commitments on the Amendment No. 3 Effective Date is $3,150,000,000.

" Multicurrency Tranche Credit Event " means a Multicurrency Tranche Revolving Borrowing, the issuance of a Multicurrency Tranche Letter of Credit, an LC Disbursement with respect to a Multicurrency Tranche Letter of Credit, a Borrowing of Swingline Loans or any of the foregoing.

" Multicurrency Tranche LC Exposure " means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Multicurrency Tranche Letters of Credit at such time plus (b) the

aggregate Dollar Amount of all LC Disbursements in respect of Multicurrency Tranche Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower at such time. The Multicurrency Tranche LC Exposure of any Multicurrency Tranche Lender at any time shall be its Multicurrency Tranche Percentage of the total Multicurrency Tranche LC Exposure at such time.

" Multicurrency Tranche Lender " means a Lender with a Multicurrency Tranche Commitment or holding Multicurrency Tranche Revolving Loans.

" Multicurrency Tranche Letter of Credit " means any letter of credit issued under the Multicurrency Tranche Commitments pursuant to this Agreement.

" Multicurrency Tranche Percentage " means the percentage equal to a fraction the numerator of which is such Lender's Multicurrency Tranche Commitment and the denominator of which is the aggregate Multicurrency Tranche Commitments of all Multicurrency Tranche Lenders (if the Multicurrency Tranche Commitments have terminated or expired, the Multicurrency Tranche Percentages shall be determined based upon the Multicurrency Tranche Commitments most recently in effect, giving effect to any assignments); provided that in the case of Section 2.25 when a Defaulting Lender shall exist, any such Defaulting Lender's Multicurrency Tranche Commitment shall be disregarded in the calculation.

" Multicurrency Tranche Revolving Borrowing" or "Multicurrency Tranche " means a Borrowing comprised of Multicurrency Tranche Revolving Loans.

" Multicurrency Tranche Revolving Credit Exposure " means, with respect to any Multicurrency Tranche Lender at any time, and without duplication, the sum of the outstanding principal amount of such Multicurrency Tranche Lender's Multicurrency Tranche Revolving Loans and its Multicurrency Tranche LC Exposure and its Swingline Exposure at such time.

" Multicurrency Tranche Revolving Loan " means a Loan made by a Multicurrency Tranche Lender pursuant to Section 2.01(b). Each Multicurrency Tranche Revolving Loan shall be a Eurocurrency Loan denominated in an Agreed Currency or a LIBOR Market Rate Loan denominated in an Agreed Currency (other than a Non-LIBOR Quoted Currency) or an ABR Loan denominated in Dollars (or, in the case of any Canadian Revolving Loan, a BA Equivalent Loan or Canadian Prime Rate Loan denominated in Canadian Dollars).

" Multiemployer Plan " means a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

" Net Cash Proceeds " means in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of reasonable and customary attorneys' fees, accountants' fees, brokerage fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset which is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Collateral Document) and other reasonable and customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements).

" Net Leverage Ratio " has the meaning assigned to such term in Section 6.18(a).

" Non-LIBOR Quoted Currency " means Canadian Dollars, Australian Dollars, Swedish Krona, Norwegian Krone and Mexican Pesos.

" Non-Public Lender " means:

(i) until the publication of an interpretation of "public" as referred to in the CRR by the competent authority/ies: an entity which (x) assumes rights and/or obligations vis-à-vis a Dutch Borrower, the value of which is at least EUR 100,000 (or its equivalent in another currency), (y) provides repayable funds for an initial amount of at least EUR 100,000 (or its equivalent in another currency) or (z) otherwise qualifies as not forming part of the public; and

(ii) as soon as the interpretation of the term "public" as referred to in the CRR has been published by the relevant authority/ies: an entity which is not considered to form part of the public on the basis of such interpretation.

" Non-Regulation S-X Adjustment " has the meaning provided in the definition of "Pro Forma Basis".

" Non-Specified Restructuring Charges and Adjustments " means (i) any non-recurring and one-time costs and expenses included by the Company and its Subsidiaries when determining Consolidated EBITDA for any Calculation Period in connection with any Permitted Acquisition (including, without limitation, charges relating to facility closures and the consolidation, relocation or elimination of operations, severance costs and other costs incurred in connection with the termination, relocation and training of employees, elimination or restatement of rent, reduction or elimination of salaries and compensation, and such other charges, costs and expenses identified to the Administrative Agent), and (ii) certain other reasonable adjustments made in connection with a Permitted Acquisition and identified to the Administrative Agent (including adjustments for cost of goods to a GAAP-based costing method for salvage vehicles and adjustments for unreported revenue of an Acquired Person or Business that can be reasonably verified).

" Non-U.S. Lender " means a Lender that is not a U.S. Person.

" Non-US Plan " means any plan, fund (including, without limitation, any superannuation fund) or other similar program subject to the PBA, or maintained in any non-US jurisdiction (other than Canada), which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment and which is not subject to ERISA or the Code, and to which a Borrower or any of its Subsidiaries has, or may have, any liability.

" Norwegian Krone " mean the lawful currency of Norway.

" November 2017 Acquisition " means the acquisition disclosed to the Administrative Agent and the Lenders prior to the Amendment No. 2 Effective Date.

" November 2017 Acquisition Agreement " means the Sale and Purchase Agreement in the form delivered to the Administrative Agent prior to the Amendment No. 2 Effective Date, including all exhibits, schedules and annexes thereto upon the execution thereof, as amended, supplemented or otherwise modified in accordance with Section 6.07(n).

" Obligations " means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other

obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Company and its Subsidiaries to any of the Lenders, the Administrative Agent, the Issuing Banks or any indemnified party, individually or collectively, existing on the Original Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit.

" OFAC " means the U.S. Department of the Treasury's Office of Foreign Assets Control.

" Original Effective Date " means March 25, 2011.

" Other Connection Taxes " means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan Document).

" Other Taxes " means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment under Section 2.19(b)).

" Overnight Foreign Currency Rate " means, for any amount payable in a Foreign Currency, the rate of interest per annum as determined by the Administrative Agent at which overnight or weekend deposits in the relevant currency (or if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Administrative Agent may elect) for delivery in immediately available and freely transferable funds would be offered by the Administrative Agent to major banks in the interbank market upon request of such major banks for the relevant currency as determined above and in an amount comparable to the unpaid principal amount of the related Credit Event, plus any taxes, levies, imposts, duties, deductions, charges or withholdings imposed upon, or charged to, the Administrative Agent by any relevant correspondent bank in respect of such amount in such relevant currency.

" Parent " means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

" Pari Passu Intercreditor Agreement " shall mean, with respect to any Incremental Equivalent Debt, a " *pari passu* " intercreditor agreement among the Administrative Agent and one or more Senior Representatives for the holders of such Incremental Equivalent Debt (to the extent secured by any Lien on any assets of any Loan Party ranking *pari passu* with the Liens securing the Secured Obligations), in form and substance reasonably satisfactory to the Administrative Agent.

" Participant " has the meaning assigned to such term in Section 9.04.

" Participant Register " has the meaning assigned to such term in Section 9.04(c).

" Participating Member State " means any member state of the EU that adopts or has adopted the euro as its lawful currency in accordance with legislation of the EU relating to economic and monetary union.

" PBA " means the Pension Benefits Act (Ontario) and all regulations thereunder, as amended from time to time, and any successor or similar legislation of another Canadian jurisdiction.

" PBGC " means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

" Permits " means the collective reference to (i) Environmental Permits, and (ii) any and all other franchises, licenses, leases, permits, approvals, notifications, certifications, registrations, authorizations, exemptions, qualifications, easements, and rights of way.

" Permitted Acquired Debt " has the meaning set forth in Section 6.01(h).

" Permitted Acquisition " means any Acquisition permitted pursuant to Sections 6.07(h), (k) or (n); provided that, notwithstanding anything in this Agreement to the contrary, the November 2017 Acquisition shall not constitute a "Permitted Acquisition" for purposes of the provisos to Sections 6.18(a)(i) and 6.18(a)(ii).

" Permitted Factoring Transaction " means any factoring transaction entered into by the Company or any Subsidiary with respect to Receivables originated by the Company or such Subsidiary in the ordinary course of business.

" Permitted Liens " means the collective reference to (i) in the case of Collateral other than Pledged Stock, Liens permitted by Section 6.02 and (ii) in the case of Collateral consisting of Pledged Stock, non-consensual Liens permitted by Section 6.02 to the extent arising by operation of law.

" Permitted Notes " means the Senior Unsecured Notes to be issued by the Company as described in the Offering Memorandum dated May 2, 2013 of the Company; provided that the aggregate outstanding principal amount of Permitted Notes shall not exceed $600,000,000 at any time.

" Permitted Other Debt Conditions " shall mean, with respect to any Indebtedness (" Subject Indebtedness "), the following conditions:

(i) if such Subject Indebtedness is secured by any Lien on the Collateral ranking *pari passu* in right of security with the Liens securing the Secured Obligations, a Senior Representative validly acting on behalf of the holders of such Subject Indebtedness shall have become party to a Pari Passu Intercreditor Agreement;

(ii) if such Subject Indebtedness is secured by any Lien on the Collateral ranking junior in right of security to the Liens securing the Secured Obligations, a Senior Representative validly acting on behalf of the holders of such Subject Indebtedness shall have become party to a junior lien intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent

(iii) if such Subject Indebtedness is subordinated in right of payment to the Secured Obligations, such Subject Indebtedness shall be subject to a subordination agreement (or, alternatively, terms in the definitive documentation for such Subject Indebtedness) reasonably acceptable to the Administrative Agent;

(iv) such Subject Indebtedness shall not be subject to any mandatory prepayment provisions or similar rights (except, in the case of any such Subject Indebtedness that is secured on a pari passu basis with the Secured Obligations arising under Term Loans that are secured on a pari passu basis, to the extent any such mandatory prepayment is required to be applied on a pro rata or a less than pro rata basis as compared to the Term Loans);

(v) such Subject Indebtedness shall not mature (or, in the case of Subject Indebtedness in the form of notes, have mandatory redemption features (other than (x) subject to the foregoing clause (iv), customary asset sale, insurance and condemnation proceeds events, (y) customary "AHYDO catch up" payments and (z) customary change of control offers or events of default) that could result in a redemption or other mandatory prepayment of such Subject Indebtedness) prior to the Maturity Date in effect at the time such Subject Indebtedness is incurred; provided , however, that, if such Subject Indebtedness is secured by Liens on the Collateral ranking junior in right of security to the Liens securing the Secured Obligations or is unsecured, then, notwithstanding the foregoing, such Subject Indebtedness shall not mature (or, in the case of Subject Indebtedness in the form of notes, have mandatory redemption features (other than (x) subject to the foregoing clause (iv), customary asset sale, insurance and condemnation proceeds events, (y) customary "AHYDO catch up" payments and (z) customary change of control offers or events of default) that could result in a redemption or other mandatory prepayment of such Subject Indebtedness) prior to the date that is ninety-one (91) days after the Maturity Date in effect at the time such Subject Indebtedness is incurred;

(vi) such Subject Indebtedness shall not have a Weighted Average Life to Maturity equal to or shorter than the Weighted Average Life to Maturity of the then outstanding Term Loans; provided , however, that, if such Subject Indebtedness is secured by Liens on the Collateral ranking junior in right of security to the Liens securing the Secured Obligations or is unsecured, then, notwithstanding the foregoing, such Subject Indebtedness shall not have a Weighted Average Life to Maturity equal to or shorter than the Weighted Average Life to Maturity of the then outstanding Term Loans plus ninety-one (91) days;

(vii) such Subject Indebtedness shall not be guaranteed by any person other than the Subsidiary Guarantors;

(viii) to the extent secured by any Lien, such Subject Indebtedness shall not be secured by any Lien on any assets other than the Collateral; and

(ix) such Subject Indebtedness shall be subject to terms and conditions (other than with respect to pricing, fees, rate floors and, subject to clause (iv) above, prepayment terms) either consistent with or (taken as a whole) no more favorable to the lenders or holders providing such Subject Indebtedness, than those applicable to the Term Loans, in the case of Subject Indebtedness which is secured by Liens on the Collateral ranking pari passu with the Liens securing the Secured Obligations (as jointly and reasonably determined by the Borrowers and the Administrative Agent) (except for more favorable covenants or other provisions (a) conformed (or added) in the Loan Documents, for the benefit of the Lenders, pursuant to an amendment thereto subject solely to the reasonable satisfaction of the Administrative Agent or (b) applicable only to periods after the Maturity Date in effect at the time of the issuance or incurrence of such Subject Indebtedness; provided that, to the extent any financial maintenance covenant is added for the benefit of any such Subject Indebtedness, no consent shall be required by the Administrative Agent or any of the Lenders if such financial covenant is either (x) also added to this Agreement or (y) only applicable after the Maturity Date in effect at the time of the issuance or incurrence of such Subject Indebtedness;

provided that, notwithstanding the foregoing, any Subject Indebtedness ranking pari passu in right of payment and security with the Term Loans may participate on a pro rata basis or on less than a pro rata basis (but not

greater than pro rata basis) as compared to the Term Loans in any voluntary or mandatory prepayments hereunder.

" Permitted Receivables Facilit y" shall mean the receivables facility or facilities created under the Permitted Receivables Facility Documents, providing for the sale, transfer or pledge by the Company and/or one or more other Receivables Sellers of Permitted Receivables Facility Assets (thereby providing financing to the Company and the Receivables Sellers) to the Receivables Entity (either directly or through another Receivables Seller), which in turn shall sell, transfer or pledge interests in the respective Permitted Receivables Facility Assets to third-party lenders or investors pursuant to the Permitted Receivables Facility Documents (with the Receivables Entity permitted to issue or convey purchaser interests, investor certificates, purchased interest certificates or other similar documentation evidencing interests in the Permitted Receivables Facility Assets) in return for the cash used by the Receivables Entity to acquire the Permitted Receivables Facility Assets from the Company and/or the respective Receivables Sellers, in each case as more fully set forth in the Permitted Receivables Facility Documents.

" Permitted Receivables Facility Assets " shall mean (i) Receivables (whether now existing or arising in the future) of the Company and its Subsidiaries which are transferred, sold or pledged to a Receivables Entity pursuant to a Permitted Receivables Facility and any related Permitted Receivables Related Assets which are also so transferred, sold or pledged to a Receivables Entity and all proceeds thereof and (ii) loans to the Company and its Subsidiaries secured by Receivables (whether now existing or arising in the future) and any Permitted Receivables Related Assets of the Company and its Subsidiaries which are made pursuant to a Permitted Receivables Facility.

" Permitted Receivables Facility Documents " shall mean each of the documents and agreements entered into in connection with the Permitted Receivables Facility, including all documents and agreements relating to the issuance, funding and/or purchase of certificates and purchased interests or the incurrence of loans, as applicable, all of which documents and agreements shall be in form and substance reasonably satisfactory to the Administrative Agent, in each case as such documents and agreements may be amended, modified, supplemented, refinanced or replaced from time to time so long as (i) any such amendments, modifications, supplements, refinancings or replacements do not impose any conditions or requirements on the Company or any of its Subsidiaries that are more restrictive in any material respect than those in existence immediately prior to any such amendment, modification, supplement, refinancing or replacement unless otherwise consented to by the Administrative Agent, (ii) any such amendments, modifications, supplements, refinancings or replacements are not adverse in any way to the interests of the Lenders and (iii) any such amendments, modifications, supplements, refinancings or replacements are otherwise in form and substance reasonably satisfactory to the Administrative Agent.

" Permitted Receivables Related Assets " means any assets that are customarily sold, transferred or pledged or in respect of which security interests are customarily granted in connection with asset securitization transactions involving receivables similar to Receivables and any collections or proceeds of any of the foregoing (including, without limitation, lock-boxes, deposit accounts, records in respect of Receivables and collections in respect of Receivables).

" Permitted Refinancing " means, with respect to any Person, any modification, refinancing, refunding, renewal or extension of any Indebtedness of such Person; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed or extended, except by an amount equal to any unpaid accrued interest and premium thereon, plus other reasonable amounts paid to any Person (other than any Affiliate of the Company), and reasonable fees and expenses incurred and payable to any Person

(other than any Affiliate of the Company), in connection with such modification, refinancing, refunding, renewal or extension, (b) after giving effect to such modification, refinancing, refunding, renewal or extension, such Indebtedness has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or longer than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed or extended, (c) at the time thereof, no Event of Default shall have occurred and be continuing or would result therefrom, (d) to the extent such Indebtedness being modified, refinanced, refunded, renewed or extended is subordinated in right of payment to the Secured Obligations (or is secured by Liens junior to the Liens securing the Secured Obligations), such modification, refinancing, refunding, renewal or extension is subordinated in right of payment to the Secured Obligations on terms, taken as a whole, at least as favorable to the Lenders as those contained in the documentation governing the subordination of the Indebtedness being modified, refinanced, refunded, renewed or extended (and, to the extent applicable, has Liens equally junior to the Liens securing the Secured Obligations or is unsecured), in each case, as reasonably determined by the Administrative Agent, (e) no Loan Party shall be an obligor or guarantor of any such refinancings, replacements, refundings, renewals or extensions except to the extent that such Person was such an obligor or guarantor in respect of the applicable Indebtedness being modified, refinanced, refunded, renewed or extended and (f) such Permitted Refinancing shall satisfy the Permitted Other Debt Conditions.

" Permitted Sale-Leaseback Transaction " means any Sale Lease-Back Transaction by the Company or any of its Subsidiaries, provided that (i) the proceeds of the respective Sale Lease-Back Transaction shall be entirely cash and in an amount at least equal to 95% of the aggregate amount expended by the Company or such Subsidiary in acquiring such asset (or, if not then acquired, 95% of the Fair Market Value of the Property subject to such Sale-Leaseback Transaction) and (ii) the respective transaction is otherwise effected in accordance with the applicable requirements of Section 6.10.

" Permitted Secured Debt " has the meaning set forth in Section 6.01(r).

" Permitted Seller Debt " means unsecured Indebtedness of the Company or any of its Subsidiaries incurred in connection with a Permitted Acquisition and issued to the seller of the Property acquired pursuant to such Permitted Acquisition, provided that if any Permitted Seller Debt is in an amount in excess of $50,000,000, all terms and conditions thereof (including, without limitation, mandatory repayment provisions, defaults, remedies and subordination provisions but excluding the maturity date thereof and the interest rate applicable thereto), and the documentation therefor, shall be reasonably satisfactory to the Administrative Agent, provided that in any event, unless the Required Lenders otherwise expressly consent in writing prior to the incurrence thereof, (i) no such Indebtedness shall be secured by any Property of the Company or any of its Subsidiaries and (ii) the aggregate outstanding principal amount of such Indebtedness does not exceed $250,000,000 at any time.

" Person " means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

" Plan " means, at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Company, any of its Subsidiaries or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

" Platform " means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

" Pledged Stock " means all shares of Capital Stock now owned or hereafter acquired by any Loan Party, and the certificates, if any, representing such shares and any other Equity Interest of such Loan Party in the entries on the books of the issuer of such shares and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares and any other warrant, right or option to acquire any of the foregoing; provided , however , that in no event shall more than the Applicable Pledge Percentage of any Foreign Subsidiary be required to be pledged hereunder.

" Pounds Sterling " or " £ " means the lawful currency of the United Kingdom.

" PPSA " means the *Personal Property Security Act* (Ontario), as amended from time to time (or any successor statute) or similar legislation of any other jurisdiction in Canada the laws of which are required by such legislation to be applied in connection with the issue, perfection, enforcement, validity or effect of security interests.

" Preferred Capital Stock " means, as applied to the Capital Stock of any Person, Capital Stock of such Person (other than common Capital Stock of such Person) of any class or classes (however designed) that ranks prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Capital Stock of any other class of such Person.

" Prime Rate " means the rate of interest per annum (rounded upwards, if necessary, to the next 1/100 of 1%) publicly announced from time to time by Wells Fargo Bank, National Association as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

" Pro Forma Basis " means, in connection with any calculation of compliance with any financial covenant or financial term, the calculation thereof after giving effect on a pro forma basis to (x) the incurrence of any Indebtedness (other than revolving Indebtedness, except to the extent the same is incurred to refinance other outstanding Indebtedness or to finance a Permitted Acquisition (" Specified Financing Indebtedness ")) after the first day of the relevant Calculation Period as if such Indebtedness had been incurred (and the proceeds thereof applied) on the first day of such Calculation Period, (y) the permanent repayment of any Indebtedness (other than revolving Indebtedness, except (A) to the extent accompanied by a corresponding permanent commitment reduction or (B) for any repayment of Specified Financing Indebtedness to the extent (1) repaid during such Calculation Period, regardless of whether it is or is not accompanied by a corresponding permanent commitment reduction and (2) incurred prior to the applicable Specified Transaction (other than to the extent such Specified Financing Indebtedness is used to repay or refinance Permitted Secured Debt)) after the first day of the relevant Calculation Period as if such Indebtedness had been retired or repaid on the first day of such Calculation Period and (z) any Permitted Acquisition or any Significant Asset Sale then being consummated as well as any other Permitted Acquisition or any other Significant Asset Sale if consummated after the first day of the relevant Calculation Period and on or prior to the date of the respective Permitted Acquisition or Significant Asset Sale, as the case may be, then being effected, with the following rules to apply in connection therewith:

(i) all Indebtedness (x) (other than revolving Indebtedness, except Specified Financing Indebtedness shall be included to the extent provided herein) incurred or issued on or after the first day of the relevant Calculation Period (whether incurred to finance a Permitted Acquisition, to refinance Indebtedness (including, without limitation, to refinance or repay Permitted Secured Debt) or otherwise) shall be deemed to have been incurred or issued (and the proceeds thereof applied) on the first day of such

Calculation Period and, subject to the immediately succeeding clause (y), remain outstanding through the date of determination and (y) (other than revolving Indebtedness, except (A) to the extent accompanied by a corresponding permanent commitment reduction or (B) to the extent it is Specified Financing Indebtedness which shall be included to the extent provided herein) permanently retired, repaid, refinanced or redeemed on or after the first day of the relevant Calculation Period shall be deemed to have been retired, repaid, refinanced or redeemed on the first day of such Calculation Period and remain retired, repaid, refinanced or redeemed through the date of determination;

(ii) all Indebtedness assumed to be outstanding pursuant to preceding clause (i) shall be deemed to have borne interest at (x) the rate applicable thereto, in the case of fixed rate indebtedness, or (y) the rates applicable at the time the determination is made in the case of floating rate Indebtedness (although interest expense with respect to any Indebtedness for periods while the same was actually outstanding during the respective period shall be calculated using the actual rates applicable thereto while the same was actually outstanding); and

(iii) in making any determination of Consolidated EBITDA on a Pro Forma Basis, pro forma effect shall be given to any Permitted Acquisition (subject to the proviso at the end of the definition of Consolidated EBITDA) or any Significant Asset Sale if effected during the respective Calculation Period (or thereafter, for purposes of determinations pursuant to Sections 6.07(h) and 6.08(a) only) as if same had occurred on the first day of the respective Calculation Period taking into account, in the case of any Permitted Acquisition, factually supportable and identifiable cost savings and expenses which would otherwise be accounted for as an adjustment pursuant to Article 11 of Regulation S-X under the Securities Act of 1933 and, subject to the limitations set forth in the definition of Consolidated EBITDA, such other cost savings and expenses as may be determined in good faith by the Company (any such other cost savings and expenses, " Non-Regulation S-X Adjustments "), as if such cost savings or expenses were realized on the first day of the respective period.

" Projections " has the meaning assigned to such term in Section 5.02(c).

" Property " means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

" Protected Party " means any Credit Party that is or will be subject to any liability or required to make any payment for or on account of UK Tax, in relation to a sum received or receivable (or any sum deemed for the purposes of UK Tax to be received or receivable) under any Loan Document.

" PTE " means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

" Qualified ECP Guarantor " means, in respect of any Specified Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes or would become effective with respect to such Specified Swap Obligation or such other Person as constitutes an ECP and can cause another Person to qualify as an ECP at such time by entering into a keep well under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

" Qualified Equity Interests " of any Person means Equity Interests of such Person other than Disqualified Equity Interests; provided that such Equity Interests shall not be deemed Qualified Equity Interests to the extent sold to a Subsidiary of such Person or financed, directly or indirectly, using funds (i) borrowed from such Person or any Subsidiary of such Person until and to the extent such borrowing is repaid or (ii) contributed, extended, guaranteed or advanced by such Person or any Subsidiary of such Person

(including, without limitation, in respect of any employee stock ownership or benefit plan). Unless otherwise specified, Qualified Equity Interests refer to Qualified Equity Interests of the Company.

" Qualified Subordinated Indebtedness " means (i) new Subordinated Indebtedness that refinances previously existing Subordinated Indebtedness and has no scheduled amortization and no part of the principal part of such Indebtedness has a maturity date earlier than 181 days after the final stated maturity of any Term Loans hereunder, (ii) Subordinated Indebtedness outstanding on the Restatement Effective Date and listed on Schedule 6.01(d) and (iii) Permitted Seller Debt, in each case so long as after giving effect to the incurrence of any such Indebtedness, on a Pro Forma Basis, as if such incurrence of Indebtedness, the application of the proceeds thereof and the consummation of any other Specified Transaction occurring since the first day of the Calculation Period then last ended had occurred on the first day of the Calculation Period then last ended, the Company and its Subsidiaries are in compliance with the financial covenants set forth in Section 6.18 for the Calculation Period then last ended, and the Company shall have delivered to the Administrative Agent a certificate of a Responsible Officer of the Company to such effect setting forth in reasonable detail the computations necessary to demonstrate such compliance with the covenants contained in Section 6.18.

" Qualifying Lender " means:

(i) a Lender (other than a Lender within clause (ii) below) that is beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document and is:

(a) a Lender:

(1) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that the advance was made and which is a bank (as defined for the purpose of section 879 of the ITA) and would be within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance apart from section 18A of the Corporation Tax Act 2009; or

(2) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that the advance was made and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or

(b) a Lender which is:

(1) a company resident in the United Kingdom for United Kingdom tax purposes; or

(2) a partnership each member of which is:

(x) a company so resident in the United Kingdom; or

(y) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (for the purposes of section 19 of the Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the Corporation Tax Act 2009; or

(3) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing its chargeable profits (within the meaning given by section 19 of the Corporation Tax Act 2009); or

(c) a Treaty Lender; or

(ii) a building society (as defined for the purpose of section 880 of the ITA) making an advance under a Loan Document.

" Quebec Security Documents " means, collectively, (i) the Hypothec on Movables Agreements entered into on April 21, 2011 by each of Keystone Automotive Industries ON Inc. and LKQ Canada Auto Parts Inc., each as grantor, in favour of LKQ Ontario LP, as creditor, and (ii) the Hypothec on Movables Agreements entered into on May 2, 2013 by each of Keystone Automotive Industries ON Inc. and LKQ Canada Auto Parts Inc., each as grantor, in favour of LKQ Ontario LP, as creditor, in each case together with all appendices, schedules and exhibits thereto and as same may be amended, restated or otherwise modified in accordance herewith from time to time.

" Receivables " shall mean all accounts receivable (including, without limitation, all rights to payment created by or arising from sales of goods, leases of goods or the rendition of services rendered no matter how evidenced whether or not earned by performance (whether constituting accounts, general intangibles, chattel paper or otherwise)).

" Receivables Entity " shall mean a Wholly Owned Subsidiary of the Company which engages in no activities other than in connection with the financing of accounts receivable of the Receivables Sellers and which is designated (as provided below) as a "Receivables Entity" (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness)) pursuant to Standard Securitization Undertakings, (ii) is recourse to or obligates the Company or any other Subsidiary of the Company in any way (other than pursuant to Standard Securitization Undertakings) or (iii) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither the Company nor any of its Subsidiaries has any contract, agreement, arrangement or understanding (other than pursuant to the Permitted Receivables Facility Documents (including with respect to fees payable in the ordinary course of business in connection with the servicing of accounts receivable and related assets)) on terms less favorable to the Company or such Subsidiary than those that might be obtained at the time from persons that are not Affiliates of the Company, and (c) to which neither the Company nor any other Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results (other than pursuant to Standard Securitization Undertakings). Any such designation shall be evidenced to the Administrative Agent by filing with the Administrative Agent an officer's certificate of the Company certifying that, to the best of such officer's knowledge and belief after consultation with counsel, such designation complied with the foregoing conditions.

" Receivables Sellers " shall mean the Company and those Subsidiaries that are from time to time party to the Permitted Receivables Facility Documents (other than any Receivables Entity).

" Recipient " means, as applicable, (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank.

" Recovery Event " means any settlement of or payment in respect of any property or casualty insurance claim (other than business interruption) or any condemnation proceeding relating to any asset of the Company or any of its Subsidiaries.

" Register " has the meaning set forth in Section 9.04.

" Regulation " means the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings.

" Reimbursement Obligation " means the obligation of the Company to reimburse any Issuing Bank pursuant to Section 2.06(e) for amounts drawn under Letters of Credit issued by such Issuing Bank.

" Related Parties " means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

" Reorganization " means, with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

" Replacement Rate " has the meaning set forth in Section 2.14(c).

" Reportable Event " means any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31 or .32 of PBGC Reg. § 4043.

" Required Lenders " means, at any time, Lenders having Credit Exposures and unused Commitments representing more than 50% of the sum of the total Credit Exposures and unused Commitments at such time; provided that, for purposes of declaring the Loans to be due and payable pursuant to Article VII, and for all purposes after the Loans become due and payable pursuant to Article VII or the Commitments expire or terminate, then, as to each Lender, clause (a) of the definition of Swingline Exposure shall only be applicable for purposes of determining its Revolving Credit Exposure to the extent such Lender shall have funded its participation in the outstanding Swingline Loans.

" Requirement of Law " means, as to any Person, the Certificate of Incorporation and By Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

" Responsible Officer " means, as to any Person, the chief executive officer, the president or the chief financial officer of the Company or the Canadian Primary Borrower, as applicable, or any other officer having substantially the same authority and responsibility; or, with respect to compliance with financial covenants, the chief financial officer or the treasurer or chief accounting officer of the Company or the Canadian Primary Borrower, as applicable. Unless otherwise qualified, all references to a "Responsible Officer" shall refer to a Responsible Officer of the Company.

" Restatement Effective Date " has the meaning assigned to such term in the Amendment and Restatement Agreement.

" Restricted Debt Basket Amount " means the greater of (a) $100,000,000 and (b) 10% of Consolidated Total Assets calculated as of the most recent fiscal period for which financial statements have been delivered pursuant to Section 5.01.

" Restricted Payments " has the meaning set forth in Section 6.05.

" Restricted Payments Basket Amount " means the sum of $125,000,000 plus 50% of Consolidated Net Income (if positive) for each fiscal quarter of the Company ending after the Original Effective Date.

" Revolving Borrowing " means the Borrowing of a Revolving Loan.

" Revolving Commitment " means a Dollar Tranche Commitment or a Multicurrency Tranche Commitment and "Revolving Commitments" means both the Dollar Tranche Commitments and the Multicurrency Tranche Commitments.

" Revolving Credit Exposure " means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Multicurrency Tranche Revolving Loans and Dollar Tranche Revolving Loans and its LC Exposure and Swingline Exposure at such time.

" Revolving Lender " means, as of any date of determination, each Lender that has a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Credit Exposure.

" Revolving Loan " means any Multicurrency Tranche Revolving Loan or Dollar Tranche Revolving Loan.

" S&P " means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

" Sale-Leaseback Transaction " means any arrangement with any Person providing for the leasing by the Company or any of its Subsidiaries of any real or personal property, which property has been or is to be sold or transferred by the Company or such Subsidiary to such Person in contemplation of such leasing or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Company or such Subsidiary.

" Sanctioned Country " means at any time a country or territory which is itself, or whose government is the subject or target of any Sanctions (including, for example, at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

" Sanctioned Person " means at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, a member state of the European Union, Her Majesty's Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) or (b).

" Sanctions " means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC), the United Nations Security Council, the European Union, a member state of the European Union, Her Majesty's Treasury, or other relevant sanctions authority.

" Scheduled Dispositions " means the Disposition of the Property described on Schedule 6.04(f) .

" SEC " means the United States Securities and Exchange Commission.

" Secured Obligations " means all Obligations, together with all Swap Obligations and Banking Services Obligations owing to one or more Lenders or their respective Affiliates; provided that the definition of "Secured Obligations" shall not create or include any guarantee by any Loan Party of (or grant of security interest by any Loan Party to support, as applicable) any Excluded Swap Obligations of such Loan Party for purposes of determining any obligations of any Loan Party.

" Secured Parties " means the holders of the Secured Obligations from time to time and shall include (i) each Lender and each Issuing Bank in respect of its Loans and LC Exposure respectively, (ii) the Administrative Agent, each Issuing Bank and the Lenders in respect of all other present and future obligations and liabilities of the Company and each Subsidiary of every type and description arising under or in connection with this Agreement or any other Loan Document, (iii) each Lender and affiliate of such Lender in respect of Swap Agreements and Banking Services Agreements entered into with such Person by the Company or any Subsidiary, (iv) each indemnified party under Section 9.03 in respect of the obligations and liabilities of the Borrowers to such Person hereunder and under the other Loan Documents, and (v) their respective successors and (in the case of a Lender, permitted) transferees and assigns.

" Securities Account " has the meaning set forth in Article 8 of the UCC.

" Senior Representative " means, with respect to any Incremental Equivalent Debt, the trustee, the sole lender, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

" Senior Secured Leverage Ratio " means, at any date the same is to be determined, the ratio of (i) Consolidated Senior Secured Indebtedness as of such date to (ii) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters then ending, all calculated for the Company and its Subsidiaries on a consolidated basis.

" Significant Asset Sale " means each Asset Sale which yields gross proceeds to the Company or any of its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at Fair Market Value in the case of other non-cash proceeds) of at least $20,000,000.

" Single Employer Plan " means any Plan that is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

" Solvent " means, with respect to any Person, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, (d) such Person will be able to pay its debts as they mature and (e) such Person is not insolvent within the meaning of any applicable Requirements of Law. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of

performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

" Specified Acquisition " means each acquisition identified on Schedule 6.07(h) .

" Specified Acquisition Pro Forma Financials " has the meaning set forth in the definition of "Applicable Rate".

" Specified Change of Control " means a "change of control", or like event, as defined in any indenture or other agreement governing Material Indebtedness.

" Specified Swap Obligation " means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

" Specified Transaction " means, with respect to any period, any Permitted Acquisition, Significant Asset Sale, incurrence or repayment of Indebtedness, Incremental Term Loan, Revolving Commitment increase or other event expressly required to be calculated on a "Pro Forma Basis" pursuant to the terms of this Agreement.

" Standard Securitization Undertakings " shall mean representations, warranties, covenants and indemnities entered into by the Company or any Subsidiary thereof in connection with the Permitted Receivables Facility which are reasonably customary in an accounts receivable financing transaction.

" Statutory Reserve Rate " means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Board, the Financial Conduct Authority, the Prudential Regulation Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in the applicable currency, expressed in the case of each such requirement as a decimal. Such reserve, liquid asset, fees or similar requirements shall include those imposed pursuant to Regulation D of the Board. Eurocurrency Loans shall be deemed to be subject to such reserve, liquid asset, fee or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D of the Board. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

" Subordinated Indebtedness " means any subordinated Indebtedness permitted to be incurred pursuant to Section 6.01 (other than subordinated Indebtedness evidenced by the Subordinated Intercompany Note).

" Subordinated Intercompany Note " means the Subordinated Intercompany Note dated as of the Original Effective Date and executed and delivered by the Company and its Subsidiaries, as the same may be amended, restated, supplemented or otherwise modified from time to time.

" subsidiary " means, with respect to any Person (the " parent ") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

" Subsidiary " means any subsidiary of the Company.

" Subsidiary Borrower " means a Domestic Subsidiary Borrower or a Foreign Subsidiary Borrower.

" Subsidiary Guarantor " means each Subsidiary that is party to the Guarantee and Collateral Agreement.

" Swap Agreement " means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

" Swap Obligations " means any and all obligations of the Company or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements permitted hereunder with a Lender or an Affiliate of a Lender, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any such Swap Agreement transaction.

" Swedish Borrower " means (i) Atracco Group AB, a private limited liability company organized under the laws of the Sweden and (ii) any other Foreign Subsidiary Borrower organized under the laws of Sweden that is designated as a Swedish Borrower by the Company.

" Swedish Krona " mean the lawful currency of Sweden.

" Swingline Exposure " means, at any time, the aggregate principal Dollar Amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be the sum (without duplication) of (a) its Applicable Percentage of the total Swingline Exposure at such time, other than with respect to any Swingline Loans made by such Lender in its capacity as a Swingline Lender and (b) the aggregate principal Dollar Amount of all Swingline Loans made by such Lender as a Swingline Lender outstanding at such time (less the amount of participations funded by the other Lenders in such Swingline Loans).

" Swingline Lender " means Wells Fargo Bank, National Association, in its capacity as lender of Swingline Loans hereunder.

" Swingline Loan " means a Loan made pursuant to Section 2.05.

" Swiss Francs " mean the lawful currency of Switzerland.

" Syndication Agent " means each of Bank of America, N.A. and MUFG Bank, Ltd. (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.) in its capacity as a syndication agent for the credit facilities evidenced by this Agreement.

" Synthetic Lease Obligations " means all monetary obligations of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations which do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the Indebtedness of such Person (without regard to accounting treatment).

" TARGET " means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) payment system (or, if such payment system ceases to be operative, such other payment system (if any) reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in euro.

" Tax Confirmation " means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document is either:

(i) a company resident in the United Kingdom for United Kingdom tax purposes;

(ii) a partnership each member of which is:

(1) a company so resident in the United Kingdom; or

(2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the Corporation Tax Act 2009; or

(iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the Corporation Tax Act 2009) of that company.

" Tax Credit " means a credit against, relief of remission for or repayment of any UK Tax.

" Tax Deduction " means a deduction or withholding for or on account of UK Tax from a payment under any Loan Document.

" Tax Payment " means either an increased payment made by a Borrower to a Lender under Section 2.17A(d) or a payment under Section 2.17A(i).

" Taxes " means any present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto , but excluding UK Tax.

" Term Lender " means, as of any date of determination, each Lender having a Term Loan Commitment or that holds Term Loans.

" Term Loan Borrowing " means the Borrowing of a Term Loan.

" Term Loan Commitment " means an Initial Term Loan Commitment, an Incremental US Term Loan Commitment or an Additional Term Loan Commitment and "Term Loan Commitments" means the Initial Term Loan Commitments, the Incremental US Term Loan Commitments and the Additional Term Loan Commitments, collectively.

" Term Loan Percentage " means the percentage equal to a fraction the numerator of which is such Lender's outstanding principal amount of the Term Loans and the denominator of which is the aggregate outstanding amount of the Term Loans of all Term Lenders; provided that in the case of Section 2.25 when a Defaulting Lender shall exist, any such Defaulting Lender's Term Loans shall be disregarded in the calculation.

" Term Loans " means the Initial Term Loans, the Incremental US Term Loans and the Additional Term Loans. The outstanding principal amount of each Lender's Term Loans as of the Amendment No. 3 Effective Date is set forth on Schedule 2.01 .

" Tranche " means a category of Commitments and extensions of credit thereunder. For purposes hereof, each of the following comprises a separate Tranche: (a) Multicurrency Tranche Commitments, Multicurrency Tranche Revolving Loans, Multicurrency Tranche Letters of Credit and Swingline Loans, (b) Dollar Tranche Commitments, Dollar Tranche Revolving Loans and Dollar Tranche Letters of Credit and (c) Term Loan Commitments and Term Loans.

" Transactions " means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

" Treaty Lender " means a Lender which:

(i) is treated as a resident of a Treaty State for the purposes of a Treaty; and

(ii) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected.

" Treaty State " means a jurisdiction having a double taxation agreement (a " Treaty ") with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

" Type ", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the LIBOR Market Index Rate, the Alternate Base Rate, the Canadian Prime Rate or the BA Rate.

" UCC " means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

" UK Borrowers " means (1) Euro Car Parts Limited, a company incorporated in England and Wales with registration number 02680212 and (2) any other Foreign Subsidiary Borrower organized under the laws of England and Wales that is designated as a UK Borrower by the Company.

" UK Guarantors " means Maybach and its material Wholly Owned subsidiaries.

" UK Insolvency Event " means:

(a) a UK Relevant Entity is unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

(b) the value of the assets of any UK Relevant Entity, is less than its liabilities (taking into account contingent and prospective liabilities);

(c) a moratorium is declared in respect of any indebtedness of any UK Relevant Entity; provided that if a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by such moratorium;

(d) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of any UK Relevant Entity;

(ii) a composition, compromise, assignment or arrangement with any creditor of any UK Relevant Entity;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any UK Relevant Entity, or any of its assets; or

(iv) enforcement of any Lien over any assets of any UK Relevant Entity,

or any analogous procedure or step is taken in any jurisdiction, save that this paragraph (d) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement; or

(e) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of a UK Relevant Entity.

" UK Relevant Entity " means any Loan Party capable of becoming subject of an order for winding-up or administration under the Insolvency Act 1986 of the United Kingdom.

" UK Tax " means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed by the government of the United Kingdom or any political subdivision thereof.

" Unliquidated Obligations " means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

" U.S. Person " means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

" U.S. Tax Certificate " has the meaning assigned to such term in Section 2.17(f)(ii)(D)(2).

" VAT " means value added tax within the meaning of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax or any legislation in a Member State implementing such Council Directive and any other Tax of a similar nature.

" Weighted Average Life to Maturity " means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness.

" Wholly Owned Subsidiary " means, as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

" Withdrawal Liability " means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

" Withholding Agent " means any Loan Party and the Administrative Agent.

" Write-Down and Conversion Powers " means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02. Classification of Loans and Borrowings . For purposes of this Agreement, Loans may be classified and referred to by Class (e.g. , a "Dollar Tranche Revolving Loan") or by Type (e.g. , a "Eurocurrency Loan") or by Class and Type (e.g. , a "Dollar Tranche Eurocurrency Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g. , a "Dollar Tranche Revolving Borrowing") or by Type (e.g. , a "Dollar Tranche Eurocurrency Borrowing") or by Class and Type (e.g. , a "Eurocurrency Revolving Borrowing").

SECTION 1.03. Terms Generally; Québec Interpretation; Jersey Interpretation . (a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other

laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (ii) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws) and, in the case of any such statute, any rules and regulations promulgated thereunder, (iii) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (iv) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (v) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(a) For purposes of any assets, liabilities or entities located in the Province of Québec and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec, (i) "personal property" shall include "movable property", (ii) "real property" or "real estate" shall include "immovable property", (iii) "tangible property" or "tangible assets" shall include "corporeal property", (iv) "intangible property" or "intangible assets" shall include "incorporeal property", (v) "security interest", "mortgage" and "lien" shall include a "hypothec", "right of retention", "prior claim" and a resolutory clause, (vi) all references to filing, perfection, priority, remedies, registering or recording under the UCC or a PPSA shall include publication under the *Civil Code of Québec* , (vii) all references to "perfection" of or a "perfected" lien or security interest shall include a reference to an "opposable" or "set up" lien or security interest as against third parties, (viii) any "right of offset", "right of set-off" or similar expression shall include a "right of compensation", (ix) "goods" shall include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (x) an "agent" shall include a "mandatary", (xi) "construction liens" shall include "legal hypothecs", (xii) "joint and several" shall include "solidary", (xiii) "gross negligence or wilful misconduct" shall be deemed to be "intentional or gross fault", (xiv) "beneficial ownership" shall include "ownership on behalf of another as mandatary", (xv) "easement" shall include "servitude", (xvi) "priority" shall include "prior claim", (xvii) "survey" shall include "certificate of location and plan", (xviii) "state" shall include "province", (xix) "fee simple title" shall include "absolute ownership" and (xx) "accounts" shall include "claims". The parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement.*

(b) Notwithstanding anything herein to the contrary, the definition of "Secured Obligations" shall not create any guarantee by any Loan Party of (or grant of security interest by any Loan Party to support, as applicable) (i) any Excluded Swap Obligations of such Loan Party for purposes of determining any obligations of any Loan Party or (ii) any Obligation to the extent that a guarantee by such

Loan Party of such Obligation, or grant of security interest by such Loan Party to support or secure such Obligation would make such Loan Party an Affected Foreign Subsidiary.

(c) In this Agreement, where it relates to a Person incorporated or formed or having its centre of main interests in Jersey, a reference to:

(i) a "winding-up", "administration", "reorganisation", "dissolution", "moratorium", "voluntary arrangement", "scheme of arrangement" or the like, or a "composition", "compromise", "assignment", "arrangement", "expropriation", "attachment", "sequestration", "distress", "execution" or any analogous process with any creditor or the like includes, without limitation, bankruptcy (as that term is interpreted pursuant to Article 8 of the Interpretation (Jersey) Law 1954), a compromise or arrangement of the type referred to in Part 18A of the Companies (Jersey) Law 1991, any procedure or process referred to in Part 21 of the Companies (Jersey) Law 1991, and any other similar proceedings affecting the rights of creditors generally under Jersey law, and shall be construed so as to include any equivalent or analogous proceedings;

(ii) a "liquidator", "receiver", "administrative receiver", "administrator" or the like includes, without limitation, the Viscount of the Royal Court of Jersey, autorisés or any other Person performing the same function of each of the foregoing; and

(iii) a "mortgage", "charge", "pledge", "lien" or a "security interest" includes, without limitation, any hypothèque whether conventional, judicial granted or arising by operation of law and any security interest created pursuant to the Security Interest (Jersey) Law 1983 or Security Interests (Jersey) Law 2012 and any related legislation.

(d) Any reference to "Bank of America Merrill Lynch International Limited" is a reference to its successor in title Bank of America Merrill Lynch International Designated Activity Company (including, without limitation, its branches) pursuant to and with effect from the merger between Bank of America Merrill Lynch International Limited and Bank of America Merrill Lynch International Designated Activity Company that takes effect in accordance with Chapter II, Title II of Directive (EU) 2017/1131 (which repeals and codifies the Cross-Border Mergers Directive (2—5/56/EC)) as implemented in the United Kingdom and Ireland. Notwithstanding anything to the contrary in any Loan Document, a transfer of rights and obligations from Bank of America Merrill Lynch International Limited to Bank of America Merrill Lynch International Designated Activity pursuant to such merger shall be permitted.

SECTION 1.04. Accounting Terms; GAAP . Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Original Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities

of the Company or any Subsidiary at "fair value", as defined therein, (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof and (iii) without giving effect to any changes in GAAP occurring after the Amendment No. 2 Effective Date, the effect of which would be to cause leases which would be treated as operating leases under GAAP as of the Amendment No. 2 Effective Date to be treated as capital leases under GAAP.

SECTION 1.05. Status of Obligations . In the event that the Company or any other Loan Party shall at any time issue or have outstanding any Subordinated Indebtedness, the Company shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Secured Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

SECTION 1.06. Amendment and Restatement of Existing Agreement . The parties to this Agreement agree that, on the Restatement Effective Date, the terms and provisions of the Existing Credit Agreement shall be and hereby are amended, superseded and restated in their entirety by the terms and provisions of this Agreement. This Agreement is not intended to and shall not constitute a novation, payment and reborrowing or termination of the Obligations under the Existing Credit Agreement and the other Loan Documents as in effect prior to the Restatement Effective Date. All Loans made and Obligations incurred under the Existing Credit Agreement which are outstanding on the Restatement Effective Date shall continue as Loans and Obligations under (and shall be governed by the terms of) this Agreement and the other Loan Documents. Without limiting the foregoing, on the Restatement Effective Date: (a) all references in the "Loan Documents" (as defined in the Existing Credit Agreement) to the "Administrative Agent", the "Credit Agreement" and the "Loan Documents" shall be deemed to refer to the Administrative Agent, this Agreement and the Loan Documents, (b) all obligations constituting "Obligations" with any Lender or any Affiliate of any Lender which are outstanding on the Restatement Effective Date shall continue as Obligations under this Agreement and the other Loan Documents, (c) the liens and security interests in favor of the Administrative Agent for the benefit of the Secured Parties securing payment of the Secured Obligations are in all respects continuing and in full force and effect with respect to all Secured Obligations, (d) the "Multicurrency Tranche Commitments" and "Dollar Tranche Commitments" (as each is defined in the Existing Credit Agreement) shall be allocated between, and redesignated as, Multicurrency Tranche Commitments and Dollar Tranche Commitments hereunder, in each case pursuant to the allocations set forth on Schedule 2.01 and (e) the Administrative Agent shall make such other reallocations, sales, assignments or other relevant actions in respect of each Lender's credit exposure under the Existing Credit Agreement as are necessary in order that each such Lender's Credit Exposure and outstanding Loans hereunder reflects such Lender's Applicable Percentage of the outstanding aggregate Credit Exposures on the Restatement Effective Date. Notwithstanding anything in this Agreement to the contrary, the Borrowers shall not be required to compensate the Lenders pursuant to Section 2.16 for any loss, cost or expense incurred by the Lenders as a result of the amendment and restatement of the Existing Credit Agreement or the re-evidencing

of the Existing Loans, in each case pursuant to the terms of this Agreement and the Amendment and Restatement Agreement.

SECTION 1.07. Rates . The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "LIBO Rate" or "LIBOR Market Index Rate".

ARTICLE II

The Credits

SECTION 2.01. Commitments and Loans . Prior to the Restatement Effective Date, certain term loans were previously made to the Borrowers and certain revolving loans were previously made to the Borrowers as "Dollar Tranche Revolving Loans" and "Multicurrency Tranche Revolving Loans" under the Existing Credit Agreement which remain outstanding as of the Restatement Effective Date (such outstanding loans being hereinafter referred to as the " Existing Loans "). Subject to the terms and conditions set forth in this Agreement, the parties hereto agree that on the Restatement Effective Date the Existing Loans shall be re-evidenced as Initial Term Loans and Revolving Loans that are "Dollar Tranche Revolving Loans" and "Multicurrency Tranche Revolving Loans", as the case may be, under this Agreement and the terms of the Existing Loans shall be restated in their entirety and shall be evidenced by this Agreement. Subject to the terms and conditions set forth herein, (a) each Dollar Tranche Lender (severally and not jointly) agrees to make Dollar Tranche Revolving Loans to the Borrowers in Dollars from time to time during the Availability Period in an aggregate principal amount that will not result in (i) such Lender's Dollar Tranche Revolving Credit Exposure exceeding such Lender's Dollar Tranche Commitment or (ii) the sum of the total Dollar Tranche Revolving Credit Exposures exceeding the aggregate Dollar Tranche Commitments, (b) each Multicurrency Tranche Lender (severally and not jointly) agrees to make Multicurrency Tranche Revolving Loans to the Borrowers in Agreed Currencies from time to time during the Availability Period in an aggregate principal amount that will not result in (i) subject to Sections 2.04 and 2.11(b), the Dollar Amount of such Lender's Multicurrency Tranche Revolving Credit Exposure exceeding such Lender's Multicurrency Tranche Commitment, (ii) subject to Sections 2.04 and 2.11(b), the sum of the Dollar Amount of the total Multicurrency Tranche Revolving Credit Exposures exceeding the aggregate Multicurrency Tranche Commitments or (iii) subject to Sections 2.04 and 2.11(b), the sum of the Dollar Amount of the total Multicurrency Tranche Revolving Credit Exposures, in each case denominated in Mexican Pesos, exceeding $500,000,000 and (c) each Additional Term Lender with an Additional Term Loan Commitment (severally and not jointly) agrees to make an Additional Term Loan to the Company in Dollars and to LKQ Netherlands in euro, in each case, on the Restatement Effective Date in an amount equal to the amount of such Lender's applicable Additional Term Loan Commitment by making immediately available funds available to the Administrative Agent's designated account, not later than the time specified by the Administrative Agent. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Dollar Tranche Revolving Loans and Multicurrency Tranche Revolving Loans. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings . (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the applicable Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made

in accordance with the procedures set forth in Section 2.05. The Term Loans shall amortize as set forth in Section 2.10.

(a) Subject to Section 2.14 (i) each Dollar Tranche Revolving Borrowing and each Multicurrency Tranche Revolving Borrowing (other than any Canadian Revolving Borrowing) shall be comprised entirely of ABR Loans, LIBOR Market Rate Loans or Eurocurrency Loans as the relevant Borrower may request in accordance herewith, provided that (x) each ABR Loan shall only be made in Dollars and shall only be made to the Company and (y) no LIBOR Market Rate Loan shall be made in any Non-LIBOR Quoted Currency, (ii) each Term Loan Borrowing shall be comprised entirely of ABR Loans, LIBOR Market Rate Loans or Eurocurrency Loans as the Company may request in accordance herewith, provided that each ABR Loan shall only be made in Dollars and (iii) each Canadian Revolving Borrowing shall be made only to a Canadian Borrower and shall be comprised entirely of Canadian Base Rate Loans or BA Equivalent Loans as such Canadian Borrower may request in accordance herewith. Each Swingline Loan denominated in Dollars shall be an ABR Loan and each Swingline Loan denominated in Pounds Sterling or euro shall be a LIBOR Market Rate Loan. Each Lender at its option may make any Loan by causing any domestic or foreign branch or branch office or Affiliate of such Lender to make such Loan (and in the case of a branch office or an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such branch office or Affiliate to the same extent as to such Lender); provided that (i) any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan in accordance with the terms of this Agreement and (ii) such option may, if any Lender so requires, be exercised by delivering to the Administrative Agent a joinder signature page to this Agreement executed by such branch or Affiliate in form and substance satisfactory to the Administrative Agent.

(b) At the commencement of each Interest Period for any Eurocurrency Revolving Borrowing or any LIBOR Market Rate Revolving Borrowing, such Borrowing shall be in an aggregate amount that is not less than $1,000,000 (or, if such Borrowing is denominated in a Foreign Currency, 1,000,000 units of such currency). At the commencement of each Interest Period for any BA Equivalent Revolving Borrowing, such Borrowing shall be in an aggregate amount that is not less than Cdn. $1,000,000. At the time that each ABR Revolving Borrowing or Canadian Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is not less than $1,000,000 or Cdn. $1,000,000, as the case may be; provided that an ABR Revolving Borrowing or Canadian Base Rate Borrowing may be in an aggregate amount that is equal to the entire unused balance of the aggregate Dollar Tranche Commitments or the aggregate Multicurrency Tranche Commitments, as applicable, or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an integral multiple of $500,000 (or, if such Swingline Loan is denominated in a Foreign Currency, 500,000 units of such currency) and not less than $500,000 (or, if such Swingline Loan is denominated in a Foreign Currency, 500,000 units of such currency). Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of ten (10) in the aggregate for Eurocurrency Revolving Borrowings and BA Equivalent Revolving Borrowings outstanding.

(c) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(d) The Borrowing from any Lender, and any issuance of a Letter of Credit under Section 2.06 by any Issuing Bank, to any Dutch Borrower shall at all times be provided by a Non-Public Lender.

SECTION 2.03. Requests for Borrowings . To request a Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent of

such request (a) (i) by irrevocable written notice (via a written Borrowing Request in a form approved by the Administrative Agent and signed by the applicable Borrower, or the Company on behalf of the applicable Borrower, promptly followed by telephonic confirmation of such request) in the case of a Eurocurrency Borrowing or a LIBOR Market Rate Borrowing, not later than 11:00 a.m., Local Time, three (3) Business Days (in the case of a Eurocurrency Borrowing or LIBOR Market Rate Borrowing denominated in Dollars to the Company), (ii) by irrevocable written notice (via a written Borrowing Request in a form approved by the Administrative Agent and signed by the applicable Borrower, or the Company on behalf of the applicable Borrower, promptly followed by telephonic confirmation of such request) in the case of a BA Equivalent Borrowing, not later than 12:00 noon, New York City time, three (3) Business Days (in the case of a BA Equivalent Borrowing to a Canadian Borrower) or (iii) by irrevocable written notice (via a written Borrowing Request in a form approved by the Administrative Agent and signed by such Borrower, or the Company on its behalf) not later than 11:00 a.m., Local Time, four (4) Business Days (in the case of a Eurocurrency Borrowing or LIBOR Market Rate Borrowing denominated in a Foreign Currency (other than Canadian Dollars) or a Eurocurrency Borrowing or LIBOR Market Rate Borrowing to a Foreign Subsidiary Borrower (other than a Canadian Borrower)), in each case before the date of the proposed Borrowing, (b) by telephone in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing or (c) by telephone in the case of a Canadian Base Rate Borrowing, not later than 8:00 a.m., New York City time, one (1) Business Day before the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the applicable Borrower, or the Company on behalf of the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing and the applicable Borrower;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing, a LIBOR Market Rate Borrowing or a Eurocurrency Borrowing and whether such Borrowing is a Revolving Borrowing or an Additional Term Loan Borrowing and, if such Borrowing is a Revolving Borrowing, whether such Borrowing is to be a Dollar Tranche Revolving Borrowing or Multicurrency Tranche Revolving Borrowing (or, in the case of a Canadian Revolving Borrowing, a Canadian Base Rate Borrowing or a BA Equivalent Borrowing);

(iv) in the case of a Eurocurrency Borrowing or a LIBOR Market Rate Borrowing, the Agreed Currency and initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";

(v) in the case of a BA Equivalent Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(vi) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Revolving Borrowing is specified, then (i) in the case of a Revolving Borrowing denominated in Dollars to the Company, the requested Revolving Borrowing shall be an ABR Borrowing under the Dollar Tranche and (ii) in the case of a Canadian Revolving Borrowing to a Canadian Borrower, the requested Revolving Borrowing shall be a Canadian Base Rate Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Revolving Borrowing or BA Equivalent Revolving Borrowing, then the relevant Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Determination of Dollar Amounts . The Administrative Agent will determine the Dollar Amount of:

(a) each Multicurrency Tranche Eurocurrency Borrowing, BA Equivalent Borrowing or Additional Term Loan Borrowing as of the date three (3) Business Days prior to the date of such Borrowing or, if applicable, the date of conversion/continuation of any Borrowing as a Multicurrency Tranche Eurocurrency Borrowing or BA Equivalent Borrowing,

(b) the LC Exposure as of the date of each request for the issuance, amendment, renewal or extension of any Letter of Credit,

(c) the Swingline Exposure as of the date of each request for any Swingline Loan, and

(d) all outstanding Credit Events on and as of the last Business Day of each calendar quarter and, during the continuation of an Event of Default, on any other Business Day elected by the Administrative Agent in its discretion or upon instruction by the Required Lenders.

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a), (b) and (c) is herein described as a "Computation Date" with respect to each Credit Event for which a Dollar Amount is determined on or as of such day.

SECTION 2.05. Swingline Loans . (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans in Dollars, Pounds Sterling or euro (as the Company may elect) to the Company from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal Dollar Amount of outstanding Swingline Loans exceeding $200,000,000, (ii) the Dollar Amount of the Swingline Lender's Revolving Credit Exposure exceeding its Revolving Commitment or (iii) subject to Sections 2.04 and 2.011(b), the Dollar Amount of the total Multicurrency Tranche Revolving Credit Exposures exceeding the aggregate Multicurrency Tranche Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Company may borrow, prepay and reborrow Swingline Loans.

(a) To request a Swingline Loan, the Company shall notify the Administrative Agent of such request (i) in the case of a Swingline Loan denominated in Dollars, by telephone (confirmed by facsimile), not later than 12:00 noon, New York City time, on the day of the proposed Swingline Loan or (ii) in the case of a Swingline Loan denominated in Pounds Sterling or euro, by irrevocable written notice (via a written Borrowing Request in a form approved by the Swingline Lender and signed by the Company, promptly followed by telephonic confirmation of such request) not later than 11:00 a.m., New York City time, one (1) Business Day before the date of the proposed Swingline Loan (provided that, if the Swingline

Lender in its sole discretion determines it is operationally feasible, such Borrowing Request under this clause (b)(ii) may be provided not later than 8:30 a.m., New York City time, on the day of the proposed Swingline Loan (a " Same-Day Multicurrency Swingline Loan ")). Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount and currency of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Company. The Swingline Lender shall make each Swingline Loan available to the Company by means of a credit to the general deposit account of the Company with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the applicable Issuing Bank) by 3:00 p.m., Local Time, on the requested date of such Swingline Loan; provided that (x) any Same-Day Multicurrency Swingline Loan shall only be made on the requested date therefor to the extent the Swingline Lender determines in its sole discretion that such funding is operationally feasible and (y) to the extent any Same-Day Multicurrency Swingline Loan cannot be made on the requested date therefor pursuant to the foregoing clause (x), the Company shall, not later than 4:00 p.m., New York City time, on such date, confirm in writing to the Swingline Lender if the applicable Borrowing Request will remain effective for a Swingline Borrowing in the same amount and currency to be made on the immediately succeeding Business Day.

(b) The Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., Local Time, (i) in respect of Swingline Loans denominated in Dollars, on any Business Day and (ii) in respect of Swingline Loans denominated in Pounds Sterling or euro, three (3) Business Days before the date of the proposed acquisition of participations, require the Multicurrency Tranche Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding in the applicable currency of such Swingline Loans. Such notice shall specify the currency and aggregate amount of Swingline Loans in which Multicurrency Tranche Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Multicurrency Tranche Lender, specifying in such notice such Multicurrency Tranche Lender's Multicurrency Tranche Percentage of such Swingline Loan or Loans. Each Multicurrency Tranche Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Multicurrency Tranche Lender's Multicurrency Tranche Percentage of such Swingline Loan or Loans in the applicable currency. Each Multicurrency Tranche Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Multicurrency Tranche Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Multicurrency Tranche Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds in the applicable currency, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis , to the payment obligations of the Multicurrency Tranche Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Company of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Company (or other party on behalf of the Company) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Multicurrency Tranche Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment

is required to be refunded to the Company for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Company of any default in the payment thereof.

SECTION 2.06. Letters of Credit . (a) General . Subject to the terms and conditions set forth herein, the Company may request the issuance of Multicurrency Tranche Letters of Credit denominated in Agreed Currencies and Dollar Tranche Letters of Credit denominated in Dollars, in each case for its own account, in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Company to, or entered into by the Company with, any Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Notwithstanding the foregoing, the letters of credit identified on Schedule 2.06 (the " Existing Letters of Credit ") shall be deemed to be "Letters of Credit" issued on the Effective Date for all purposes of the Loan Documents.

(a) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions . To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Company shall hand deliver or facsimile (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to the applicable Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, whether such Letter of Credit is a Multicurrency Tranche Letter of Credit or a Dollar Tranche Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Company also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Company shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) subject to Sections 2.04 and 2.11(b), the Dollar Amount of the LC Exposure shall not exceed $150,000,000, (ii) subject to Sections 2.04 and 2.11(b), the sum of the Dollar Amount of the total Multicurrency Tranche Revolving Credit Exposures shall not exceed the aggregate Multicurrency Tranche Commitments, (iii) subject to Sections 2.04 and 2.11(b), the sum of the total Dollar Tranche Revolving Credit Exposures shall not exceed the aggregate Dollar Tranche Commitments, (iv) subject to Sections 2.04 and 2.11(b), the sum of the Dollar Amount of the total Multicurrency Tranche Revolving Credit Exposures, in each case denominated in Mexican Pesos, shall not exceed $500,000,000 and (v) subject to Sections 2.04 and 2.11(b), with respect to any Issuing Bank, the sum of the aggregate undrawn amount of all outstanding Letters of Credit issued by such Issuing Bank at such time plus the aggregate amount of all LC Disbursements made by such Issuing Bank that have not yet been reimbursed by or on behalf of the Company at such time shall not exceed the Letter of Credit Commitment of such Issuing Bank. The Company may, at any time and from time to time, reduce or increase the Letter of Credit Commitment of any Issuing Bank as provided in the definition of Letter of Credit Commitment; provided that the Company shall not reduce or increase the Letter of Credit Commitment of any Issuing Bank if, after giving effect of such reduction or increase, the conditions set forth in clauses (i) through (v) above shall not be satisfied.

(b) Expiration Date . Each Letter of Credit shall expire (or be subject to termination by notice from the applicable Issuing Bank to the beneficiary thereof) at or prior to the close of business on the

earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five (5) Business Days prior to the Maturity Date.

(c) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of any Issuing Bank or any Revolving Lender in respect of the Tranche under which such Letter of Credit is issued (each such Revolving Lender, an " Applicable Lender "), each Issuing Bank hereby grants to each Applicable Lender, and each Applicable Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Applicable Lender's Applicable Percentage of the aggregate Dollar Amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Applicable Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Applicable Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Company on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Company for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(d) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Company shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the Dollar Amount equal to such LC Disbursement, calculated as of the date such Issuing Bank made such LC Disbursement (or if such Issuing Bank shall so elect in its sole discretion by notice to the Company, in such other Agreed Currency which was paid by such Issuing Bank pursuant to such LC Disbursement in an amount equal to such LC Disbursement) not later than 12:00 noon, Local Time, on the date that such LC Disbursement is made, if the Company shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, on such date, or, if such notice has not been received by the Company prior to such time on such date, then not later than 12:00 noon, Local Time, on the Business Day immediately following the day that the Company receives such notice; provided that the Company may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan denominated in Dollars in an equivalent Dollar Amount of such LC Disbursement and, to the extent so financed, the Company's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the Company fails to make such payment when due, the Administrative Agent shall notify each Applicable Lender of the applicable LC Disbursement, the payment then due from the Company in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Applicable Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Company, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis , to the payment obligations of the Applicable Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Applicable Lenders. Promptly following receipt by the Administrative Agent of any payment from the Company pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Applicable Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by an Applicable Lender pursuant to this paragraph to reimburse the applicable Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Company of

its obligation to reimburse such LC Disbursement. If the Company's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, any Issuing Bank or any Multicurrency Tranche Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, the Company shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Bank or the relevant Multicurrency Tranche Lender or (y) reimburse each LC Disbursement made in such Foreign Currency in Dollars, in an amount equal to the Equivalent Amount, calculated using the applicable exchange rates, on the date such LC Disbursement is made, of such LC Disbursement.

(e) Obligations Absolute . The Company's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Company's obligations hereunder. Neither the Administrative Agent, the Revolving Lenders nor the Issuing Banks, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of an Issuing Bank; provided that the foregoing shall not be construed to excuse an Issuing Bank from liability to the Company to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Company to the extent permitted by applicable law) suffered by the Company that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as determined by a court of competent jurisdiction by final and nonappealable judgment), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, each Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit. Notwithstanding the foregoing, no Issuing Bank shall be under any obligation to issue any Letter of Credit if (x) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing the Letter of Credit, or any law applicable to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such Issuing Bank with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Restatement Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Restatement Effective Date and which such Issuing Bank in good faith deems material to it or (y) the

issuance of the Letter of Credit would violate one or more policies of such Issuing Bank applicable to letters of credit generally.

(f) Disbursement Procedures . Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Bank shall promptly notify the Administrative Agent and the Company by telephone (confirmed by facsimile) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Company of its obligation to reimburse such Issuing Bank and the Applicable Lenders with respect to any such LC Disbursement.

(g) Interim Interest . If any Issuing Bank shall make any LC Disbursement, then, unless the Company shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Company reimburses such LC Disbursement, at the rate per annum then applicable to (i) in the case of any such LC disbursement denominated in Dollars, ABR Revolving Loans, (ii) in the case of any such LC disbursement denominated in Canadian Dollars, Canadian Base Rate Loans and (iii) in the case of any such LC Disbursement is denominated in a Foreign Currency other than Canadian Dollars, at the Overnight Foreign Currency Rate for such Agreed Currency plus the then effective Applicable Rate with respect to Eurocurrency Revolving Loans) and such interest shall be due and payable on the date when such reimbursement is payable; provided that, if the Company fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Applicable Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Applicable Lender to the extent of such payment.

(h) Replacement of Issuing Bank . Any Issuing Bank may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Company shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(i) Cash Collateralization . If any Event of Default shall occur and be continuing, on the Business Day that the Company receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, a Majority in Interest of the Revolving Lenders) demanding the deposit of cash collateral pursuant to this paragraph, the Company shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders (the " LC Collateral Account "), an amount in cash equal to 105% of the Dollar Amount of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Foreign Currency Letters of Credit or LC Disbursements in a Foreign

Currency that the Company is not late in reimbursing shall be deposited in the applicable Foreign Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Company described in clause (h) or (i) of Article VII. For the purposes of this paragraph, the Foreign Currency LC Exposure shall be calculated using the applicable Exchange Rate on the date notice demanding cash collateralization is delivered to the Company. The Company also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11(b). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account and the Company hereby grants the Administrative Agent a security interest in the LC Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Company's risk and expense (provided that the Administrative Agent may only invest in cash or Cash Equivalents), such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse each Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Company for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of the Majority in Interest of the Revolving Lenders), be applied to satisfy other Secured Obligations. If the Company is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Company within three (3) Business Days after all Events of Default have been cured or waived.

(j) Reporting of Letter of Credit Information and LC Exposure . At any time that there is an Issuing Bank that is not also the financial institution acting as Administrative Agent, then (i) on the last Business Day of each calendar month, (ii) on each date that a Letter of Credit is amended, terminated or otherwise expires, (iii) on each date that a Letter of Credit is issued or the expiry date of a Letter of Credit is extended, and (iv) upon the request of the Administrative Agent, each Issuing Bank (or, in the case of clauses (ii), (iii) or (iv) hereof, the applicable Issuing Bank) shall deliver to the Administrative Agent a report setting forth in form and detail reasonably satisfactory to the Administrative Agent information (including, without limitation, any reimbursement, cash collateral, or termination in respect of Letters of Credit issued by such Issuing Bank) with respect to each Letter of Credit issued by such Issuing Bank that is outstanding hereunder. In addition, each Issuing Bank shall provide notice to the Administrative Agent of its LC Exposure, or any change thereto, promptly upon it becoming an Issuing Bank or making any change to its LC Exposure. No failure on the part of any Issuing Bank to provide such information pursuant to this clause shall limit the obligations of the Company or any Lender hereunder with respect to its reimbursement and participation obligations hereunder.

(k) Applicability of ISP and UCP . Unless otherwise expressly agreed by the applicable Issuing Bank and the Company when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance shall apply to each commercial Letter of Credit.

SECTION 2.07. Funding of Borrowings . (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars to the applicable Borrower, by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the

Lenders, (ii) in the case of each Loan denominated in Canadian Dollars, by 10:00 a.m., Local Time, in the city of the Administrative Agent's Applicable Payment Office for Canadian Dollars and at such Applicable Payment Office for Canadian Dollars and (iii) in the case of each Loan denominated in a Foreign Currency (other than Canadian Dollars) or to a Foreign Subsidiary Borrower, by 12:00 noon, Local Time, in the city of the Administrative Agent's Applicable Payment Office for such currency and Borrower and at such Applicable Payment Office for such currency and Borrower; provided that (i) Additional Term Loans shall be made as provided in Section 2.01(c) and (ii) Swingline Loans shall be made as provided in Section 2.05. The Administrative Agent will make such Loans available to the relevant Borrower by promptly crediting the amounts so received, in like funds, to (x) an account of the applicable Borrower maintained with the Administrative Agent in New York City or Chicago and designated by the applicable Borrower in the applicable Borrowing Request, in the case of Loans denominated in Dollars to the applicable Borrower and (y) an account of such Borrower in the relevant jurisdiction and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign Currency or to a Foreign Subsidiary Borrower; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(a) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency) or (ii) in the case of such Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections . (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, LIBOR Market Rate Borrowing or BA Equivalent Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the relevant Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Borrowing, LIBOR Market Rate Borrowing or BA Equivalent Borrowing, may elect Interest Periods therefor, all as provided in this Section. A Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(a) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Administrative Agent of such election (by telephone or irrevocable written notice in the case of a Borrowing denominated in Dollars or Canadian Dollars or by irrevocable written notice (via an Interest Election Request in a form approved by the Administrative Agent and signed by such Borrower, or the Company on its behalf) in the case of a Borrowing denominated in a Foreign Currency other than Canadian Dollars) by the time that a Borrowing Request would be required under Section 2.03 if such

Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the relevant Borrower, or the Company on its behalf. Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans, LIBOR Market Rate Loans or BA Equivalent Loans that does not comply with Section 2.02(d), (iii) convert any Borrowing to a Borrowing of a Type not available under the Class of Commitments pursuant to which such Borrowing was made or (vi) convert any Canadian Revolving Borrowing to a Type other than a Canadian Base Rate Borrowing or a BA Equivalent Borrowing.

(b) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the name of the applicable Borrower and the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing, a LIBOR Market Rate Borrowing or a Eurocurrency Borrowing and, if such Borrowing is a Revolving Borrowing, whether such Borrowing is to be a Dollar Tranche Revolving Borrowing or Multicurrency Tranche Revolving Borrowing (and, in the case of a Canadian Revolving Borrowing, a Canadian Base Rate Borrowing or a BA Equivalent Borrowing);

(iv) if the resulting Borrowing is a Eurocurrency Borrowing or a LIBOR Market Rate Borrowing, the Interest Period and Agreed Currency to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period"; and

(v) if the resulting Borrowing is a BA Equivalent Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing or BA Equivalent Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration.

(c) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(d) If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing, LIBOR Market Rate Borrowing or BA Equivalent Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period (i) in the case of a Borrowing denominated in Dollars borrowed by the Company, such Borrowing shall be converted to an ABR Borrowing, (ii) in the case of a Canadian Revolving

Borrowing, such Borrowing shall be converted to a Canadian Base Rate Borrowing and (iii) in the case of a Borrowing denominated in a Foreign Currency other than Canadian Dollars (or in Dollars by a Foreign Subsidiary Borrower) in respect of which the applicable Borrower shall have failed to deliver an Interest Election Request prior to the third (3rd) Business Day preceding the end of such Interest Period, such Borrowing shall automatically continue as a Eurocurrency Borrowing in the same Agreed Currency with an Interest Period of one month unless such Eurocurrency Borrowing is or was repaid in accordance with Section 2.11. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Company, then, so long as an Event of Default is continuing (i) no outstanding Borrowing borrowed by the Company may be converted to or continued as a Eurocurrency Borrowing or BA Equivalent Borrowing, (ii) unless repaid, each Eurocurrency Borrowing (other than a Eurocurrency Borrowing in a Foreign Currency) borrowed by the Company shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto, (iii) unless repaid, each BA Equivalent Revolving Borrowing borrowed by a Canadian Borrower shall be converted to an Canadian Base Rate Borrowing and (iii) unless repaid, each Eurocurrency Borrowing by a Foreign Subsidiary Borrower and each Eurocurrency Borrowing in a Foreign Currency shall automatically be continued as a Eurocurrency Borrowing with an Interest Period of one month.

SECTION 2.09. Termination and Reduction of Commitments. (a) Unless previously terminated, (i) the Additional Term Loan Commitments shall terminate at 5:00 p.m. (New York City time) on the Restatement Effective Date if the Company fails to meet the conditions precedent in Section 4.01 and in Section 4 of the Amendment and Restatement Agreement by such time or, if earlier, immediately after they are fully funded and (ii) all other Commitments shall terminate on the Maturity Date.

(a) The Company may at any time terminate, or from time to time reduce, the Commitments of any Class; provided that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000, (ii) the Company shall not terminate or reduce the Dollar Tranche Commitments if, after giving effect to any concurrent prepayment of the Dollar Tranche Revolving Loans in accordance with Section 2.11, the Dollar Amount of the sum of the total Dollar Tranche Revolving Credit Exposures would exceed the aggregate Dollar Tranche Commitments and (iii) the Company shall not terminate or reduce the Multicurrency Tranche Commitments if, after giving effect to any concurrent prepayment of the Multicurrency Tranche Revolving Loans in accordance with Section 2.11, the Dollar Amount of the sum of the total Multicurrency Tranche Revolving Credit Exposures would exceed the aggregate Multicurrency Tranche Commitments.

(b) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments of any Class under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments of any Class delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the applicable Lenders in accordance with their respective Commitments of such Class.

SECTION 2.10. Repayment and Amortization of Loans; Evidence of Debt. (a) Each Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan made to such Borrower on the

Maturity Date in the currency of such Loan and (ii) in the case of the Company, to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the sixth (6th) Business Day after such Swingline Loan is made. With respect to the Term Loans, the Company shall repay the Term Loans then owing by the Company on the last day of (x) each of the first four fiscal quarters of the Company ending on or after March 31, 2019 in the aggregate principal amount equal to $2,187,500 for each such fiscal quarter and (y) each fiscal quarter of the Company ending thereafter in the aggregate principal amount equal to $4,375,000 for each such fiscal quarter, in each case, as adjusted from time to time pursuant to Section 2.11(a). To the extent not previously repaid, all unpaid Term Loans then owing by the applicable Borrower shall be paid in full in the same currency of such Term Loan by such Borrower on the Maturity Date.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Agreed Currency and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(d) Any Lender may request that Loans made by it to any Borrower be evidenced by a promissory note. In such event, the relevant Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if any such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans .

(a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with the provisions of this Section 2.11(a). The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by facsimile) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Revolving Borrowing or a BA Equivalent Revolving Borrowing, not later than 11:00 a.m., Local Time, three (3) Business Days (in the case of a Eurocurrency Borrowing denominated in Dollars or a BA Equivalent Borrowing) or four (4) Business Days (in the case of a Eurocurrency Borrowing denominated in a Foreign Currency other than Canadian Dollars), in each case before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, a LIBOR Market Rate Borrowing or a Canadian Base Rate Borrowing, but other than any Swingline Loan, not later than 11:00 a.m., New York City time, one

(1) Business Day before the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 noon, Local time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Revolving Borrowing, and each prepayment of a Term Loan Borrowing shall be applied in accordance with the terms hereof. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16.

(b) If at any time, (i) other than as a result of fluctuations in currency exchange rates, (A) the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures of any Class (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the aggregate Commitments of such Class or (B) the sum of the aggregate principal Dollar Amount of all of the Multicurrency Tranche Revolving Credit Exposures denominated in Mexican Pesos (the " Mexican Peso Exposure ") (so calculated), as of the most recent Computation Date with respect to each such Credit Event, exceeds $500,000,000 or (ii) solely as a result of fluctuations in currency exchange rates, (A) the sum of the aggregate principal Dollar Amount of all of the Multicurrency Tranche Revolving Credit Exposures (so calculated) exceeds 105% of the aggregate Multicurrency Tranche Commitments or (B) the Mexican Peso Exposure, as of the most recent Computation Date with respect to each such Credit Event, exceeds 105% of $500,000,000, the Borrowers shall in each case immediately repay Revolving Borrowings or cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal amount sufficient to cause (x) the aggregate Dollar Amount of all Revolving Credit Exposures (so calculated) of each Class to be less than or equal to the aggregate Commitments of such Class and (y) the Mexican Peso Exposure to be less than or equal to $500,000,000, as applicable.

(c) In the event and on each occasion that any Net Cash Proceeds are received by or on behalf of the Company or any of its Subsidiaries in respect of any Asset Sale or Recovery Event, the Company shall, immediately after such Net Cash Proceeds are received, prepay the Obligations as set forth in Section 2.11(d) below in an aggregate amount equal to 100% of such Net Cash Proceeds; provided that if the Company shall deliver to the Administrative Agent a certificate of a Responsible Officer to the effect that the Company or its relevant Subsidiaries intend to apply or have applied the Net Cash Proceeds from such event (or a portion thereof specified in such certificate), within twelve (12) months after receipt of such Net Cash Proceeds, to acquire (or replace or rebuild) real property, equipment or other tangible assets (including inventory) to be used in the business of the Company and/or its Subsidiaries (a " Reinvestment "), and certifying that no Default has occurred and is continuing, then no prepayment shall be required pursuant to this paragraph in respect of the Net Cash Proceeds specified in such certificate; provided that to the extent of any such Net Cash Proceeds therefrom that have not been so applied by the end of such twelve (12) month period, at which time a prepayment shall be required in an amount equal to such Net Cash Proceeds that have not been so applied; provided , further that the Company shall not be required to make any prepayments during any fiscal year pursuant to this Section 2.11(c) to the extent the aggregate amount of Net Cash Proceeds received for all Asset Sales and Recovery Events in such fiscal year that was not applied to a Reinvestment does not exceed $125,000,000 (and only such amounts in excess of $125,000,000 shall be subject to this mandatory prepayment or Reinvestment).

(d) All such amounts pursuant to Section 2.11(c) shall be applied to prepay the Term Loans on a pro rata basis based on the remaining outstanding principal amount of installments thereon.

SECTION 2.12. Fees . (a) The Company agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at the Applicable Rate on the daily amount of the Available Revolving Commitment of such Lender during the period from and including the Original Effective Date to but excluding the date on which such Commitment terminates; provided that, if such Lender continues to have any Revolving Credit Exposure after its Revolving Commitment terminates, then such commitment fee shall continue to accrue on the daily amount of such Lender's Revolving Credit Exposure from and including the date on which its Revolving Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Credit Exposure. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the Original Effective Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(a) The Company agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurocurrency Revolving Loans on the average daily Dollar Amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Original Effective Date to but excluding the later of the date on which such Revolving Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure and (ii) to each Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily Dollar Amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) attributable to Letters of Credit issued by such Issuing Bank during the period from and including the Original Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Unless otherwise specified above, participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third (3 rd) Business Day following such last day, commencing on the first such date to occur after the Original Effective Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Banks pursuant to this paragraph shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Participation fees and fronting fees in respect of Letters of Credit shall be paid in Dollars.

(b) The Company agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent.

(c) All fees payable hereunder shall be paid on the dates due, in Dollars (except as otherwise expressly provided in this Section 2.12) and immediately available funds, to the Administrative Agent (or to any Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment

fees and participation fees, to the applicable Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest . (a) The Loans comprising each ABR Borrowing (including each Swingline Loan denominated in Dollars) shall bear interest at the Alternate Base Rate plus the Applicable Rate. The Loans comprising each LIBOR Market Rate Borrowing (including each Swingline Loan denominated in Pounds Sterling or euro) shall bear interest at a per annum rate equal to the sum of the LIBOR Market Rate plus the Applicable Rate. The Canadian Revolving Loans comprising each Canadian Base Rate Borrowing shall bear interest at the Canadian Prime Rate plus the Applicable Rate.

(a) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate. The Canadian Revolving Loans comprising each BA Equivalent Borrowing shall bear interest at the BA Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(b) Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default, the Administrative Agent or the Required Lenders may, at their option, by notice to the Company (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 9.02 requiring the consent of "each Lender directly affected thereby" for reductions in interest rates), declare that (i) all Loans shall bear interest at 2% plus the rate otherwise applicable to such Loans as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount outstanding hereunder, such amount shall accrue at 2% plus the rate applicable to such fee or other obligation as provided hereunder.

(c) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan or Canadian Base Rate Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan, LIBOR Market Rate Borrowing or BA Equivalent Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(d) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest (i) computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), (ii) for Borrowings denominated in Pounds Sterling shall be computed on the basis of a year of 365 days, and (iii) for Canadian Revolving Borrowings shall be computed on the basis of a year of 365 days (or 366 days in a leap year), in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate, LIBO Rate, LIBOR Market Index Rate or BA Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest; Laws Affecting Availability . (a) Unless and until a Replacement Rate is implemented in accordance with clause (c) below, if prior to the commencement of any Interest Period for a Eurocurrency Borrowing, LIBOR Market Rate Borrowing or a BA Equivalent Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining (x) in the

case of a Eurocurrency Borrowing, the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period and currency, (y) in the case of a LIBOR Market Rate Borrowing, the LIBOR Market Index Rate for such currency or (z) in the case of a BA Equivalent Borrowing, the BA Rate for such Interest Period;

(ii) the Administrative Agent is advised by a Majority in Interest of the Lenders of any Class that the Adjusted LIBO Rate, the LIBO Rate, the LIBOR Market Index Rate or BA Rate, as applicable, for such Interest Period and currency will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period and currency;

then the Administrative Agent shall give notice thereof to the applicable Borrower and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the applicable Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing, LIBOR Market Rate Borrowing or BA Equivalent Borrowing, as applicable, shall be ineffective and any such Eurocurrency Borrowing, LIBOR Market Rate Borrowing or BA Equivalent Borrowing, as applicable, shall be repaid on the last day of the then current Interest Period applicable thereto, (B) any Eurocurrency Borrowing by a Foreign Subsidiary Borrower or BA Equivalent Borrowing by a Canadian Borrower, as applicable, that is requested to be continued shall be repaid on the last day of the then current Interest Period applicable thereto, (C) if any Borrowing Request by the Company requests a Eurocurrency Borrowing or a LIBOR Market Rate Borrowing in Dollars or a BA Equivalent Borrowing, as applicable, such Borrowing shall be made as an ABR Borrowing or a Canadian Base Rate Borrowing, as applicable (and if any Borrowing Request requests a Eurocurrency Revolving Borrowing by a Foreign Subsidiary Borrower or denominated in a Foreign Currency (other than Canadian Dollars), such Borrowing Request shall be ineffective); provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

(b) If, after the date hereof, any Change in Law shall make it unlawful or impossible for any of the Lenders (or any of their respective lending offices) to honor its obligations hereunder to make or maintain any Eurocurrency Borrowing, LIBOR Market Rate Borrowing or a BA Equivalent Borrowing (any such Lender being referred to as an " Affected Lender "), then such Affected Lender shall promptly give notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to the Company and the other Lenders. Commencing four (4) Business Days after receipt of such notice, the Company shall, upon demand from such Affected Lender (with a copy to the Administrative Agent) and subject to the following sentence, convert all affected Eurocurrency Borrowings, LIBOR Market Rate Borrowings or BA Equivalent Borrowings, as applicable, of such Affected Lender to ABR Borrowings or Canadian Base Rate Borrowings, either on the last day of the Interest Period therefor, if such Affected Lender may lawfully continue to maintain such Eurocurrency Borrowing, LIBOR Market Rate Borrowing or BA Equivalent Borrowing, as applicable, to such day, or immediately, if such Affected Lender may not lawfully continue to maintain such Loans. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted. Commencing four (4) Business Days after receipt of such notice and thereafter, until such Affected Lender notifies the Administrative Agent (who shall promptly notify the Company) that such circumstances no longer exist, (i) any obligation of such Affected Lender to issue, make, maintain, fund or charge interest with respect to any such Credit Event or continue such affected Eurocurrency Borrowings, LIBOR Market Rate Borrowings or BA Equivalent Borrowings, as the case may be, or to convert ABR Borrowings or Canadian Base Rate Borrowings to such affected Eurocurrency Borrowings, LIBOR Market Rate Borrowings or BA Equivalent Borrowings, as the case may be, shall be suspended and (ii) if such notice asserts the illegality of such Affected Lender making or maintaining ABR Borrowings or Canadian Base

Rate Borrowings, as the case may be, the interest rate on which is determined by reference to the Adjusted LIBO Rate component of the Alternate Base Rate or to the CDOR Rate component of the Canadian Prime Rate, as the case may be, the interest rate on which ABR Borrowings or Canadian Base Rate Borrowings of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted LIBO Rate component of the Alternate Base Rate or to the CDOR Rate component of the Canadian Prime Rate, as the case may be.

(c) Notwithstanding anything to the contrary in Section 2.14(a) above, if the Administrative Agent has made the determination (such determination to be conclusive absent manifest error) that (i) the circumstances described in Section 2.14(a)(i) have arisen with respect to Eurocurrency Borrowings and that such circumstances are unlikely to be temporary, (ii) any applicable interest rate specified herein is no longer a widely recognized benchmark rate for newly originated loans in the U.S. syndicated loan market in the applicable currency or (iii) the applicable supervisor or administrator (if any) of any applicable interest rate specified herein or any Governmental Authority having or purporting to have jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which any applicable interest rate specified herein shall no longer be used for determining interest rates for loans in the U.S. syndicated loan market in the applicable currency, then the Administrative Agent may, to the extent practicable (with the consent of the Company and as determined by the Administrative Agent to be generally in accordance with similar situations in other transactions in which it is serving as administrative agent or otherwise consistent with market practice generally), establish a replacement interest rate (the " Replacement Rate "), in which case, the Replacement Rate shall, subject to the next two sentences, replace such applicable interest rate for all purposes under the Loan Documents unless and until (A) an event described in Section 2.14(a)(i) (with respect to Eurocurrency Borrowings), (c)(i), (c)(ii) or (c)(iii) occurs with respect to the Replacement Rate or (B) the Administrative Agent (or the Required Lenders through the Administrative Agent) notifies the Company that the Replacement Rate does not adequately and fairly reflect the cost to the Lenders of funding the Loans bearing interest at the Replacement Rate. In connection with the establishment and application of the Replacement Rate, this Agreement and the other Loan Documents shall be amended solely with the consent of the Administrative Agent and the Company, as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.14(c). Notwithstanding anything to the contrary in this Agreement or the other Loan Documents (including, without limitation, Section 9.02), (x) the Administrative Agent and the Company may, without the consent of any Lender or any other Borrower, enter into amendments or modifications to this Agreement or any of the other Loan Documents or to enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to implement any Replacement Rate or otherwise effectuate the terms of Section 2.14(c) in accordance with the terms of this Section 2.14(c) and (y) such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five (5) Business Days of the delivery of such amendment to the Lenders, a written notice signed by Lenders constituting Required Lenders stating that such Lenders object to such amendment (which such notice shall note with specificity the particular provisions of the amendment to which such Lenders object). To the extent the Replacement Rate is approved by the Administrative Agent in connection with this clause (c), the Replacement Rate shall be applied in a manner consistent with market practice; provided that, in each case, to the extent such market practice is not administratively feasible for the Administrative Agent, such Replacement Rate shall be applied as otherwise reasonably determined by the Administrative Agent (it being understood that any such modification by the Administrative Agent shall not require the consent of, or consultation with, any of the Lenders).

SECTION 2.15. Increased Costs . (a)If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity, compulsory loan, insurance charge or other assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Loans or BA Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes or UK Taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto (other than (A) Indemnified Taxes, (B) Excluded Taxes, (C) Other Connection Taxes on gross or net income, profits or receipts (including value added or similar Taxes) and (D) UK Taxes consisting of a Tax Deduction required by law to be made by a Borrower or compensated for under any of the provisions of Section 2.17A));

and the result of any of the foregoing shall be to increase the cost to such Person of making, continuing, converting into or maintaining any Loan or of maintaining its obligation to make any such Loan (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency) or to increase the cost to such Person of participating in, issuing or maintaining any Letter of Credit (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency) or to reduce the amount of any sum received or receivable by such Person hereunder, whether of principal, interest or otherwise (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency), then the applicable Borrower will pay to such Person such additional amount or amounts as will compensate such Person for such additional costs incurred or reduction suffered (such compensation to be requested in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender after consideration of such factors as such Person then reasonably determines to be relevant).

(b) If any Lender or any Issuing Bank determines (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender after consideration of such factors as such Lender or such Issuing Bank then reasonably determines to be relevant) that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the applicable Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Company and shall be conclusive

absent manifest error. The Company shall pay, or cause the other Borrowers to pay, such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Company shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments . In the event of (a) the payment of any principal of any Eurocurrency Loan or BA Equivalent Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurocurrency Loan or BA Equivalent Loan other than on the last day of the Interest Period applicable thereto (other than as a result of Section 2.14(b)), (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan or BA Equivalent Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith, but excluding as a result of Section 2.14(b)) or (d) the assignment of any Eurocurrency Loan or BA Equivalent Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.19 or the CAM Exchange, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate or BA Equivalent Rate, as applicable, that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant currency of a comparable amount and period from other banks in the eurocurrency market or (with respect to BA Equivalent Loans) the Canadian bank market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 2.17. Taxes . (a) Withholding of Taxes; Gross-Up . Each payment by any Loan Party under any Loan Document shall be made without withholding for any Taxes, unless such withholding is required by applicable law. If any Withholding Agent determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such Withholding Agent may so withhold and shall timely pay the full amount of withheld Taxes to the relevant Governmental Authority in accordance with applicable law. If such Taxes are Indemnified Taxes, then the amount payable by such Loan Party shall be increased as necessary so that, net of such withholding (including such withholding applicable to additional amounts payable under this Section), the applicable Recipient receives the amount it would have received had no such withholding been made.

(a) Payment of Other Taxes by the Borrowers . The relevant Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(b) Evidence of Payments . As soon as practicable after any payment of Indemnified Taxes by any Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(c) Indemnification by the Borrowers . The relevant Borrower shall indemnify each Recipient for any Indemnified Taxes that are paid or payable by such Recipient in connection with any Loan Document (including amounts paid or payable under this Section 2.17(d)) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(d) shall be paid within ten (10) days after the Recipient delivers to the relevant Borrower a certificate stating the amount of any Indemnified Taxes so paid or payable by such Recipient and describing the basis for the indemnification claim. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Such Recipient shall deliver a copy of such certificate to the Administrative Agent.

(d) Indemnification by the Lenders . Each Lender shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so) attributable to such Lender that are paid or payable by the Administrative Agent or the applicable Loan Party (as applicable) in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(e) shall be paid within ten (10) days after the Administrative Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(e) Status of Lenders . (i) Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under any Loan Document shall deliver to the Borrowers and the Administrative Agent, at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Company or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A) through (E) below) shall not be required if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of any Borrower or the Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 2.17(f). If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within ten (10) days after such expiration, obsolescence or inaccuracy) notify the Company and

the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(i) Without limiting the generality of the foregoing, if any Borrower is a U.S. Person, any Lender with respect to such Borrower shall, if it is legally eligible to do so, deliver to such Borrower and the Administrative Agent (in such number of copies reasonably requested by such Borrower and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Lender that is a U.S. Person, IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under any Loan Document constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable and (2) a certificate substantially in the relevant form of Exhibit G-1, G-2, G-3 or G-4, as applicable (a " U.S. Tax Certificate "), to the effect that such Lender is not (a) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (b) a "10 percent shareholder" of such Borrower within the meaning of Section 881(c)(3)(B) of the Code, (c) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under this Agreement (including a partnership or a participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (f)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable such Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(ii) If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.17(f)(iii), "FATCA" shall include any amendments made to FATCA after the Original Effective Date.

(f) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including additional amounts paid pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid to such indemnified party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.17(g), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.17(g) if such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.17(g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

(g) Defined Terms. For purposes of Section 2.17, the term "Lender" includes the Issuing Banks and the term "applicable law" includes FATCA.

(h) FATCA. For purposes of determining withholding Taxes imposed under the FATCA, from and after the November 14, 2014, the Company and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

SECTION 2.17A. UK Tax.

(a) Unless a contrary indication appears, in this Section 2.17A a reference to "determines" or "determined" means a determination made in the absolute discretion of the person making the determination.

(b) A Borrower shall make all payments to be made by it under a Loan Document without any Tax Deduction, unless a Tax Deduction is required by law.

(c) A Borrower shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Administrative Agent

accordingly. Similarly, a Lender shall notify the Administrative Agent on becoming so aware in respect of a payment payable to that Lender. If the Administrative Agent receives such notification from a Lender it shall notify the relevant Borrower.

(d) If a Tax Deduction is required by law to be made by a Borrower under any Loan Document, the amount of the payment due from a Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(e) A Borrower is not required to make an increased payment to a Lender under clause (d) above for a Tax Deduction in respect of tax imposed by the United Kingdom from a payment of interest on a Loan, if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a Tax Deduction if it was a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or any published practice or concession of any relevant taxing authority; or

(ii) the relevant Lender is a Qualifying Lender solely under sub-paragraph (i)(b) of the definition of Qualifying Lender and:

(A) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a " Direction ") under section 931 of the ITA which relates to that payment and that Lender has received from a Borrower a certified copy of that Direction; and

(B) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or

(iii) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (i)(B) of the definition of Qualifying Lender and:

(A) the relevant Lender has not given a Tax Confirmation to the Company; and

(B) the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Company, on the basis that the Tax Confirmation would have enabled the Company to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the ITA; or

(iv) the relevant Lender is a Treaty Lender and a Borrower is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under clause (h) below.

(f) If a Borrower is required to make a Tax Deduction, such Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(g) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, a Borrower shall deliver to the Administrative Agent for the Lender entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory

to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(h) (i) Subject to paragraph (ii) below, a Treaty Lender and a Borrower which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Borrower to obtain authorisation to make that payment without a Tax Deduction.

(i) Nothing in paragraph (i) above shall require a Treaty Lender to:

(A) register under the HMRC DT Treaty Passport scheme;

(B) apply the HMRC DT Treaty Passport scheme to any Loan if it has so registered; or

(C) file Treaty forms if it has included an indication to the effect that it wishes the HMRC DT Treaty Passport scheme to apply to this Agreement in accordance with paragraph (i) below and the Borrower making that payment has not complied with its obligations under paragraph (j) below.

(i) A Treaty Lender which holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall provide an indication to that effect by notifying the Borrower of its scheme reference number and its jurisdiction of tax residence (and, in the case of a Treaty Lender that is a party to this Agreement on the Restatement Effective Date, it may provide such notification by including such details on its signature page to the Amendment and Restatement Agreement.

(j) Where a Lender includes the indication described in paragraph (i) above the relevant Borrower shall file a duly completed form DTTP2 in respect of such Lender with HM Revenue & Customs, within 30 days of the date such Lender becomes a Lender under this Agreement or, within 30 days of the date such Borrower becomes a Borrower under this Agreement (as the case may be), and shall promptly provide the Lender with a copy of that filing.

(k) A Borrower shall (within 3 Business Days of demand by the Administrative Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of UK Tax by that Protected Party in respect of any Loan Document.

(l) Clause (k) above shall not apply with respect to any UK Tax assessed on a Protected Party:

(i) under the law of the jurisdiction in which that Protected Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Protected Party is treated as resident for tax purposes; or

(ii) under the law of the jurisdiction in which that Protected Party's facility office is located in respect of amounts received or receivable in that jurisdiction,

if that UK Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Protected Party.

(m) Furthermore, clause (k) above shall not apply to the extent a loss, liability or cost:

(i) is compensated for by an increased payment under clause (d) above; or

(ii) would have been compensated for by an increased payment under clause (d) above but was not so compensated solely because one of the exclusions in clause (e) applied.

(n) A Protected Party making, or intending to make a claim under clause (k) above shall promptly notify the Administrative Agent of the event which will give, or has given, rise to the claim, following which the Administrative Agent shall notify the Borrower.

(o) A Protected Party shall, on receiving a payment from a Borrower under clause (i) above, notify the Administrative Agent.

(p) If a Borrower makes a Tax Payment and the relevant Lender determines that:

(i) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment; and

(ii) that Lender has obtained, utilized and retained that Tax Credit,

the relevant Lender shall pay an amount to that Borrower which that Lender determines will leave it (after that payment) in the same after-tax position as it would have been in had the Tax Payment not been made by that Borrower.

(q) A Borrower shall pay and, within three (3) Business Days of demand, indemnify each Credit Party against any cost, loss or liability that Credit Party incurs in relation to all stamp duty, registration and other similar UK Taxes payable in respect of any Loan Document (excluding, for the avoidance of doubt, any such UK Tax arising in connection with an assignment or transfer by that Credit Party of its rights under any Loan Document).

This Section 2.17A shall be deemed to constitute an integral part of Section 2.17.

SECTION 2.17B. VAT .

(a) All amounts set out, or expressed to be payable under a Loan Document by any party to a Credit Party which (in whole or part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply or supplies, and accordingly, subject to clause (b) below, if VAT is or becomes chargeable on any supply made by any Credit Party to any party under a Loan Document and such Credit Party is required to account to the relevant tax authority for the VAT, that party shall pay to the Credit Party (in addition to and at the same time as paying the consideration for such supply) an amount equal to the amount of such VAT (and such Credit Party shall promptly provide an appropriate VAT invoice to such party).

(b) If VAT is or becomes chargeable on any supply made by any Credit Party (the " Supplier ") to any other Credit Party (the " Recipient ") under a Loan Document, and any party other than the Recipient (the " Subject Party ") is required by the terms of any Loan Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration), such party shall also pay to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The Recipient will promptly pay to

the Subject Party an amount equal to any credit or repayment obtained by the Recipient from the relevant tax authority which the Recipient reasonably determines is in respect of such VAT.

(c) Where a Loan Document requires any party to reimburse a Credit Party for any costs or expenses, that party shall also at the same time pay and indemnify the Credit Party against all VAT incurred by the Credit Party in respect of the costs or expenses to the extent that the Credit Party reasonably determines that neither it nor any other member of any group of which it is a member for VAT purposes is entitled to credit or repayment from the relevant tax authority in respect of the VAT.

(d) Any reference in this Section 2.17B to any party shall, at any time when such party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member or "parent" of such group at such time (the term "representative member" and "parent" to have the same meaning as in the relevant legislation of any jurisdiction having implemented Council Directive 2006/112/EC on the common system of value added tax.

(e) In relation to any supply made by a Credit Party under a Loan Document if reasonably requested by such Credit Party, the party receiving the supply must promptly provide such Credit Party with details of that party's VAT registration and such other information is reasonably requested in connection with such Credit Party's VAT reporting requirements in relation to such supply.

This Section 2.17B shall be deemed to constitute an integral part of Section 2.17.

SECTION 2.18. Payments Generally; Allocations of Proceeds; Pro Rata Treatment; Sharing of Set-offs .

(a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16, 2.17, 2.17A or 2.17B, or otherwise) prior to (i) in the case of payments denominated in Dollars by the Company, 12:00 noon, New York City time, (ii) in the case of payments denominated in Canadian Dollars, 12:00 noon, Eastern time, in the city of the Administrative Agent's Applicable Payment Office for Canadian Dollars and (iii) in the case of payments denominated in a Foreign Currency (other than Canadian Dollars) or by a Foreign Subsidiary Borrower, 12:00 noon, Local Time, in the city of the Administrative Agent's Applicable Payment Office for such currency, in each case on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made (or where such currency has been converted to euro, in euro) and (ii) to the Administrative Agent at its offices at 10 South Dearborn Street, Chicago, Illinois 60603 or, in the case of a Credit Event denominated in a Foreign Currency or to a Foreign Subsidiary Borrower, the Administrative Agent's Applicable Payment Office for such currency, except payments to be made directly to the Issuing Banks or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17, 2.17A, 2.17B and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency

in which the Credit Event was made (the " Original Currency ") no longer exists or any Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, then all payments to be made by such Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrowers take all risks of the imposition of any such currency control or exchange regulations.

(b) Any proceeds of Collateral, or any other proceeds of any payment by any Borrower or any other Loan Party, received by the Administrative Agent (i) not constituting (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Company) or (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, such funds shall be applied ratably first , to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent and any Issuing Bank from any Borrower, second , to pay any fees or expense reimbursements then due to the Lenders from any Borrower, third , to pay interest then due and payable on the Loans ratably, fourth , to prepay principal on the Loans and unreimbursed LC Disbursements and any other amounts owing with respect to Banking Services Obligations and Swap Obligations ratably, fifth , to pay an amount to the Administrative Agent equal to one hundred five percent (105%) of the aggregate undrawn face amount of all outstanding Letters of Credit and the aggregate amount of any unpaid LC Disbursements, to be held as cash collateral for such Obligations and sixth , to the payment of any other Secured Obligation due to the Administrative Agent or any Lender by any Borrower. Notwithstanding the foregoing, amounts received from any Loan Party shall not be applied to any Excluded Swap Obligation of such Loan Party. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Company, or unless a Default is in existence, none of the Administrative Agent or any Lender shall apply any payment which it receives to any Eurocurrency Loan, LIBOR Market Rate Loan or BA Equivalent Loan, except (a) on the expiration date of the Interest Period applicable to any such Eurocurrency Loan, LIBOR Market Rate Loan or BA Equivalent Loan, as applicable or (b) in the event, and only to the extent, that there are no outstanding ABR Loans of the same Class or Canadian Base Rate Loan, as applicable, and, in any event, the Borrowers shall pay the break funding payment required in accordance with Section 2.16. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

(c) At the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable by a Borrower under the Loan Documents, may be paid from the proceeds of Borrowings made by such Borrower hereunder whether made following a request by such Borrower (or the Company on behalf of such Borrower) pursuant to Section 2.03 or a deemed request by such Borrower as provided in this Section or may be deducted from any deposit account of such Borrower maintained with the Administrative Agent. Each Borrower hereby irrevocably authorizes (i) the Administrative Agent to make a Borrowing by such Borrower for the purpose of paying each payment of principal, interest and fees owed by such Borrower as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans) of such Borrower and that all such Borrowings by such Borrower shall be deemed to have been requested pursuant to Sections 2.03, 2.04 or 2.05, as applicable and (ii) the Administrative Agent to charge any deposit account of the relevant Borrower maintained with the Administrative Agent for each payment of principal, interest and fees owed by such Borrower as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the relevant Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency).

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Banks to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under such Sections; in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders . (a) If any Lender requests compensation under Section 2.15, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, 2.17A or 2.17B, then such Lender shall use reasonable efforts to designate a different lending office for funding or

booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15, 2.17, 2.17A or 2.17B, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(a) If (i) any Lender requests compensation under Section 2.15, (ii) any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, 2.17A or 2.17B, (iii) any Lender becomes a Defaulting Lender or (iv) any Lender shall deliver notice to the Administrative Agent pursuant to Section 2.24(b)(i) that it shall be unlawful for such Lender to perform its obligations hereunder or to fund or maintain any participation or any Loan to any Foreign Subsidiary Borrower or Eligible Foreign Subsidiary, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent (and if a Revolving Commitment is being assigned, the Issuing Banks and the Swingline Lender), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, 2.17A or 2.17B, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

SECTION 2.20. Expansion Option . The Borrowers may from time to time elect to increase (an " Incremental Increase ") the total Dollar Tranche Commitments or the total Multicurrency Tranche Commitments or enter into one or more tranches of term loans (each an " Incremental Term Loan "), in each case in minimum increments of $10,000,000 so long as, after giving effect thereto, the aggregate amount of such increases and all such Incremental Term Loans (other than the Incremental US Term Loans) plus the aggregate principal amount of all Incremental Equivalent Debt incurred on or prior to such date does not exceed the Incremental Amount then in effect. The Borrowers may arrange for any such increase or tranche to be provided by one or more Lenders (each Lender so agreeing to an increase in its Revolving Commitment, or to participate in such Incremental Term Loans, an " Increasing Lender "), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an " Augmenting Lender "), other than an Ineligible Institution, to increase their existing Revolving Commitments, or to participate in such Incremental Term Loans, or extend Revolving Commitments, as the case may be; provided that (i) each Augmenting Lender, shall be subject to the approval of the Company, the Administrative Agent, the Issuing Banks (in the case of an increase in the Revolving Commitments) and the Swingline Lender (in the case of an increase in the Revolving Commitments), (ii) no Augmenting Lender shall be the Company or any Subsidiary or Affiliate of the Company and (iii) (x) in the case of an Increasing Lender, the applicable Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit C hereto, and (y) in the case of an Augmenting Lender, the applicable Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit D hereto. No consent of any Lender (other than the Lenders participating in the increase or any Incremental Term Loan) shall be required

for any increase in Revolving Commitments or Incremental Term Loan pursuant to this Section 2.20. Increases and new Revolving Commitments and Incremental Term Loans created pursuant to this Section 2.20 shall become effective on the date agreed by the applicable Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Revolving Commitments (or in the Revolving Commitment of any Lender) or tranche of Incremental Term Loans shall become effective under this paragraph unless, (i) on the proposed date of the effectiveness of such increase or Incremental Term Loans, (A) the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Responsible Officer of the Company; provided, however that in the case of any Incremental Increase the proceeds of which are to be used to finance a substantially concurrent Permitted Acquisition that is not conditioned upon the availability of, or obtaining, third-party financing (any such Permitted Acquisition being a " Limited Conditionality Acquisition "), to the extent agreed by the Lenders providing such Incremental Increase, (1) the representations and warranties the accuracy of which are a condition to the availability of such Incremental Increase shall be limited to customary "SunGuard" or other applicable "certain funds" conditionality provisions and (2) the condition to availability of such Incremental Increase requiring that no Default or Event of Default shall have occurred and be continuing shall be limited to (I) at the time of the execution and delivery of the definitive agreement for such Limited Conditionality Acquisition no Event of Default shall have occurred and be continuing or shall occur as a result thereof and (II) no Event of Default under clauses (a) or (f) of Article VII shall exist immediately prior to or after giving effect to such Incremental Increase (which Event of Default under this clause (II), for the avoidance of doubt, cannot be waived without the written consent of the Required Lenders); and (B) the Company shall be in compliance (on a Pro Forma Basis) with the covenants contained in Section 6.18; provided that in the case of any Incremental Increase the proceeds of which are to be used to finance a Limited Conditionality Acquisition, to the extent agreed by the Lenders providing such Incremental Increase, there shall be no condition to the availability of the Incremental Increase related to the financial covenants contained in Section 6.18 (other than, to the extent applicable, the incurrence test with respect thereto contained in the definition of Incremental Amount); and (ii) the Administrative Agent shall have received documents consistent with those delivered on the Original Effective Date as to the organizational power and authority of the Borrowers to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Revolving Commitments of any Class or any Incremental Term Loans being made, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders of such Class, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of such Class of all the Lenders to equal its Dollar Tranche Percentage or Multicurrency Tranche Percentage, as applicable, of such outstanding Revolving Loans, and (ii) except in the case of any Incremental Term Loans, the Borrowers shall be deemed to have repaid and reborrowed all outstanding Revolving Loans of such Class as of the date of any increase in the Revolving Commitments of such Class (with such reborrowing to consist of the Types of Revolving Loans of such Class, with related Interest Periods if applicable, specified in a notice delivered by the applicable Borrower, or the Company on behalf of the applicable Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurocurrency Loan and BA Equivalent Loan, shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. The Incremental Term Loans (a) shall rank pari passu in right of payment with the Revolving Loans and the Term Loans, (b) shall not mature earlier than the Maturity Date (but may have amortization prior to such date) and (c) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans and the Term Loans; provided that (i) the

terms and conditions applicable to any tranche of Incremental Term Loans maturing after the Maturity Date may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the Maturity Date and (ii) the Incremental Term Loans may be priced differently than the Revolving Loans and the Term Loans. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an " Incremental Term Loan Amendment ") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrowers, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.20. Nothing contained in this Section 2.20 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Revolving Commitment hereunder, or provide Incremental Term Loans, at any time. In connection with any increase of the Revolving Commitments or Incremental Term Loans pursuant to this Section 2.20, any Augmenting Lender becoming a party hereto shall (1) execute such documents and agreements as the Administrative Agent may reasonably request and (2) in the case of any Augmenting Lender that is organized under the laws of a jurisdiction outside of the United States of America, provide to the Administrative Agent, its name, address, tax identification number and/or such other information as shall be necessary for the Administrative Agent to comply with "know your customer" and anti-money laundering rules and regulations, including without limitation, the Patriot Act.

SECTION 2.21. Incremental Equivalent Debt . The Borrowers may, upon thirty (30) days' prior written notice to the Administrative Agent, at any time after the Amendment No. 2 Effective Date, issue, incur or otherwise obtain Indebtedness in respect of one or more series of senior or subordinated notes or term loans (which may be unsecured or secured on a junior lien basis or a pari passu basis with the Secured Obligations), and, in the case of notes, issued in a public offering, Rule 144A or other private placement or bridge in lieu of the foregoing, in each case, that are issued or made in lieu of an Incremental Increase and/or Incremental Term Loans (any such Indebtedness, " Incremental Equivalent Debt "); provided that (a) after giving effect (including on a Pro Forma Basis) to both (x) the issuance or incurrence of such Incremental Equivalent Debt (assuming a borrowing of the maximum credit thereunder and without netting the proceeds of such Incremental Equivalent Debt) and (y) the transactions consummated in connection therewith, (i) the aggregate amount of all Incremental Increases, Incremental Term Loans and Incremental Equivalent Debt incurred on or prior to such date does not exceed the Incremental Amount then in effect, (ii) no Default or Event of Default shall have occurred and be continuing or would exist immediately after giving effect to such incurrence and (iii) the Company shall be in compliance with the covenants contained in Section 6.18 and (b) such Incremental Equivalent Debt shall satisfy the Permitted Other Debt Conditions.

SECTION 2.22. Interest Act (Canada), Etc. (a) For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith by any Canadian Borrower or any Subsidiary Guarantor incorporated or otherwise organized under the laws of Canada or any province or territory thereof is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

(a) If any provision of this Agreement would oblige any Canadian Borrower or any Subsidiary Guarantor incorporated or otherwise organized under the laws of Canada or any province or territory thereof to make any payment of interest or other amount payable to any Secured Party in an amount

or calculated at a rate which would be prohibited by law or would result in a receipt by that Secured Party of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by that Secured Party of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(i) first, by reducing the amount or rate of interest; and

(ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).

SECTION 2.23. Judgment Currency . If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Borrower hereunder in the currency expressed to be payable herein (the " specified currency ") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent's main New York City office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of each Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, each Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to such Borrower.

SECTION 2.24. Designation of Subsidiary Borrowers . (a) Subject to Section 2.24(b), the Company may at any time and from time to time upon not less than five (5) Business Days' prior written notice to the Administrative Agent (or such shorter period as the Administrative Agent may agree) designate any Domestic Subsidiary and any Eligible Foreign Subsidiary as a Subsidiary Borrower by delivery to the Administrative Agent of a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company and the satisfaction of the other conditions precedent set forth in Section 4.03, and upon such delivery and satisfaction such Subsidiary shall for all purposes of this Agreement be a Subsidiary Borrower and a party to this Agreement until the Company shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to such Subsidiary, whereupon such Subsidiary shall cease to be a Subsidiary Borrower and a party to this Agreement. Notwithstanding the preceding sentence, (i) no Subsidiary may become a Subsidiary Borrower at any time such Subsidiary constitutes an Excluded Acquired Subsidiary and (ii) no Borrowing Subsidiary Termination will become effective as to any Subsidiary Borrower at a time when any principal of or interest on any Loan to such Borrower shall be outstanding hereunder, provided that such Borrowing Subsidiary Termination shall be effective to terminate the right of such Subsidiary Borrower to make further Borrowings under this

Agreement. As soon as practicable upon receipt of a Borrowing Subsidiary Agreement, the Administrative Agent shall furnish a copy thereof to each Lender. Notwithstanding anything herein to the contrary, no Foreign Subsidiary Borrower shall be liable for any Loan, or shall grant any Lien securing any Loan or have its Equity Interests pledged to secure any Loan, not made directly to such Borrower to the extent it would make such a Foreign Subsidiary Borrower an Affected Foreign Subsidiary and no Subsidiary Guarantor shall be liable for any Loan, or shall grant any Lien securing any Loan or have its Equity Interests pledged to secure any Loan, made to a Borrower to the extent it would make such Subsidiary Guarantor an Affected Foreign Subsidiary.

(a) Notwithstanding anything to the contrary in this Agreement, if any Lender determines that, as a result of any applicable law, rule, regulation or treaty or any applicable request, rule, requirement, guideline or directive (whether or not having the force of law) of any Governmental Authority, it is or it becomes unlawful for such Lender to perform any of its obligations as contemplated by this Agreement with respect to any Foreign Subsidiary Borrower or any Eligible Foreign Subsidiary or for such Lender to fund or maintain any participation or any Loan to any Foreign Subsidiary Borrower or any Eligible Foreign Subsidiary:

(i) such Lender shall promptly notify the Administrative Agent upon becoming aware of such event;

(ii) (x) such Eligible Foreign Subsidiary shall not be permitted to become a Foreign Subsidiary Borrower and (y) the obligations of all Lenders to make, convert or continue any participations and Loans to such Foreign Subsidiary Borrower shall be suspended, as the case may be, in each case until such Lender notifies the Administrative Agent and the Company that the circumstances giving rise to such determination no longer exist; and

(iii) the Borrowers shall repay any outstanding participations or Loans made to such Foreign Subsidiary Borrower on the last day of the Interest Period for each Loan occurring after the Administrative Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace period permitted by law).

SECTION 2.25. Defaulting Lenders . Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) the Commitment and Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders, the Majority in Interest of the Revolving Lenders or the Majority in Interest of the Term Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided , that, except as otherwise provided in Section 9.02, this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(c) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) so long as at the time of such reallocation (x) no Default has occurred and is continuing and (y) the conditions set forth in Section 4.02 are satisfied: all or any part of the Swingline Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Multicurrency Tranche Lenders in accordance with their respective Multicurrency Tranche Percentages but only to the extent (A) the sum of all non-Defaulting Lenders' Multicurrency Tranche Revolving Credit Exposures plus such Defaulting Lender's Swingline Exposure does not exceed the total of all non-Defaulting Multicurrency Tranche Lenders' Multicurrency Tranche Commitments and (B) each non-Defaulting Lender's Multicurrency Tranche Revolving Credit Exposure does not exceed such non-Defaulting Lender's Multicurrency Tranche Commitment; and all or any part of the Dollar Tranche LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Dollar Tranche Lenders in accordance with their respective Dollar Tranche Percentages but only to the extent (C) the sum of all non-Defaulting Lenders' Dollar Tranche Revolving Credit Exposures plus such Defaulting Lender's Dollar Tranche LC Tranche Exposure does not exceed the total of all non-Defaulting Dollar Tranche Lenders' Dollar Tranche Commitments and (D) each non-Defaulting Lender's Dollar Tranche Revolving Credit Exposure does not exceed such non-Defaulting Lender's Dollar Tranche Commitment; and all or any part of the Multicurrency Tranche LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Multicurrency Tranche Lenders in accordance with their respective Multicurrency Tranche Percentages but only to the extent (E) the sum of all non-Defaulting Lenders' Multicurrency Tranche Revolving Credit Exposures plus such Defaulting Lender's Multicurrency Tranche LC Tranche Exposure does not exceed the total of all non-Defaulting Multicurrency Tranche Lenders' Multicurrency Tranche Commitments and (F) each non-Defaulting Lender's Multicurrency Tranche Revolving Credit Exposure does not exceed such non-Defaulting Lender's Multicurrency Tranche Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Company shall within one (1) Business Day following notice by the Administrative Agent (x) first , prepay such Swingline Exposure and (y) second , cash collateralize for the benefit of the Issuing Banks only the Borrowers' obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Company cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Banks or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Banks shall not be required to issue, amend or increase

any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Company in accordance with Section 2.25(c), and participating interests in any such newly made Swingline Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.25(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to a Parent of any Lender shall occur following the Original Effective Date and for so long as such event shall continue or (ii) the Swingline Lender or any Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Banks shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the applicable Issuing Bank, as the case may be, shall have entered into arrangements with the Company or such Lender, satisfactory to the Swingline Lender or such Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Company, the Swingline Lender and the Issuing Banks each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Dollar Tranche Revolving Loans and/or Multicurrency Tranche Revolving Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

ARTICLE III

Representations and Warranties

Each Borrower represents and warrants to the Lenders that:

SECTION 3.01. Financial Condition . The (a) audited consolidated balance sheets of the Company as of December 31, 2012, December 31, 2013 and December 31, 2014, and the related consolidated statements of income and of cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from Deloitte & Touche LLP, and (b) consolidated balance sheets of the Company as of and for the fiscal quarter and the portion of the fiscal year ended September 30, 2015, and the related consolidated statements of income and of cash flows for such dates, in each case, present fairly the consolidated financial condition of the Company as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective periods then ended. All such financial statements, including the related notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein), subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (a) above. As of the Restatement Effective Date, the Company and its Subsidiaries do not have outstanding any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long term leases or unusual forward or long term commitments, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives that are not reflected on its most recent financial statements referred to in this paragraph, other than those items in the ordinary course of business that are not reflected or disclosed in the most recent financial statements referred to in this paragraph. During the period from December 31, 2014 to and including

the Restatement Effective Date, there has been no Disposition by the Company or any of its Subsidiaries of any material part of its business or Property.

SECTION 3.02. No Change . Since December 31, 2014, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

SECTION 3.03. Corporate Existence; Compliance with Law . Each of the Company and its Subsidiaries (a) is duly organized, validly existing and in good standing (or the equivalent in the applicable jurisdiction) under the laws of the jurisdiction of its organization, (b) has the corporate, company or partnership power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation, company or partnership and in good standing (or the equivalent in the applicable jurisdiction) under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification, except to the extent that the failure to be so qualified or in good standing (or the equivalent in the applicable jurisdiction) could not reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Borrower organized under the laws of any member of the European Union represents and warrants to the Lenders that its centre of main interest (as that term is used in Article 3(1) of the Regulation) is in its jurisdiction of incorporation.

SECTION 3.04. Corporate Power; Authorization; Enforceable Obligations . Each Loan Party has the corporate, company or partnership power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of each Borrower, to borrow hereunder. Each Loan Party has taken all necessary corporate, company or partnership or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of each Borrower, to authorize the borrowings on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the Transactions, the borrowings hereunder or the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, except (i) such consents, authorizations, filings and notices as shall have been obtained or made and are in full force and effect, (ii) routine filings to be made after the Restatement Effective Date in the ordinary course of business (e.g., good standing filings), (iii) the filings referred to in Section 3.19. Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto and (iv) in the case of a UK Relevant Entity, any registrations that may be required under Section 860 Companies Act 2006 (which registrations shall be carried out by the Administrative Agent or its counsel). This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

SECTION 3.05. No Legal Bar . The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of the Company or any of its Subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Collateral Documents). Except as reflected in the risk factors section of the Company's most recent 10-K filed with the SEC prior to the Restatement

Effective Date, no Requirement of Law or Contractual Obligation applicable to the Company or any of its Subsidiaries could reasonably be expected to have a Material Adverse Effect.

SECTION 3.06. No Material Litigation . No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Borrower, threatened by or against the Company or any of its Subsidiaries or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

SECTION 3.07. No Default . Neither the Company nor any of its Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

SECTION 3.08. Ownership of Property; Liens . Except as disclosed on Schedule 3.08 , each of the Company and its Subsidiaries is the sole owner of, legally and beneficially, and has good marketable and insurable title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other Property, and none of such Property is subject to any claims, liabilities, obligations, charges or restrictions of any kind, nature or description or to any Lien except for Permitted Liens. None of the Pledged Stock is subject to any Lien except for Permitted Liens.

SECTION 3.09. Intellectual Property . The Company and each of its Subsidiaries owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted without conflict in any material respect with the rights of any other Person. Except as set forth on Schedule 3.09 , no material claim has been asserted or is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does any Borrower know of any valid basis for any such claim. Except as set forth on Schedule 3.09 , the use of Intellectual Property by the Company and its Subsidiaries does not infringe on the rights of any Person in any material respect.

SECTION 3.10. Taxes . The Company and each of its Subsidiaries has filed or caused to be filed all Federal, state, provincial and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its Property and all other material taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than (i) any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Company or its Subsidiaries, as the case may be or (ii) to the extent the failure to do so could not reasonably be expected to result in a Material Adverse Effect); and, to the knowledge of any Borrower, no tax Lien has been filed and no claim for overdue amounts is being asserted, with respect to any such tax, fee or other charge. No Loan Party and no Subsidiary thereof (i) intends to treat the Loans or any other transaction contemplated hereby as being a "reportable transaction" (within the meaning of Treasury Regulation 1.6011-4) or (ii) is aware of any facts or events that would result in such treatment.

SECTION 3.11. Federal Regulations . No part of the proceeds of any Loans or Letter of Credit will be used for, and no Borrower nor any of its Subsidiaries is engaged principally, or as one of its activities, in the business of extending credit for the purposes of, "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, each Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or

FR Form U 1 referred to in Regulation U. The value of the margin stock (within the meaning of Regulation U) owned by the Company and its Subsidiaries at any time the extensions of credit hereunder constitute "purpose" credit (within the meaning of Regulation U) does not exceed 25% of the value of the assets of the Company and its Subsidiaries taken as a whole.

SECTION 3.12. Labor Matters . There (i) is no unfair labor practice complaint pending against the Company or any of its Subsidiaries, or to the knowledge of the Company or any of its Subsidiaries, threatened against them before the National Labor Relations Board or any labor relations board or tribunal of any other jurisdiction, and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement is so pending against the Company or any of its Subsidiaries or, to the knowledge of the Company or any of its Subsidiaries, threatened against any of them; (ii) are no union organizing activities, and no union representation question exists or, to the knowledge of the Company or any of its Subsidiaries, is threatened with respect to the employees of the Company or any of its Subsidiaries; (iii) are no equal opportunity charges or other claims pending, or to the knowledge of the Company or any of its Subsidiaries, threatened with respect to the employees of the Company or any of its Subsidiaries; and (iv) are no strikes, stoppages or slowdowns or other labor disputes against the Company or any of its Subsidiaries pending or, to the knowledge of any Borrower, threatened that, in the case of clauses (i) through (iv), individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Company and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. All payments due from the Company or any of its Subsidiaries on account of employee health and welfare insurance that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of the Company or the relevant Subsidiary.

SECTION 3.13. ERISA .

(a) Except as set forth on Schedule 3.13 , neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) in an aggregate amount in excess of $75,000,000 has occurred during the five year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied and has been administered in compliance, in all material respects, with its terms and the applicable provisions of ERISA and the Code. All contributions required to be made with respect to each Plan have been timely made or have been reflected on the most recent consolidated balance sheet filed prior to the Restatement Effective Date or accrued in the accounting records of the Company and its Subsidiaries. Except as set forth on Schedule 3.13 , and except for terminations that do not result in a liability to the Company and its Subsidiaries in an aggregate amount in excess of $75,000,000, no termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. Except as set forth on Schedule 3.13 , the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by a material amount. Except as set forth on Schedule 3.13 , none of the Company, any of its Subsidiaries or any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a material liability under ERISA, and none of the Company, any of its Subsidiaries or any Commonly Controlled Entity would become subject to any material liability under ERISA if the Company, any of its Subsidiaries or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such

Multiemployer Plan is in Reorganization or Insolvent. Except as set forth on Schedule 3.13 , neither the Company nor its Subsidiaries maintain or contribute to any employee welfare benefit plan (as defined in Section 3(1) of ERISA) which provides benefits to retired employees or other former employees (other than as required by Section 601 of ERISA) or any Plan the obligations with respect to which could reasonably be expected to have a Material Adverse Effect on the ability of the Borrowers to perform their obligations under this Agreement.

(b) Except as set forth on Schedule 3.13 , each Non-US Plan is in compliance with all requirements of law applicable thereto and the respective requirements of the governing documents for such plan except to the extent such non-compliance could not reasonably be expected to result in a Material Adverse Effect. With respect to each Non-US Plan, none of the Company, its Affiliates or any of their directors, officers, employees or agents has engaged in a transaction, or other act or omission (including entering into this Agreement and any act done or to be done in connection with this Agreement), that has subjected, or could reasonably be expected to subject, the Company or any of its Subsidiaries, directly or indirectly, to any penalty (including any tax or civil penalty), fine, claim or other liability (including any liability under a contribution notice or financial support direction (as those terms are defined in the United Kingdom Pensions Act 2004), or any liability or amount payable under section 75 or 75A of the United Kingdom Pensions Act 1995), that could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect and there are no facts or circumstances which may give rise to any such penalty, fine, claim, or other liability. With respect to each Non-US Plan, reserves have been established in the financial statements furnished to Lenders in respect of any unfunded liabilities in accordance with applicable law or, where required, in accordance with ordinary accounting practices in the jurisdiction in which such Non-US Plan is maintained. The aggregate unfunded liabilities, with respect to such Non-US Plans could not reasonably be expected to result in a Material Adverse Effect. There are no actions, suits or claims (other than routine claims for benefits) pending or threatened against the Company or any of its Affiliates with respect to any Non-US Plan which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

SECTION 3.14. Investment Company Act; Other Regulations . No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) which limits its ability to incur Indebtedness.

SECTION 3.15. Subsidiaries .

(a) The Subsidiaries listed on Schedule 3.15 constitute all the Subsidiaries of the Company as of the Restatement Effective Date. Schedule 3.15 sets forth as of the Restatement Effective Date, the exact legal name (as reflected on the certificate of incorporation (or formation) and jurisdiction of incorporation (or formation) of each Subsidiary of the Company (and, in the case of each Canadian Subsidiary, the address of its place of business, the address of its chief executive office, if there is more than one place of business, and the address where its books and records are located) and, as to each such Subsidiary, the percentage and number of each class of Capital Stock owned by each Loan Party and its Subsidiaries.

(b) There are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to current and former employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Company or any Subsidiary, except as disclosed on Schedule 3.15 .

(c) Each Subsidiary organized under the laws of any member of the European Union shall cause its registered office and centre of main interests (as that term is used in Article 3(1) of the Regulation) to be situated solely in its jurisdiction of incorporation.

SECTION 3.16. Use of Proceeds. The proceeds of the Loans (other than the Initial Term Loans) shall be used for general corporate purposes of the Company and its Subsidiaries in the ordinary course of business (including to finance Permitted Acquisitions and Capital Expenditures). The proceeds of the Initial Term Loans shall be used as provided in the Existing Credit Agreement.

SECTION 3.17. Environmental Matters. Other than exceptions to any of the following that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

(a) The Company and its Subsidiaries: (i) are, and within the period of all applicable statutes of limitation have been, in compliance with all applicable Environmental Laws; (ii) hold all Environmental Permits (each of which is in full force and effect) required for any of their current or intended operations or for any property owned, leased, or otherwise operated by any of them; (iii) are, and within the period of all applicable statutes of limitation have been, in compliance with all of their Environmental Permits; and (iv) reasonably believe that: each of their Environmental Permits will be timely renewed and complied with, without material expense; any additional Environmental Permits that may be required of any of them will be timely obtained and complied with, without material expense; and compliance with any Environmental Law that is or is expected to become applicable to any of them will be timely attained and maintained, without material expense.

(b) Hazardous Materials are not present at, on, under, in, or about any real property now or formerly owned, leased or operated by the Company or any of its Subsidiaries, or at any other location (including, without limitation, any location to which Hazardous Materials have been sent for re-use or recycling or for treatment, storage, or disposal) which could reasonably be expected to (i) give rise to liability of the Company or any of its Subsidiaries under any applicable Environmental Law or otherwise result in costs to the Company or any of its Subsidiaries, or (ii) interfere with the Company's or any of its Subsidiaries' continued operations, or (iii) impair the fair saleable value of any real property owned or leased by the Company or any of its Subsidiaries.

(c) There is no judicial, administrative, or arbitral proceeding (including any notice of violation or alleged violation) under or relating to any Environmental Law to which the Company or any of its Subsidiaries is, or to the knowledge of any Borrower or any of their respective Subsidiaries will be, named as a party that is pending or, to the knowledge of any Borrower or any of their respective Subsidiaries, threatened.

(d) Neither the Company nor any of its Subsidiaries has received any written request for information, or been notified that it is a potentially responsible party under or relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act or any similar Environmental Law, or with respect to any Hazardous Materials.

(e) Neither the Company nor any of its Subsidiaries has entered into or agreed to any consent decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral, or other forum for dispute resolution, relating to compliance with or liability under any Environmental Law.

(f) Neither the Company nor any of its Subsidiaries has assumed or retained, by contract or operation of law, any liabilities of any kind, fixed or contingent, known or unknown, under any Environmental Law or with respect to any Hazardous Material.

SECTION 3.18. Accuracy of Information, Etc.

(a) No statement or information contained in this Agreement, any other Loan Document or any other document, certificate or statement furnished to the Administrative Agent, the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents (other than the projections and information described in the immediately succeeding sentence), contained as of the date such statement, information, document or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein not misleading under the circumstances in which made or furnished. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Company to be reasonable at the time made. The projections do not include the effect of acquisitions by the Company after the date of such projections although acquisitions are likely to occur. The Lenders acknowledge that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

(b) As of the Amendment No. 3 Effective Date, all of the information included in the Beneficial Ownership Certification is true and correct.

SECTION 3.19. Collateral Documents . During a Collateral Period, the Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid, binding and enforceable security interest in the Collateral described therein and proceeds and products thereof. In the case of the Pledged Stock described in the Guarantee and Collateral Agreement, when any stock certificates representing such Pledged Stock are delivered to the Administrative Agent, and in the case of the other Collateral described in the Guarantee and Collateral Agreement, when financing statements in appropriate form are filed in the appropriate offices of the jurisdiction in which the Loan Parties are formed (which financing statements may be filed by the Administrative Agent) at any time and such other filings or actions as are specified in the Guarantee and Collateral Agreement have been completed (all of which filings may be filed by the Administrative Agent) at any time, the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties party thereto in such Collateral and the proceeds and products thereof, as security for the Secured Obligations, in each case prior and superior in right to any other Person (except Permitted Liens). On or prior to the Original Effective Date, the Company will have delivered to the Administrative Agent, or caused to be filed, duly completed UCC or PPSA termination or discharge statements, signed by the relevant secured party, in respect of each such UCC or PPSA Financing Statement.

SECTION 3.20. Solvency . Each Loan Party is, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith and assuming all intercompany debt is an equity contribution, will be and will continue to be, Solvent.

SECTION 3.21. Insurance . Each of the Company and its Subsidiaries is insured, in accordance with Section 5.3 of the Guarantee and Collateral Agreement, by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged, including, without limitation, the amount of product liability insurance as of the Restatement Effective Date as set forth in Schedule 3.21 ; and neither the Company nor any of its Subsidiaries (i) has received notice from any insurer or agent of such insurer that substantial capital improvements or other material expenditures will have to be made in order to continue such insurance or (ii) has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers at a cost that could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.22. Patriot Act, Sanctions, Etc . To the extent applicable, each Loan Party is in compliance, in all material respects, with the (i) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001). No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended. None of (a) the Company, any Subsidiary or any of their respective directors, officers, employees or affiliates, or (b) to the knowledge of the Company, any agent or representative of the Company or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby (i) is a Sanctioned Person or currently the subject or target of any Sanctions or (ii) has taken any action, directly or indirectly, that would result in a violation by such Persons of any Anti-Corruption Laws.

SECTION 3.23. EEA Financial Institutions . No Loan Party is an EEA Financial Institution.

SECTION 3.24. Jersey Incorporated Borrowers . Each Borrower incorporated in Jersey:

(a) has filed all returns, resolutions and documents required by any legislation to be filed by it with the Jersey Registrar of Companies or the Jersey Financial Services Commission and such returns, resolutions and documents have been duly prepared, kept and filed (within all applicable time limits) and are correct;

(b) is not a "financial services company" or a "utility company" (as respectively defined in the Income Tax (Jersey) Law 1961);

(c) is exempt from the duty to hold a business licence under the Control of Housing and Work (Jersey) Law 2012;

(d) does not conduct any unauthorised "financial services business" (as defined in the Financial Services (Jersey) Law 1998); and

(e) is and will remain an "international services entity" (within the meaning of the Goods and Services Tax (Jersey) Law 2007).

SECTION 3.25. Subsidiary Borrowers . Each of the Company and each Subsidiary Borrower represents and warrants that:

(a) the representations and warranties of the Company and each Subsidiary Borrower in the Credit Agreement relating to each Subsidiary Borrower and this Agreement are true and correct on and as of the date hereof, other than representations given as of a particular date, in which case they are true and correct as of that date;

(b) such Subsidiary Borrower is subject to civil and commercial Requirements of Law with respect to its obligations under this Agreement and the other Loan Documents to which it is a party (collectively as to such Subsidiary Borrower, the " Applicable Subsidiary Borrower Documents "), and the execution, delivery and performance by such Subsidiary Borrower of the Applicable Subsidiary Borrower Documents constitute and will constitute private and commercial acts and not public or governmental acts;

(c) neither such Subsidiary Borrower nor any of its property has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of the jurisdiction in which such Subsidiary Borrower is organized and existing in respect of its obligations under the Applicable Subsidiary Borrower Documents;

(d) the Applicable Subsidiary Borrower Documents are in proper legal form under the Requirements of Law of the jurisdiction in which such Subsidiary Borrower is organized and existing for the enforcement thereof against such Subsidiary Borrower under the Requirements of Law of such jurisdiction, and to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Applicable Subsidiary Borrower Documents;

(e) it is not necessary to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Applicable Subsidiary Borrower Documents that the Applicable Subsidiary Borrower Documents be filed, registered or recorded with, or executed or notarized before, any court or other authority in the jurisdiction in which such Subsidiary Borrower is organized and existing or that any registration charge or stamp or similar tax be paid on or in respect of the Applicable Subsidiary Borrower Documents or any other document, except for (i) any such filing, registration, recording, execution or notarization as has been made or is not required to be made until the Applicable Subsidiary Borrower Document or any other document is sought to be enforced and (ii) any charge or tax as has been timely paid;

(f) there is no tax, levy, impost, duty, fee, assessment or other governmental charge, or any deduction or withholding, imposed by any Governmental Authority in or of the jurisdiction in which such Subsidiary Borrower is organized and existing either (i) on or by virtue of the execution or delivery of the Applicable Subsidiary Borrower Documents or (ii) on any payment to be made by such Subsidiary Borrower pursuant to the Applicable Subsidiary Borrower Documents, except as has been disclosed to the Administrative Agent; and

(g) the execution, delivery and performance of the Applicable Subsidiary Borrower Documents executed by such Subsidiary Borrower are, under applicable foreign exchange control regulations of the jurisdiction in which such Subsidiary Borrower is organized and existing, not subject to any notification or authorization except (x) such as have been made or obtained or (y) such as cannot be made or obtained until a later date (provided that any notification or authorization described in clause (ii) shall be made or obtained as soon as is reasonably practicable).

ARTICLE IV

Conditions

SECTION 4.01. Restatement Effective Date . The effectiveness of the amendment and restatement of the Existing Credit Agreement in the form of this Agreement is subject to the satisfaction of the conditions precedent set forth in Section 4 of the Amendment and Restatement Agreement.

SECTION 4.02. Each Credit Event . The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Banks to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement shall be true and correct in all material respects (or in all respects if the applicable representation and warranty is qualified by materiality or Material Adverse Effect) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Designation of a Subsidiary Borrower . The designation of a Subsidiary Borrower pursuant to Section 2.24 is subject to the condition precedent that the Company or such proposed Subsidiary Borrower shall have furnished or caused to be furnished to the Administrative Agent:

(a) Copies, certified by the Secretary or Assistant Secretary of such Subsidiary (or other persons authorized to represent such Subsidiary), of its Board of Directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for the Administrative Agent) approving the Borrowing Subsidiary Agreement and any other Loan Documents to which such Subsidiary is becoming a party and such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing (or the equivalent in the applicable jurisdiction) of such Subsidiary;

(b) An incumbency certificate, executed by the Secretary or Assistant Secretary of such Subsidiary (or other persons authorized to represent such Subsidiary), which shall identify by name and title and bear the signature of the officers of such Subsidiary authorized to request Borrowings hereunder and sign the Borrowing Subsidiary Agreement and the other Loan Documents to which such Subsidiary is becoming a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Company or such Subsidiary;

(c) Opinions of counsel to such Subsidiary, in form and substance reasonably satisfactory to the Administrative Agent and its counsel, with respect to the laws of its jurisdiction of organization and such other matters as are reasonably requested by counsel to the Administrative Agent and addressed to the Administrative Agent and the Lenders;

(d) Any promissory notes requested by any Lender, and any other instruments and documents reasonably requested by the Administrative Agent; and

(e) Such other information as shall be necessary for the Administrative Agent and the Lenders to comply with "know your customer" and anti-money laundering rules and regulations, including without limitation, the Patriot Act and the Beneficial Ownership Regulation.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated, in each case, without any pending draw, and all LC Disbursements shall have been reimbursed, the Company covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements . The Company will furnish to the Administrative Agent and each Lender:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Company, a copy of the audited consolidated balance sheet of the Company and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures as of the end of and for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Deloitte & Touche LLP or other independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Company, the unaudited consolidated balance sheet of the Company and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures as of the end of and for the corresponding period in the previous year, certified by a Responsible Officer as fairly presenting in all material respects the financial condition of the Company and its Subsidiaries during such period (subject to normal year end audit adjustments);

all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein).

SECTION 5.02. Certificates; Other Information . The Company will furnish to the Administrative Agent and each Lender, or, in the case of clause (g), to the relevant Lender:

(a) [reserved];

(b) concurrently with the delivery of any financial statements pursuant to Section 5.01, (i) a certificate of a Responsible Officer stating that, to the best of such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan

Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) (x) a Compliance Certificate setting forth (I) all information and calculations necessary for determining compliance by the Company and its Subsidiaries with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Company, as the case may be and (II) the Senior Secured Leverage Ratio, the Net Leverage Ratio and Interest Coverage Ratio as of the last day of the fiscal quarter or fiscal year of the Company, as the case may be, (y) to the extent not previously disclosed to the Administrative Agent, in writing, a listing of (I) any county, state, territory, province, region or any other jurisdiction, or any political subdivision thereof within the United States, Canada or otherwise where any Loan Party keeps inventory or equipment and (II) any material Intellectual Property owned by any Loan Party (or, in the case of the first such list so delivered, since the Original Effective Date) and (z) any UCC or PPSA financing statements or other filings specified in such Compliance Certificate as being required to be delivered therewith;

(c) as soon as available, and in any event no later than 60 days after the end of each fiscal year of the Company, a consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Company and its Subsidiaries as of the end of the following fiscal year, and the related consolidated statements of projected cash flow, projected changes in financial position and projected income) (collectively, the " Projections "), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Projections are incorrect or misleading in any material respect;

(d) no later than 10 Business Days prior to the effectiveness thereof, copies of substantially final drafts of any proposed amendment, supplement, waiver or other modification with respect to the governing documents of any Loan Party;

(e) within five days after the same are sent, copies of all financial statements and reports that the Company or any of its Subsidiaries sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that the Company or any of its Subsidiaries may make to, or file with, the SEC;

(f) as soon as possible and in any event within 3 Business Days of obtaining knowledge thereof: (i) notice of any development, event, or condition that, individually or in the aggregate with other developments, events or conditions that, individually or in the aggregate, could reasonably be expected to result in the payment by the Company or any of its Subsidiaries, in the aggregate, of a Material Environmental Amount; and (ii) any notice that any Governmental Authority may deny any application for an Environmental Permit sought by, or revoke or refuse to renew any Environmental Permit or any other material Permit held by the Company or condition approval of any such material Permit on terms and conditions that are materially burdensome to the Company or any of its Subsidiaries, or to the operation of any of its businesses or any property owned, leased or otherwise operated by such Person;

(g) as soon as possible and in any event within 3 Business Days of obtaining knowledge thereof: (i) issuance by the United Kingdom Pensions Regulator of a financial support direction or a contribution notice (as those terms are defined in the United Kingdom Pensions Act 2004) in relation to any Non-US Plan, (ii) any amount is due to any Non-US Plan pursuant to Section 75 or 75A of the United Kingdom Pensions Act 1995 and/or (iii) an amount becomes payable under section

75 or 75A of the United Kingdom Pensions Act 1995, in each case describing such matter or event and the action which the Company proposes to take with respect thereto;

(h) (i) promptly after any such occurrence, notice of any change in the information provided in any previously delivered Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein and (ii) promptly upon the reasonable request of the Administrative Agent or any Lender, any information or documentation requested by it for purposes of complying with the Beneficial Ownership Regulation; and

(i) promptly, such additional financial and other information as any Lender may from time to time reasonably request, including, without limitation, any additional information relating to Intellectual Property.

Documents required to be delivered pursuant to Section 5.01(a) or (b) or Section 5.02(e) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Company posts such documents, or provides a link thereto on the Company's website on the Internet; or (ii) on which such documents are posted on the Company's behalf on Syndtrak or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) upon written request by the Administrative Agent, the Company shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Company shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

SECTION 5.03. Payment of Obligations . The Company will, and will cause each of its Subsidiaries to, pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and, in the case of monetary obligations, reserves in conformity with GAAP with respect thereto have been provided on the books of the Company or its Subsidiaries, as the case may be.

SECTION 5.04. Conduct of Business and Maintenance of Existence, Etc . Except as permitted in Section 6.03, the Company will, and will cause each of its Subsidiaries to, (a) (i) preserve, renew and keep in full force and effect its corporate or other existence and (ii) take all reasonable action to maintain all rights, privileges, franchises, Permits and licenses necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 6.04 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) to the extent not in conflict with this Agreement or the other Loan Documents, comply with all Contractual Obligations and Requirements of Law, except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company will maintain in effect and enforce policies and procedures which it reasonably believes are adequate (and otherwise comply in all material respects with applicable law) to ensure compliance in all material respects by the Company, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.05. Maintenance of Property; Insurance . The Company will, and will cause each of its Subsidiaries to, (a) keep all Property and systems useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and (b) maintain with financially sound and reputable insurance companies (which may include a Captive Insurance Subsidiary) insurance on all its Property meeting the requirements of Section 5.3 of the Guarantee and Collateral Agreement and in such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

SECTION 5.06. Inspection of Property; Books and Records; Discussions . The Company will, and will cause each of its Subsidiaries to, (a) keep proper books of records and account in conformity with GAAP and, in all material respects, all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) upon reasonable notice and during normal business hours permit representatives of the Administrative Agent (and, if an Event of Default Exists, any Lender) to visit and inspect any of its properties and examine and, at the Company's expense, make copies of any of its books and records and to discuss the business, operations, properties and financial and other condition of the Company's and its Subsidiaries with officers and employees of the Company's and its Subsidiaries and with their respective independent certified public accountants; provided that, unless a Default or Event of Default exists, no more than one such visit and inspection shall be requested by the Administrative Agent in any fiscal year of the Company.

SECTION 5.07. Notices . The Company will promptly give notice to the Administrative Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default (or alleged default) under any Contractual Obligation of the Company or any of its Subsidiaries or (ii) litigation, investigation or proceeding which may exist at any time between the Company or any of its Subsidiaries and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting the Company or any of its Subsidiaries which could reasonably be expected to result in a judgment in excess of $25,000,000 (excluding amounts covered by insurance as to which the relevant insurance company has been notified and not denied coverage);

(d) other than the events set forth on Schedule 3.13 , the following events to the extent the same could reasonably be expected to cause a Material Adverse Effect, as soon as possible and in any event within 30 days after any Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event or an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) with respect to any Plan, a failure to make any required contribution to a Plan or a Non-US Plan, including but not limited to any failure to pay an amount the nonpayment of which would give rise to a Lien under ERISA, the Code, the PBA, or any other applicable employee benefit plan law or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan, (ii) the institution of proceedings or the taking of any other action by the PBGC, FSCO, the Company, any of its Subsidiaries, any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan or Non-US Plan, (iii) the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Single Employer Plans) exceeds the value of the assets of such Single Employer Plan allocable to such

accrued benefits by a material amount, (iv) the taking of any action with respect to Plan or Non-US Plan which could result in the requirement that the Company, any of its Subsidiaries or any Commonly Controlled Entity furnish a bond or other security to the PBGC or FSCO, (v) that the Company or its Subsidiaries may incur any material liability pursuant to any employee welfare benefit plan (as defined in Section 3(1) of ERISA) that provides benefits to retired employees or other former employees (other than as required by Section 601 of ERISA) or any Plan in addition to the liability that existed on the Restatement Effective Date or (vi) the occurrence of any other event with respect to a Plan or a Non-US Plan which could result in the incurrence by the Company, any of its Subsidiaries or any Commonly Controlled Entity of any material liability, fine or penalty; and

(e) any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Company or the relevant Subsidiary proposes to take with respect thereto.

SECTION 5.08. Environmental Laws . (a) The Company will, and will cause each of its Subsidiaries to, comply in all material respects with, and ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws and Environmental Permits, and obtain, maintain and comply in all material respects with and maintain, and ensure that all tenants and subtenants obtain, maintain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(a) The Company will, and will cause each of its Subsidiaries to, conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

SECTION 5.09. Additional Collateral, etc. (a) Concurrently with or prior to any delivery of a Compliance Certificate pursuant to Section 5.02(b) in respect of the first full fiscal quarter of the Company ending after the acquisition of any Property, the Company will, and will cause each of its Subsidiaries (other than any Receivables Entity and any Excluded Acquired Subsidiary and any Excluded Non-Wholly Owned Subsidiary and any Captive Insurance Subsidiary) to, during a Collateral Period, with respect to any Property of any Loan Party (other than (x) any Excluded Property, (y) any Property described in paragraphs (b) or (c) of this Section, and (z) any Property subject to a Lien expressly permitted by Section 6.02(g)) as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such Property and (ii) take all actions necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such Property, including without limitation, the filing of UCC and PPSA financing statements (or similar filings), as applicable, in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent.

(a) Concurrently with or prior to any delivery of a Compliance Certificate pursuant to Section 5.02(b) in respect of the first full fiscal quarter of the Company ending after the acquisition or creation of any new Domestic Subsidiary, or the designation of any Domestic Subsidiary as a Subsidiary Guarantor

pursuant to Section 5.09(g)(vi), the Company will, and will cause each of its Subsidiaries (other than any Receivables Entity and any Excluded Acquired Subsidiary and any Excluded Non-Wholly Owned Subsidiary and any Captive Insurance Subsidiary) to, with respect to any such designated Domestic Subsidiary or any such new Domestic Subsidiary (other than any Receivables Entity and any Excluded Acquired Subsidiary and any Excluded Non-Wholly Owned Subsidiary and any Captive Insurance Subsidiary) created or acquired after the Original Effective Date by any Loan Party, (i) during a Collateral Period, execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such Subsidiary (other than Excluded Property) that is owned by any Loan Party, (ii) during a Collateral Period, deliver to the Administrative Agent the certificates representing such Capital Stock (other than Excluded Property), together with undated transfer powers, in blank, executed and delivered by a duly authorized officer of the Company or such Subsidiary, as the case may be, (iii) cause such Domestic Subsidiary (A) to become a party to the Guarantee and Collateral Agreement and (B) during a Collateral Period, to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Secured Parties a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such Subsidiary (including, without limitation, the recording of instruments in the United States Patent and Trademark Office and the United States Copyright Offices or the Canadian Intellectual Property Office), the execution and delivery by all necessary persons of control agreements, and the filing of UCC or PPSA financing statements (or similar filings), as applicable, in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent, and (iv) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(b) Concurrently with or prior to any delivery of a Compliance Certificate pursuant to Section 5.02(b) in respect of the first full fiscal quarter of the Company ending after the acquisition or creation of any new Foreign Subsidiary, or the designation of any Foreign Subsidiary as a Subsidiary Guarantor pursuant to Section 5.09(g)(vi), the Company will, and will cause each of its Subsidiaries (other than any Receivables Entity and any Excluded Acquired Subsidiary and any Excluded Non-Wholly Owned Subsidiary and any Captive Insurance Subsidiary) to, with respect to any such designated Foreign Subsidiary or any such new Foreign Subsidiary (other than any Receivables Entity and any Excluded Acquired Subsidiary and any Excluded Non-Wholly Owned Subsidiary and any Captive Insurance Subsidiary) created or acquired after the Original Effective Date by any Loan Party, (i) during a Collateral Period, execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary or advisable in order to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Applicable Pledge Percentage of the Capital Stock of such Subsidiary (other than Excluded Property) that is owned by any Loan Party, (ii) during a Collateral Period, deliver to the Administrative Agent the certificates representing such Capital Stock (other than Excluded Property) that has been pledged, together with undated transfer powers, in blank, executed and delivered by a duly authorized officer of such Loan Party and take such other action as may be necessary or, in the opinion of the Administrative Agent, desirable to perfect the Lien of the Administrative Agent thereon, (iii) if the Company designates such Foreign Subsidiary as a Subsidiary Guarantor, cause such Subsidiary (A) to become a party to the Guarantee and Collateral Agreement and (B) during a Collateral Period, to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Secured Parties a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such Subsidiary (including, without limitation, the recording of instruments in the United States Patent and Trademark Office and the United States Copyright Offices and the Canadian Intellectual Property Office, if applicable), the execution and delivery by all

necessary persons of control agreements, and the filing of UCC and PPSA financing statements (or similar filings) in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent, and (iv) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent; provided that a Foreign Subsidiary that becomes a Subsidiary Guarantor may elect to guarantee, or to grant a security interest in its Collateral to secure, only certain Loans and Obligations (or none at all) if such limitation will avoid, and not otherwise have, an adverse tax impact on the Company and its Subsidiaries.

(c) Notwithstanding anything to the contrary in this Section 5.09, this Section 5.09 shall not apply to any Property or Subsidiary, as applicable, as to which the Administrative Agent has determined in its sole discretion (in consultation with the Company) that the collateral or guaranty value thereof is insufficient to justify the difficulty, time and/or expense of obtaining a perfected security interest therein or guaranty thereof, as the case may be.

(d) The Borrowers shall cause each Canadian Subsidiary of the Company party to any Canadian Intercompany Collateral Agreement (in its capacity as a secured party thereunder) to take such actions, or refrain from taking such actions, as the Administrative Agent shall direct with respect to the "collateral" described in such Canadian Intercompany Collateral Agreement (including the taking of any enforcement action permitted to be taken by such Canadian Subsidiary thereunder), in any such case upon the occurrence of any Event of Default or any payment default with respect to any Indebtedness secured thereby. Notwithstanding anything to the contrary in this Agreement, the Company shall not, and shall not permit any Subsidiary to, (i) amend, restate, supplement or otherwise modify any Quebec Security Document in any way that is adverse to the interests of the Lenders or (ii) assign or transfer any rights or interests under or with respect to any Quebec Security Document without the prior written consent of the Administrative Agent.

(e) Upon the occurrence of a Collateral Release Date, and so long as no Default or Event of Default is then continuing, (i) any Liens granted to the Administrative Agent pursuant to this Agreement, the Guarantee and Collateral Agreement or any other Loan Documents (such clauses, collectively, the " Collateral Requirements ") which remain in effect at such time shall be promptly released by the Administrative Agent upon receipt by the Administrative Agent of written notice from the Company (and the Administrative Agent agrees to execute and deliver any documents or instruments reasonably requested by the Company and in form and substance reasonably satisfactory to the Administrative Agent to evidence the release of all Collateral, all at the expense of the Company) and (ii) the Collateral Requirements shall be suspended and of no effect unless and until a subsequent Collateral Trigger Date occurs following the occurrence of such Collateral Release Date, at which time the Collateral Requirements shall again become fully effective and binding upon the Company and the other Loan Parties in all respects, and the Company hereby acknowledges and agrees that it will, and will cause each other Loan Party to, re-grant the security interests in the Collateral pursuant to comparable Collateral Documents within 30 days of such Collateral Trigger Date (or such later date as may be agreed upon by the Administrative Agent), all in accordance with the Collateral Requirements.

(f) Notwithstanding any provision in this Section 5.09 to the contrary, (i) no Canadian Holding Company shall be required to become a Subsidiary Guarantor, (ii) no Receivables Entity shall be required to become a Subsidiary Guarantor, (iii) no UK Borrower shall be required to guarantee or be liable for any Loans other than the Loans of the UK Borrowers nor shall any UK Borrower or any UK Guarantor be required to pledge or grant a security interest on any of their assets to secure any Loans (other than the pledge or grant of a security interest by a UK Borrower or a UK Guarantor of its applicable Equity Interests

in its subsidiaries), (iv) no Subsidiary shall be required to become a Subsidiary Guarantor at any time such Subsidiary constitutes an Excluded Acquired Subsidiary, (v) no Loan Party shall be required to pledge or grant a Lien upon any Excluded Property and (vi) the Company may, with respect to any non-Wholly Owned Subsidiary and upon written notice to the Administrative Agent, elect to exclude such non-Wholly Owned Subsidiary from the requirements of Section 5.09(b) or 5.09(c), as the case may be (any such excluded Subsidiary, an " Excluded Non-Wholly Owned Subsidiary "); provided that, if at any time (x) the aggregate amount of Consolidated EBITDA attributable to all Excluded Non-Wholly Owned Subsidiaries exceeds two and one half percent (2.5%) of Consolidated EBITDA (as of the end of the most recent fiscal quarter of the Company, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01(a) or (b)) or (y) the aggregate amount of Consolidated Total Assets attributable to all Excluded Non-Wholly Owned Subsidiaries exceeds $200,000,000 of Consolidated Total Assets (as of the end of the most recent fiscal quarter of the Company for which financial statements have been delivered pursuant to Section 5.01(a) or (b)), then, in each case, the Company (or, in the event the Company has failed to do so within ten (10) days, the Administrative Agent) shall designate sufficient Excluded Non-Wholly Owned Subsidiaries (other than Receivables Entities and Excluded Acquired Subsidiaries) as Subsidiary Guarantors to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Subsidiary Guarantors and be subject to the requirements set forth in Section 5.09(b) or (c), as the case may be.

(g) Notwithstanding any contrary provision of any Loan Document, automatically upon consummation of the Mexican Reorganization, without any further action, (i) Lakefront Capital shall be released from its guaranty under the Guaranty and Collateral Agreement and (ii) the security interest of the Administrative Agent in the Equity Interests of Lakefront Capital shall be released; provided , however, that the Company and its Subsidiaries shall comply with Section 5.09(c) hereof with respect to Lakefront Capital to the extent required by the terms thereof.

SECTION 5.10. Use of Proceeds . The Borrowers will use the proceeds of the Loans only for the purposes specified in Section 3.16. The Borrowers will not request any Credit Event, and the Borrowers shall not use, and shall ensure that their respective Subsidiaries and their respective directors, officers, employees and agents shall not use, the proceeds of any Credit Event (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.11. ERISA Documents . The Company will cause to be delivered to the Administrative Agent, promptly upon the Administrative Agent's request, any or all of the following: (i) a copy of each Plan or Non-US Plan (or, where any such Plan or Non-US Plan is not in writing, a complete description thereof) and, if applicable, related trust agreements or other funding instruments and all amendments thereto, and all written interpretations thereof and written descriptions thereof that have been distributed to employees or former employees of the Company or any of its Subsidiaries; (ii) the most recent determination letter issued by the IRS with respect to each Plan; (iii) for the three most recent plan years preceding the Administrative Agent's request, Annual Reports on Form 5500 Series required to be filed with any governmental agency for each Plan; (iv) a listing of all Multiemployer Plans, with the aggregate amount of the most recent annual contributions required to be made by the Company, any Subsidiary or any Commonly Controlled Entity to each such Plan and copies of the collective bargaining agreements requiring such contributions; (v) any information that has been provided to the Company or any Commonly Controlled Entity regarding withdrawal liability under any Multiemployer Plan; (vi) the aggregate amount of payments made under any employee welfare benefit plan (as defined in Section 3(1) of ERISA) to any retired employees

of the Company or any of its Subsidiaries (or any dependents thereof) during the most recently completed fiscal year; and (vii) documents reflecting any agreements between the PBGC or FSCO and the Company, any of its Subsidiaries or any Commonly Controlled Entity with respect to any Plan or non-US Plan, (viii) copies of any records, documents or other information that must be furnished to the PBGC with respect to any Plan pursuant to Section 4010 of ERISA; (ix) a copy of each funding waiver request filed with the IRS or any other government agency with respect to any Plan and all material communications received by the Company, any of its Subsidiaries or any ERISA Affiliate from the IRS, FSCO or any other government agency with respect to each Plan and each Non-US Plan of the Company, any of its Subsidiaries or any Commonly Controlled Entity; and (x) a copy of the most recently filed actuarial valuation performed for funding purposes for each Non-US Plan.

SECTION 5.12. Further Assurances . The Company will, and will cause each of its Subsidiaries to, from time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of more fully perfecting or renewing the rights of the Administrative Agent and the Lenders with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds or products thereof or with respect to any other property or assets hereafter acquired by the Company or any Subsidiary which may be deemed to be part of the Collateral) pursuant hereto or thereto. Upon the exercise by the Administrative Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, the Company will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent or such Lender may be required to obtain from the Company or any of its Subsidiaries for such governmental consent, approval, recording, qualification or authorization.

ARTICLE VI

Negative Covenants

Each Borrower hereby agrees that, until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated, in each case, without any pending draw, and all LC Disbursements shall have been reimbursed, such Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

SECTION 6.01. Limitation on Indebtedness . Create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness of any Borrower or any Subsidiary Guarantor pursuant to any Loan Document;

(b) Indebtedness of the Company to any Subsidiary, and of any Subsidiary to the Company or any other Subsidiary; provided that all such Indebtedness of any Borrower or any Subsidiary Guarantor owed to a Person that is not a Borrower or a Subsidiary Guarantor shall be subject to and evidenced by the Subordinated Intercompany Note;

(c) Indebtedness (including, without limitation, Attributable Debt arising from Permitted Sale-Leaseback Transactions and Capital Lease Obligations) secured by Liens permitted by Sections 6.02(g) and (p); provided , that the aggregate amount of all such Indebtedness, together

with the aggregate principal amount of all Indebtedness incurred pursuant to Sections 6.01(g), 6.01(h) and 6.02(o), shall not exceed the Restricted Debt Basket Amount;

(d) Indebtedness outstanding on the Restatement Effective Date and listed on Schedule 6.01(d) and any refinancings, refundings, renewals or extensions thereof (without any increase in the principal amount thereof or any shortening of the Weighted Average Life to Maturity thereof);

(e) Guarantee Obligations (i) made in the ordinary course of business by the Company or any of its Subsidiaries of obligations of the Company or any Subsidiary of the Company and (ii) made by the Company or any of its Subsidiaries of obligations of the Company or any Subsidiary of the Company under Hedge Agreements permitted under Section 6.17 ;

(f) unsecured senior and/or senior subordinated Indebtedness (other than Permitted Seller Debt) of the Company or a Foreign Subsidiary and the unsecured senior and/or senior subordinated guarantee by any Subsidiary Guarantor hereunder or any Foreign Subsidiary of the Company's or such other Foreign Subsidiary's obligations thereunder; provided that (i) at the time of incurrence of such Indebtedness, such Indebtedness shall have no scheduled amortization and no part of the principal part of such Indebtedness shall have a maturity date earlier than 181 days after the Maturity Date then in effect, (ii) after giving effect to the incurrence of any such Indebtedness, on a Pro Forma Basis, as if such incurrence of Indebtedness, the application of the proceeds thereof and the consummation of any other Specified Transaction occurring since the first day of the Calculation Period then last ended had occurred on the first day of the Calculation Period then last ended, the Company and its Subsidiaries are in compliance with the financial covenants set forth in Section 6. 18 and the Net Leverage Ratio is not greater than 4.00 to 1.00, in each case, for the Calculation Period then last ended (and, in each case, the Company shall have delivered to the Administrative Agent a certificate of a Responsible Officer of the Company to such effect setting forth in reasonable detail the computations necessary to demonstrate compliance with this clause (f)(ii), (iii) at the time of the incurrence of such Indebtedness and after giving effect thereto, no Default or Event of Default shall exist and be continuing, (iv) such Indebtedness contains covenants, events of default, redemption provisions, remedies, subordination provisions (if applicable) and other terms and conditions customary at the time for high yield unsecured senior or senior subordinated securities issued in a public offering or a private placement under Rule 144A of the Securities Act of 1933 (or other comparable laws of the jurisdiction under which such Indebtedness is issued or incurred) and otherwise reasonably acceptable to the Administrative Agent (provided that, in any event, the documentation governing such Indebtedness shall not include a financial maintenance covenant and may only include a "cross acceleration" default to other indebtedness rather than a "cross default"), (v) to the extent that any Foreign Subsidiary shall guarantee any Loan Party's obligations under any such Indebtedness, such Foreign Subsidiary shall become a Subsidiary Guarantor, and (vi) the documentation governing such Indebtedness contains terms that are no more restrictive than the terms applicable to the Indebtedness hereunder;

(g) Indebtedness of Foreign Subsidiaries of the Company in an aggregate amount, together with the aggregate amount of Indebtedness incurred pursuant to Sections 6.01(c), 6.01(h) and 6.02(o), not to exceed the Restricted Debt Basket Amount;

(h) Indebtedness of a Subsidiary of the Company acquired pursuant to a Permitted Acquisition (or Indebtedness assumed at the time of a Permitted Acquisition of an asset securing such Indebtedness) (the " Permitted Acquired Debt "), provided that (x) such Indebtedness was not

incurred in connection with, or in anticipation or contemplation of, such Permitted Acquisition, (y) such Indebtedness does not constitute debt for borrowed money (it being understood and agreed that Capital Lease Obligations and purchase money Indebtedness shall not constitute debt for borrowed money for purposes of this clause (y)), and (z) the aggregate principal amount of all Permitted Acquired Debt assumed pursuant to this clause (g), together with the aggregate amount of Indebtedness incurred pursuant to Sections 6.01(c), 6.01(g) and 6.02(o), shall not exceed the Restricted Debt Basket Amount;

(i) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, so long as such Indebtedness is extinguished within five Business Days of its incurrence;

(j) Indebtedness of the Company or any of its Subsidiaries which may be deemed to exist in connection with agreements providing for indemnification, purchase price adjustments and similar obligations in connection with the acquisition or disposition of assets in accordance with the requirements of this Agreement, so long as any such obligations are those of the Person making the respective acquisition or sale, and are not guaranteed by any other Person except as permitted by Section 6.01(e);

(k) Indebtedness to insurance companies incurred in order to permit the Company or one of its Subsidiaries to repay obligations owing by such Person to former employees of such Person under either of the Company's 401K Plus deferred compensation plans, so long as such Indebtedness is not greater than the aggregate cash surrender value of insurance policies owned by the Company and covering the lives of participants in the Company's 401K Plus deferred compensation plans;

(l) Permitted Seller Debt;

(m) (i) Indebtedness of the Company or any Subsidiary incurred pursuant to Permitted Receivables Facilities; provided that the Attributable Receivables Indebtedness thereunder shall not exceed an aggregate amount equal to the sum of (x) $200,000,000, plus (y) £200,000,000, plus (z) €200,000,000, at any time outstanding, and (ii) Indebtedness of the Company or any Subsidiary incurred pursuant to Permitted Factoring Transactions permitted pursuant to Section 6.04(i);

(n) Permitted Notes;

(o) (i) unsecured Indebtedness of any Foreign Subsidiary and (ii) unsecured Guarantee Obligations of the Company in respect of Indebtedness of Foreign Subsidiaries, in each case so long as at the time of incurrence of such Indebtedness or Guarantee Obligations, as the case may be, and after giving effect thereto on a Pro Forma Basis, (x) no Default or Event of Default then exists or would result therefrom and (y) the Company and its Subsidiaries are in compliance with the financial covenants set forth in Section 6.18;

(p) Indebtedness of any Foreign Subsidiary (other than any Foreign Subsidiary Borrower), and Guarantee Obligations thereof by any Foreign Subsidiary (other than any Foreign Subsidiary Borrower), in respect of local secured working capital lines of credit, letters of credit, bank guarantees and similar secured extensions of credit, in an aggregate outstanding principal amount at any time not to exceed the sum of (x) 75% of the eligible accounts receivable of the applicable Foreign Subsidiaries as determined in accordance with the terms of the applicable credit facilities *plus* (y) 50% of the eligible inventory of the applicable Foreign Subsidiaries as determined in accordance with the terms of the applicable credit facilities;

(q) to the extent constituting Indebtedness, customary obligations to credit card or debit card processors arising in the ordinary course of business for applicable fees and chargebacks under any processor agreement;

(r) (I) senior secured Indebtedness of a Subsidiary of the Company acquired or assumed pursuant to a Permitted Acquisition (or senior secured Indebtedness assumed at the time of a Permitted Acquisition) (the " Permitted Secured Debt ") so long as (i) such Indebtedness was not incurred in connection with, or in anticipation or contemplation of, such Permitted Acquisition, (ii) any Lien securing such Permitted Secured Debt does not at any time encumber any Property other than the Property being acquired in connection with such Permitted Acquisition, (iii) no Default or Event of Default then exists or would exist after giving effect (including giving effect on a Pro Forma Basis) to the assumption or acquisition of such Permitted Secured Debt, (iv) such Permitted Secured Debt shall not remain outstanding longer than ninety (90) days after the date such Permitted Secured Debt is assumed or acquired pursuant to such Permitted Acquisition and (v) the aggregate outstanding principal amount of all Permitted Secured Debt assumed or acquired pursuant to this clause (r) (other than any Permitted Secured Debt assumed or acquired in connection with the Specified Acquisitions) does not exceed $500,000,000 at any time; provided that (A) no Subsidiary having any obligations in respect of any Permitted Secured Debt (any such Subsidiary having any obligations in respect of Permitted Secured Debt being referred to as an " Excluded Acquired Subsidiary ") shall be permitted or shall be required to become a Borrower or Subsidiary Guarantor pursuant to the terms of this Agreement and the other Loan Documents, nor shall the Company or any other Subsidiary of the Company make any Investment in any such Excluded Acquired Subsidiary (other than the acquisition of such Excluded Acquired Subsidiary pursuant to such Permitted Acquisition), at any time any Permitted Secured Debt remains outstanding unless (x) such Investment is used to repay and/or refinance all of such Permitted Secured Debt or (y) the Company and its Subsidiaries shall have entered into intercreditor documentation reasonably acceptable to the Administrative Agent, (B) upon the refinancing and/or repayment in full of the applicable Permitted Secured Debt, any Subsidiary constituting an Excluded Acquisition Subsidiary in respect of such refinanced and/or repaid Permitted Secured Debt shall cease to be an Excluded Acquired Subsidiary (it being understood and agreed that any such Excluded Acquired Subsidiary may become a Borrower or Subsidiary Guarantor pursuant to the terms of the Loan Documents concurrently with the refinancing and/or repayment in full of the applicable Permitted Secured Debt with the proceeds of the Loans) and (C) at least five (5) Business Days prior to the date the Company or any of its Subsidiaries enters into any merger agreement, stock purchase agreement or such other primary acquisition agreement pursuant to which such Permitted Acquisition shall be consummated (such agreements, together with all related documents (including, without limitation, any documents, agreements or instruments evidencing any Permitted Secured Debt) being referred to collectively as " Permitted Secured Debt Acquisition Documents "), the Administrative Agent shall have received drafts of the Permitted Secured Debt Acquisition Documents with respect to such Permitted Acquisition to review the terms thereof, all of which shall be reasonably satisfactory to the Administrative Agent and (II) Permitted Secured Debt outstanding on the Amendment No. 2 Effective Date and set forth on Schedule 6.01(r);

(s) additional Indebtedness of the Company or any Subsidiary Guarantor in an aggregate principal amount (for the Company and all Subsidiary Guarantors) not to exceed at any one time outstanding an amount equal to the remainder of (x) 10% of Consolidated Net Worth at such time less (y) the sum of (I) the aggregate amount of all Indebtedness incurred pursuant to Section 6.01(c) and outstanding at such time plus (II) the aggregate principal amount of all Permitted Acquired Debt incurred pursuant to Section 6.01(h) and outstanding at such time;

(t) Incremental Equivalent Debt (and Permitted Refinancings of such Incremental Equivalent Debt) to the extent permitted under Section 2.21; and

(u) unsecured Indebtedness of the Company or any Foreign Subsidiary, and the unsecured senior guarantee by any Subsidiary Guarantor hereunder or any Foreign Subsidiary of the Company's or such other Foreign Subsidiary's obligations thereunder, in each case, incurred to (i) finance the consideration payable in respect of the November 2017 Acquisition and any fees and expenses payable in connection therewith or (ii) refinance any Indebtedness incurred by the Company or such Foreign Subsidiary to so finance the November 2017 Acquisition, so long as the aggregate outstanding principal amount of Indebtedness permitted under this Section 6.01(u), together with any Indebtedness acquired or assumed pursuant to the November 2017 Acquisition and any outstanding Loans the proceeds of which are used to finance the November 2017 Acquisition, does not exceed €1,300,000,000 at any time; provided that, notwithstanding the foregoing, no Indebtedness may be incurred, acquired or assumed in reliance on this Section 6.01(u) if the November 2017 Acquisition shall fail to be consummated in accordance with the requirements of Section 6.07(n).

SECTION 6.02. Limitation on Liens . Create, incur, assume or permit to exist any Lien on any of its Property, whether now owned or hereafter acquired, except:

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlords' or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 45 days or that are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained in conformity with GAAP;

(c) Liens (other than any Lien imposed by ERISA, the PBA or Canadian federal or provincial statutes in relation to pension plans or any other applicable domestic or foreign employee benefit plan law) consisting of pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation in the ordinary course of business;

(d) deposits by or on behalf of the Company or any of its Subsidiaries to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; provided that the aggregate amount of all deposits at any one time securing appeal bonds, together with the aggregate amount of all judgment obligations and awards subject to Liens permitted pursuant to Section 6.02(j), does not exceed $75,000,000 at any time outstanding (for purposes of determining compliance with this proviso, excluding any judgment obligations or awards and any deposits securing appeal bonds, in any such case to the extent the judgment obligations, awards or obligations subject to appeal are covered by insurance as to which the respective insurer has been notified and not denied coverage);

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of the Company or any of its Subsidiaries;

(f) Liens in existence on the Restatement Effective Date listed on Schedule 6.02(f) , securing Indebtedness permitted by Section 6.01(d), provided that no such Lien is spread to cover any additional Property after the Restatement Effective Date and that the amount of Indebtedness secured thereby is not increased;

(g) Liens securing Indebtedness of the Company or any of its Subsidiaries incurred pursuant to Section 6.01(c) to finance the acquisition of fixed or capital assets, provided that (i) such Liens shall be created substantially simultaneously with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any Property other than the Property financed by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased and (iv) the amount of Indebtedness initially secured thereby is not more than 100% of the purchase price of such fixed or capital asset;

(h) Liens created pursuant to the Collateral Documents and the Canadian Intercompany Collateral Agreements;

(i) any interest or title of a lessor under any lease entered into by the Company or any of its Subsidiaries in the ordinary course of its business and covering only the assets so leased;

(j) Liens arising out of the existence of judgments or awards in respect of which the Company or any of its Subsidiaries shall in good faith be prosecuting an appeal or proceedings for review and in respect of which there shall have been secured a subsisting stay of execution pending such appeal or proceedings; provided that the aggregate amount of all judgment obligations and awards subject to Liens pursuant to this clause (j), together with the aggregate amount of all deposits at any one time securing appeal bonds pursuant to Section 6.02(d), does not exceed $75,000,000 at any time (for purposes of determining compliance with this proviso, excluding any judgment obligations or awards and any deposits securing appeal bonds, in any such case to the extent the judgment obligations, awards or obligations subject to appeal are covered by insurance as to which the respective insurer has been notified and not denied coverage);

(k) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution or, solely in respect of LKQ Netherlands, any Lien or right of set-off created pursuant to the general conditions of a bank operating in the Netherlands based on the general conditions drawn up in consultation between the Netherlands Bankers' Association (*Nederlandse Vereniging van Banken*) and the consumers' organisation (*Consumentenbond*); provided , that (i) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by any Loan Party in excess of those set forth by regulations promulgated by the Federal Reserve Board, and (ii) such deposit account is not intended by the Company or any of its Subsidiaries to provide collateral to the depository institution;

(l) Liens arising from precautionary UCC financing statement filings regarding operating leases entered into in the ordinary course of business;

(m) Liens of any supplier to a Subsidiary in the United Kingdom in the form of customary purchase money title retention interests arising in the ordinary course of business on inventory sold by such supplier to such Subsidiary;

(n) Liens arising out of any conditional sale, title retention, consignment or other similar arrangements for the sale of goods entered into by the Company or any of its Subsidiaries in the

ordinary course of business to the extent such Liens do not attach to any assets other than the goods subject to such arrangements;

(o) Liens on property or assets acquired pursuant to a Permitted Acquisition, or on property or assets of a Subsidiary of the Company in existence at the time such Subsidiary is acquired pursuant to a Permitted Acquisition, provided that (x) without duplication, the aggregate amount of all Indebtedness that is secured by such Liens, together with the aggregate amount of Indebtedness incurred pursuant to Sections 6.01(c), 6.01(g) and 6.01(h), does not exceed the Restricted Debt Basket Amount at any one time outstanding (and is otherwise permitted to exist under Section 6.01(h)), and (y) such Liens are not incurred in connection with, or in contemplation or anticipation of, such Permitted Acquisition and do not attach to any other property or asset of the Company or any of its Subsidiaries;

(p) Liens securing Attributable Debt in respect of Permitted Sale-Leaseback Transactions; provided that (I) such Liens shall be created substantially simultaneously with the consummation of the respective Sale-Leaseback Transaction and (II) such Liens shall not at any time encumber any Property other than the Property sold pursuant to such Sale-Leaseback Transaction;

(q) Liens on Permitted Receivables Facility Assets arising under Permitted Receivables Facilities and Liens on accounts receivable sold pursuant to Permitted Factoring Transactions;

(r) customary Liens and rights of setoff in favor of a credit card or debit card processor under any processor agreement and relating solely to the amounts paid or payable thereunder, and customary deposits on reserve held by such credit card or debit card processor, in each case arising in the ordinary course of business; provided that no such Lien permitted by this clause (r) shall remain in existence longer than five (5) Business Days;

(s) Liens on eligible accounts receivable and eligible inventory of Foreign Subsidiaries securing Indebtedness permitted by Section 6.01(p);

(t) Liens securing Permitted Secured Debt so long as such Permitted Secured Debt is permitted by Section 6.01(r);

(u) pledges and deposits made by any Captive Insurance Subsidiary in respect of capital requirements required by any applicable Governmental Authority in connection with such Captive Insurance Subsidiary's captive insurance program; and

(v) Liens not otherwise permitted by this Section 6.02, so long as neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate Fair Market Value (determined, in the case of each such Lien, as of the date such Lien is incurred) of the assets subject thereto exceeds (as to the Company and all Subsidiaries) $125,000,000 at any one time.

Notwithstanding the foregoing, neither the Company nor any of its Subsidiaries shall create, assume or permit to exist any Lien on any of its real Property other than pursuant to subsections (a) through (j), (l), (o) and (p) of this Section 6.02. Any reference herein or in any of the other Loan Documents to a Permitted Lien is not intended to subordinate or postpone or address the priority, and shall not be interpreted as subordinating or postponing or addressing the priority, or as any agreement to subordinate or postpone or address the priority, any Lien created by any of the Loan Documents to any Permitted Lien.

SECTION 6.03. Limitation on Fundamental Changes . Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), consummate a Division as the Dividing Person, or Dispose of all or substantially all of its Property or business, except that:

(a) any Subsidiary of the Company may be merged, consolidated, amalgamated, dissolved or liquidated with or into (i) the Company (provided that the Company shall be the continuing or surviving corporation), (ii) any Subsidiary Borrower (provided that a Subsidiary Borrower shall be the continuing or surviving Person) or (iii) any other Subsidiary (other than a Subsidiary Borrower) (provided that if any such Subsidiary is a Subsidiary Guarantor, a Subsidiary Guarantor shall be the continuing or surviving Person), so long as, in any such case, any security interests granted to the Administrative Agent for the benefit of the Secured Parties pursuant to the Collateral Documents (other than the pledge of Capital Stock of any Subsidiary that is not the continuing or surviving Person) shall remain in full force and effect and perfected (to at least the same extent as in effect immediately prior to such transfer) and all actions required to maintain said perfected status have been taken;

(b) any Foreign Subsidiary of the Company organized in a given jurisdiction (other than a Canadian Holding Company) may be merged, consolidated, amalgamated, dissolved or liquidated with or into (i) any Foreign Subsidiary Borrower (provided that a Foreign Subsidiary Borrower shall be the continuing or surviving Person) or (ii) any other Foreign Subsidiary (other than a Foreign Subsidiary Borrower) that is a Wholly Owned Subsidiary of the Company organized in such jurisdiction (other than a Canadian Holding Company) (provided that if any such Foreign Subsidiary is a Subsidiary Guarantor, a Subsidiary Guarantor shall be the continuing or surviving Person);

(c) (i) any Subsidiary of the Company may Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Company or any other Subsidiary of the Company, so long as any security interests granted to the Administrative Agent for the benefit of the Secured Parties pursuant to the Collateral Documents in the assets so Disposed shall remain in full force and effect and perfected (to at least the same extent as in effect immediately prior to such transfer) and all actions required to maintain said perfected status have been taken; provided that (x) subject to the following clause (y), any such Disposition made by a Loan Party shall be made to another Loan Party and (y) any such Disposition made by a Loan Party that is a Domestic Subsidiary shall only be made to another Loan Party that is Domestic Subsidiary and (ii) if all of the assets of any Subsidiary (other than the Canadian Primary Borrower) are Disposed of in accordance with this Agreement or such Subsidiary is a Dormant Subsidiary, such Subsidiary may be dissolved;

(d) (i) any Canadian Subsidiary of the Company (other than a Canadian Holding Company) may Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to any other Canadian Subsidiary that is a Wholly Owned Subsidiary of the Company (other than a Canadian Holding Company) and (ii) any Subsidiary that is not a Loan Party may Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to any other Subsidiary that is not a Loan Party;

(e) any merger, consolidation or amalgamation consummated to effect a Permitted Acquisition shall be permitted;

(f) any Dormant Subsidiary or any Subsidiary that is an inactive Subsidiary or has assets of less than $1,000,000 may, in each case, liquidate or dissolve if the Company determines in good

faith that such liquidation or dissolution is in the best interests of the Company and is not materially disadvantageous to the Lenders; and

(g) the Mexican Reorganization.

SECTION 6.04. Limitation on Disposition of Property .

Dispose of any of its Property (including, without limitation, receivables and leasehold interests), whether now owned or hereafter acquired, except:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business;

(c) Dispositions permitted by Sections 6.03(a), (b), (c), (d), (f) and (g) and Investments permitted by Section 6.07(f);

(d) any Recovery Event, provided , that the requirements of Section 2.11(c) are complied with in connection therewith;

(e) each of the Company and its Subsidiaries may sell or discount, in each case without recourse and in the ordinary course of business, accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof and not as part of any financing transaction;

(f) the Scheduled Dispositions, so long as (i) each such Disposition is in an arm's-length transaction and the Company or the respective Subsidiary receives at least Fair Market Value therefor, (ii) the consideration received by the Company or its relevant Subsidiary consists solely of cash and is paid at the time of the closing of such sale, and (iii) the Net Cash Proceeds therefrom are applied and/or reinvested as (and to the extent) required by Section 2.11(c);

(g) Permitted Sale-Leaseback Transactions permitted by Section 6.10;

(h) the Disposition of other assets (other than the Capital Stock of any Wholly Owned Subsidiary, unless all of the Capital Stock of such Wholly Owned Subsidiary is sold in accordance with this clause (h)) having a Fair Market Value not to exceed 5% of Consolidated Total Assets (calculated as of the most recent fiscal period for which financial statements have been delivered pursuant to Section 5.01) in the aggregate for any fiscal year of the Company, so long as (i) no Default or Event of Default then exists or would result therefrom, (ii) each such Disposition is in an arm's-length transaction and the Company or the respective Subsidiary receives at least Fair Market Value, (iii) the consideration is paid at the time of the closing of such Disposition, and (iv) the Net Cash Proceeds therefrom are applied and/or reinvested as (and to the extent) required by Section 2.11(c);

(i) the Company or any Subsidiary may (i) sell or pledge Permitted Receivables Facility Assets pursuant to Permitted Receivables Facilities and (ii) may sell accounts receivable and notes receivable pursuant to Permitted Factoring Transactions; provided that, to the extent any Permitted Factoring Transaction gives rise to obligations that are recourse to the Company or any Subsidiary of the Company (in each case other than limited recourse customary for factoring transactions of the same kind and solely recourse to the particular assets or group of assets subject to such Permitted

Factoring Transaction, as the case may be), the aggregate face amount of all such Permitted Factoring Transactions giving rise to recourse obligations shall not exceed $100,000,000 during any fiscal year of the Company; and

(j) Asset Swaps made in accordance with the requirements of the definition thereof, so long as (i) if the Fair Market Value of the assets transferred exceeds $10,000,000, the board of directors of the Company approves such transfer and exchange, (ii) the Fair Market Value of any property or assets received in connection therewith is at least equal to the Fair Market Value of the property or assets so transferred, (iii) each such Asset Swap is effected in connection with an Investment permitted by Section 6.07, (iv) to the extent applicable, any "boot" or other assets received by the Company or any of its Subsidiaries complies with the requirements of clause (iii) above and the Net Cash Proceeds, if any, of such boot or other assets (including any "boot" received in the form of cash) are applied as (and to the extent) required by Section 2.11(c), and (v) no Default or Event of Default then exists or would result therefrom.

SECTION 6.05. Limitation on Restricted Payments . Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Company or any of its Subsidiaries, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Company or any of its Subsidiaries, or enter into any derivatives or other transaction with any financial institution, commodities or stock exchange or clearinghouse (a " Derivatives Counterparty ") obligating the Company or any Subsidiary to make payments to such Derivatives Counterparty as a result of any change in market value of any such Capital Stock (collectively, " Restricted Payments "), except that:

(a) (i) any Subsidiary may make Restricted Payments to the Company or any Subsidiary Guarantor, (ii) any Canadian Subsidiary may make Restricted Payments to the Canadian Primary Borrower or any Canadian Subsidiary that is a direct parent of such Canadian Subsidiary and (iii) any Subsidiary that is not a Borrower or a Subsidiary Guarantor may make Restricted Payments to any other Subsidiary that is a direct parent of such Subsidiary; provided that in the case of any Restricted Payment made by any Subsidiary that is not a Wholly Owned Subsidiary of the Company to the Company or any of its Subsidiaries, the Company or its respective Subsidiary which owns Capital Stock in the Subsidiary making such Restricted Payment shall receive at least its proportionate share thereof (based on its relative holding of the Capital Stock of the Subsidiary making such Restricted Payment);

(b) the Company may make Restricted Payments in the form of common stock of the Company;

(c) so long as no Default or Event of Default shall exist and be continuing, the Company may purchase its common stock or common stock options from present or former officers or employees of the Company or any Subsidiary upon the death, disability or termination of employment of such officer or employee, provided , that the aggregate amount of payments pursuant to this Section 6.05(c) shall not exceed $10,000,000 in any fiscal year of the Company;

(d) the Company may declare and make Restricted Payments with respect to its outstanding common stock, so long as immediately before and after giving effect (including giving effect on a pro forma basis) to the declaration and making of each such Restricted Payment, (i) no Default or Event of Default shall exist and be continuing, and (ii) if the Net Leverage Ratio is greater

than or equal to 2.00 to 1.00, the aggregate amount of all such Restricted Payments made pursuant to this Section 6.05(d) on and after the Restatement Effective Date shall not exceed an amount equal to the sum of (A) the Restricted Payments Basket Amount available under the Existing Credit Agreement immediately prior to the Restatement Effective Date and, for the avoidance of doubt, giving effect to any reduction for Restricted Payments made in reliance on Section 6.05(d) of the Existing Credit Agreement prior to the Restatement Effective Date, *plus* (B) the sum of (without duplication) (i) 50% of Consolidated Net Income for Restricted Payments of the Company and its Subsidiaries for the period (taken as one accounting period) commencing on the first day of the fiscal quarter ending March 31, 2014 to and including the last day of the fiscal quarter ended immediately prior to the date of such calculation for which consolidated financial statements are available (or, if such Consolidated Net Income for Restricted Payments shall be a deficit, minus 100% of such aggregate deficit), *plus* (ii) 100% of the aggregate net cash proceeds and the fair market value, as determined in good faith by the Company, of property and marketable securities received by the Company from the issuance and sale of Qualified Equity Interests of the Company after the Restatement Effective Date or from the issue or sale of convertible or exchangeable Disqualified Equity Interests of the Company or convertible or exchangeable debt securities of the Company, in each case that have been converted into or exchanged for Qualified Equity Interests of the Company, other than (x) any such proceeds which are used to repay the Loans or redeem or prepay any unsecured senior and/or senior subordinated Indebtedness of the Company (including, without limitation, the Permitted Notes) or (y) any such proceeds or assets received from a Subsidiary of the Company, *plus* (iii) the aggregate amount by which Indebtedness (other than any Subordinated Indebtedness) incurred by the Company or any Subsidiary subsequent to the Restatement Effective Date is reduced on the Company's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) into Qualified Equity Interests of the Company (*less* the amount of any cash, or the fair value of assets, distributed by the Company or any Subsidiary upon such conversion or exchange);

(e) the Company may repurchase outstanding common stock of the Company in an aggregate amount not in excess of $100,000,000 in any twelve-month period so long as no Default or Event of Default shall exist and be continuing immediately before and after giving effect (including giving effect on a pro forma basis) to each such repurchase; and

(f) the Company may make regular quarterly and/or annual dividend payments in respect of outstanding common stock of the Company in an aggregate amount during any fiscal year of the Company not in excess of the amount equal to 1% of the total market capitalization of the Company (determined as of the date of declaration of such dividend) so long as no Default or Event of Default shall exist and be continuing immediately before and after giving effect (including giving effect on a pro forma basis) to the declaration each such dividend.

Notwithstanding the foregoing, this Section 6.05 shall not be in effect during a Collateral Release Period.

SECTION 6.06. Limitation on Capital Expenditures . Make or commit to make any Capital Expenditure, except Capital Expenditures of the Company and its Subsidiaries made so long as at the time of the making thereof and after giving effect (including pro forma effect) thereto, the Borrowers are in compliance with Section 6.18.

SECTION 6.07. Limitation on Investments . Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting an ongoing business from, or make any other investment in, any other Person (all of the foregoing, " Investments "), except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) Investments arising in connection with the incurrence of Indebtedness permitted by Section 6.01(b) or (e);

(d) loans and advances to employees of the Company or any Subsidiaries of the Company in the ordinary course of business (including, without limitation, for travel, entertainment and relocation expenses) in an aggregate amount for the Company and Subsidiaries of the Company not to exceed $25,000,000 at any one time outstanding;

(e) the Canadian Primary Borrower may make additional Investments in Canadian Subsidiaries that are Wholly Owned Subsidiaries of the Company with the proceeds of Revolving Loans, so long as the aggregate outstanding amount of all such Investments (net of cash repayments of principal in the case of Investments in the form of loans, sale proceeds in the case of Investments in the form of debt instruments and cash equity returns (whether as a distribution, dividend, redemption or sale) in the case of equity Investments) does not exceed $50,000,000;

(f) Investments (other than those relating to the incurrence of Indebtedness permitted by Section 6.07(c)) by the Company in any Subsidiary and by any Subsidiary in the Company or any other Subsidiary;

(g) in addition to Investments otherwise expressly permitted by this Section, Investments by the Company or any of its Subsidiaries in an aggregate amount for all Investments made pursuant to this clause (g) (net of cash repayments of principal in the case of Investments in the form of loans, sale proceeds in the case of Investments in the form of debt instruments and cash equity returns (whether as a distribution, dividend, redemption or sale) in the case of equity Investments) not to exceed an amount equal to 10% of Consolidated Total Assets calculated as of the most recent fiscal year for which financial statements have been delivered pursuant to Section 5.01;

(h) any Acquisition so long as the following conditions are met for such Acquisition:

(i) the Company and its Subsidiaries shall be in compliance with Section 5.09;

(ii) after giving effect to such purchase or acquisition, the Company and its Subsidiaries shall be in compliance with Section 6.14;

(iii) immediately before and after giving pro forma effect to any such purchase or other acquisition, no Default shall have occurred and be continuing;

(iv) calculations are made by the Company demonstrating (A) compliance with the financial covenants set forth in Section 6.18 and (B) if the maximum Net Leverage Ratio permitted under Section 6.18 at such time is greater than 4.00 to 1.00, that the Net Leverage Ratio is not greater than 0.25 to 1.00 less than the maximum Net Leverage Ratio permitted under Section 6.18 at such time, in each case, for the Calculation Period then last ended and calculated on a Pro Forma Basis as if the respective Permitted Acquisition (as well as all other Specified Transactions theretofore consummated after the first day of such Calculation Period) had occurred on the first day of such Calculation Period;

(v) all representations and warranties contained herein and in the other Loan Documents shall be true and correct in all material respects (or in all respects if the applicable representation and warranty is qualified by materiality or Material Adverse Effect) with the same effect as though such representations and warranties had been made on and as of the date of such Permitted Acquisition (both before and after giving effect thereto), unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects (or in all respects if the applicable representation and warranty is qualified by materiality or Material Adverse Effect) as of such earlier date;

(vi) the sum of the (x) aggregate unused portion of the Revolving Commitments at such time (after giving effect to the consummation of the respective Permitted Acquisition and any financing thereof) and (y) the aggregate amount of cash and Cash Equivalents (in each case, free and clear of all Liens, other than nonconsensual Liens permitted by Section 6.02 and Liens in favor of the Administrative Agent pursuant to the Collateral Documents) included in the consolidated balance sheet of the Company and its Subsidiaries as of such date, shall equal or exceed $50,000,000;

(vii) if the Aggregate Consideration to be paid in respect of such purchase of acquisition equals or exceeds $100,000,000, the Company shall have delivered to the Administrative Agent at least five (5) Business Days prior to such acquisition, on behalf of the Lenders, a certificate of a Responsible Officer, certifying that all of the requirements set forth in this Section 6.07(h) have been satisfied or will be satisfied on or prior to the consummation of such purchase or other acquisition and containing the calculations (in reasonable detail) required by preceding clauses (ii), (iv) and (vi); and

(viii) such Permitted Acquisition shall not be hostile and shall have been approved by the board of directors (or other similar body) and/or the stockholders or other equityholders of the target;

(i) Asset Swaps may be consummated in accordance with the definition thereof and Section 6.04(j);

(j) to the extent constituting Investments, Hedge Agreements permitted under Section 6.17;

(k) the Car Care Acquisition;

(l) contributions of Permitted Receivables Facility Assets and cash deemed received from proceeds of Permitted Receivables Facility Assets to Receivables Entities to the extent required or made pursuant to Permitted Receivables Facility Documents or to the extent necessary to keep the Receivables Entities properly capitalized to avoid insolvency or consolidation with a Loan Party or any of the Subsidiaries;

(m) Investments in Subsidiaries and other Investments existing on the Restatement Effective Date and listed on Schedule 6.07 ;

(n) the November 2017 Acquisition; provided that the November 2017 Acquisition shall (i) comply with the requirements set forth in clauses (i), (ii), (iii), (iv)(A), (v), (vi) and (vii) of Section 6.07(h), *mutatis mutandis* , (ii) be consummated in accordance with applicable law and in accordance with the terms of the November 2017 Acquisition Agreement, provided that no provision of the

November 2017 Acquisition Agreement shall have been waived, amended, supplemented or otherwise modified in any material respect without consent of the Administrative Agent and (iii) be consummated no later than December 31, 2018; and

(o) Investments by the Company or any of its Subsidiaries in Captive Insurance Subsidiaries; provided that the aggregate amount for all Investments made pursuant to this clause (o) (net of cash repayments of principal in the case of Investments in the form of loans, sale proceeds in the case of Investments in the form of debt instruments and cash equity returns (whether as a distribution, dividend, redemption or sale) in the case of equity Investments) shall not exceed an amount equal to $150,000,000 during the term of this Agreement.

The amount of any Investment for purposes of this Section 6.07 shall be determined at the time of such Investment (in the case of an Investment made with consideration other than in cash, taking the Fair Market Value of the Property so invested) and shall not take account of any write-downs or write-offs thereof.

SECTION 6.08. Limitation on Optional Payments and Modifications of Debt Instruments Governing Documents . (a) (i) Make or offer to make any optional or voluntary payment, prepayment, exchange, refinance, repurchase or redemption of, or otherwise voluntarily or optionally defease, any Permitted Secured Debt, Subordinated Indebtedness or any Material Indebtedness (other than Indebtedness arising under the Loan Documents) or segregate funds for any such payment, prepayment, exchange, refinance, repurchase, redemption or defeasance, provided that (x) the Company may prepay, refinance, repurchase or redeem Material Indebtedness and Subordinated Indebtedness so long as after giving effect (including giving effect on a Pro Forma Basis) thereto (A) no Default or Event of Default shall exist and be continuing and (B) Liquidity shall not be less than $250,000,000, (y) the Company may prepay, refinance, repurchase or redeem Permitted Secured Debt so long as after giving effect (including giving effect on a Pro Forma Basis) thereto no Default or Event of Default shall exist and be continuing and (z) the Company may exchange any Permitted Secured Debt, Material Indebtedness or Subordinated Indebtedness for common Capital Stock of the Company, or (ii) enter into any derivative or other transaction with any Derivatives Counterparty obligating the Company or any Subsidiary to make payments to such Derivatives Counterparty as a result of any change in market value of such Subordinated Indebtedness or such Material Indebtedness, or (iii) amend, modify or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any Permitted Secured Debt, Subordinated Indebtedness or any Material Indebtedness (other than any such amendment, modification, waiver or other change which (x) would extend the maturity or reduce the amount of any payment of principal thereof, reduce the rate or extend the date for payment of interest thereon or relax any covenant or other restriction applicable to the Company or any of its Subsidiaries and (y) does not involve the payment of a consent fee), or (b) designate any Indebtedness (other than the Secured Obligations) as "Designated Senior Indebtedness" for the purpose of such Subordinated Indebtedness.

SECTION 6.09. Limitation on Transactions with Affiliates . Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Company or any Subsidiary Guarantor) unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of business of the Company or such Subsidiary, as the case may be, and (c) upon terms no less favorable to the Company or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate.

SECTION 6.10. Limitation on Sales and Leasebacks . Enter into any Sale-Leaseback Transaction; provided that (a) the Company or any of its Subsidiaries may effect Permitted Sale-

Leaseback Transactions in accordance with the definition thereof, so long as (i) no Default or Event of Default then exists or would result therefrom, (ii) the aggregate amount of all proceeds received by the Company and its Subsidiaries from all Permitted Sale-Leaseback Transactions consummated on and after the Restatement Effective Date shall not exceed $75,000,000 in any Fiscal Year, (iii) the Attributable Debt resulting from such Permitted Sale-Leaseback Transaction is permitted by Section 6.01(c), (iv) the Lien on the Property securing such Attributable Debt is permitted by Section 6.02(p) and (v) the Net Cash Proceeds therefrom are applied and/or reinvested as (and to the extent) required by Section 2.11(c), and (b) the Company may sell and leaseback its headquarters located in Nashville, Tennessee, so long as (i) no Default or Event of Default then exists or would result therefrom, (ii) such sale is made pursuant to an arm's-length transaction, (iii) the consideration received by the Company consists solely of cash and is paid at the time of the closing of such sale, (iv) the Net Cash Proceeds therefrom equal at least 95% of the Fair Market Value of the Property subject to such Sale-Leaseback Transaction, (v) the Lien on the Property securing the Attributable Debt resulting therefrom is permitted by Section 6.01 and (vi) the Net Cash Proceeds therefrom are applied and/or reinvested as (and to the extent) required by Section 2.11(c) (the " Nashville Headquarters Sale-Leaseback Transaction ").

SECTION 6.11. [Reserved] .

SECTION 6.12. Limitation on Negative Pledge Clauses . Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of the Company or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired, to secure the Obligations or, in the case of any Subsidiary Guarantor, its obligations under the Guarantee and Collateral Agreement, other than (a) this Agreement and the other Loan Documents, (b) any agreement described in (and permitted by) clauses (iii), (iv), (v), (vi), (vii) (except to the extent otherwise subject to limitation under clause (e) below), (viii), (ix), (x) and (xii) of Section 6.13, (c) customary restrictions and conditions contained in agreements relating to a Permitted Receivables Facility or a Permitted Factoring Transaction, (d) restrictions and conditions contained in any documents, agreements and instruments evidencing Permitted Secured Debt assumed in connection with a Permitted Acquisition so long as (i) such Permitted Secured Debt is permitted by Section 6.01(r), (ii) such restrictions and conditions are applicable only to the Subsidiaries or Properties acquired pursuant to such Permitted Acquisition and (iii) such restrictions and conditions were not created (or made more restrictive) in connection with or in anticipation of such Permitted Acquisition and (e) agreements containing negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under Section 6.01(f), (g), (j), (n), (p), (s), (t) or (u) but only if such negative pledge or restriction permits Liens for the benefit of the Administrative Agent and the Lenders with respect to the credit facilities established hereunder and the Secured Obligations under the Loan Documents on a senior basis (in an aggregate principal amount equal to at least the aggregate principal Dollar Amount of all Term Loans and the sum of the Revolving Commitments on the date of the incurrence thereof) and without a requirement that such holders of such Indebtedness be secured by such Liens equally and ratably or on a junior basis (except to the extent permitted under Section 2.21 in respect of any Incremental Equivalent Debt).

SECTION 6.13. Limitation on Restrictions on Subsidiary Distributions . Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay or subordinate any Indebtedness owed to, the Company or any other Subsidiary, (b) make Investments in the Company or any other Subsidiary or (c) transfer any of its assets to the Company or any other Subsidiary, except for (i) any restrictions existing under the Loan Documents, (ii) encumbrances or restrictions under or by reason of applicable law, (iii) customary restrictions and conditions contained in agreements relating to any sale of Property permitted by Section 6.03 or 6.04 pending such sale (including agreements evidencing

Indebtedness permitted by Section 6.01(j)), provided such restrictions and conditions apply only to the Property that is to be sold, (iv) any agreement in effect, or entered into, on the Restatement Effective Date and identified on Schedule 6.13 , (v) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Company or a Subsidiary of the Company entered into in the ordinary course of business and consistent with past practices, (vi) any encumbrance or restriction under any agreement or instrument governing Permitted Acquired Debt or Permitted Seller Debt, which encumbrance or restriction is not applicable to any Person or the Properties of any Person, other than the Person or the Properties acquired pursuant to the respective Permitted Acquisition and so long as, in the case of Permitted Acquired Debt, the respective encumbrances or restrictions were not created (or made more restrictive) in connection with or in anticipation of the respective Permitted Acquisition, (vii) customary restrictions contained in any documentation governing Attributable Debt arising in connection with a Permitted Sale-Leaseback Transaction, so long as any such restriction is applicable only to the Property securing such Attributable Debt, (viii) restrictions and conditions on any Foreign Subsidiary by the terms of any Indebtedness of such Foreign Subsidiary permitted to be incurred hereunder (except to the extent otherwise subject to limitation under clause (xii) below), (ix) negative pledges and restrictions on Liens in favor of any holder of secured Indebtedness permitted by Section 6.01(c) or (l) but only to the extent any negative pledges relate to the property financed by or the subject of such Indebtedness (and excluding any Subordinated Indebtedness), (x) on and after the execution and delivery thereof, encumbrances and restrictions contained in the documentation governing any Indebtedness incurred pursuant to Section 6.01(g), (xi) restrictions and conditions contained in any documents, agreements and instruments evidencing Permitted Secured Debt assumed in connection with a Permitted Acquisition so long as (x) such Permitted Secured Debt is permitted by Section 6.01(r), (y) such restrictions and conditions are applicable only to the Subsidiaries or Properties acquired pursuant to such Permitted Acquisition and (z) such restrictions and conditions were not created (or made more restrictive) in connection with or in anticipation of such Permitted Acquisition and (xii) negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under Section 6.01(f), (g), (j), (l), (m), (n), (p), (s), (t) or (u) but only if such negative pledge or restriction permits Liens for the benefit of the Administrative Agent and the Lenders with respect to the credit facilities established hereunder and the Secured Obligations under the Loan Documents on a senior basis (in an aggregate principal amount equal to at least the aggregate principal Dollar Amount of all Term Loans and the sum of the Revolving Commitments on the date of the incurrence thereof) and without a requirement that such holders of such Indebtedness be secured by such Liens equally and ratably or on a junior basis (except to the extent permitted under Section 2.21 in respect of any Incremental Equivalent Debt).

SECTION 6.14. Limitation on Lines of Business . Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Company and its Subsidiaries are engaged on the Amendment No. 2 Effective Date and reasonable extensions thereof or reasonably related or ancillary thereto.

SECTION 6.15. Limitation on Issuance of Capital Stock . (a) The Company will not, and will not permit any of its Subsidiaries to, issue (i) any Preferred Capital Stock or (ii) any redeemable common Capital Stock other than redeemable common Capital Stock that is redeemable at the sole option of the Company or such Subsidiary, as the case may be; provided that the foregoing shall not prohibit or otherwise restrict the issuance of (x) any Capital Stock (including, without limitation, Preferred Capital Stock and redeemable stock) that only allows Restricted Payments to the extent permitted by Section 6.05, (y) common Capital Stock of the Company to the extent permitted by Section 6.08 and (z) Indebtedness that is convertible into common Capital Stock so long as (1) such Indebtedness is permitted under Section 6.01 and (2) such common Capital Stock into which such Indebtedness converts is not otherwise prohibited by this Section 6.15 .

(a) The Company will not permit any of its Subsidiaries to issue any Capital Stock (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, Capital Stock, except (i) for transfers and replacements of then outstanding shares of Capital Stock, (ii) for stock splits, stock dividends and other issuances which do not decrease the percentage ownership of the Company or any of its Subsidiaries in any class of the Capital Stock of such Subsidiary, (iii) in the case of Foreign Subsidiaries of the Company, to qualify directors to the extent required by applicable law and for other nominal share issuances to Persons other than the Company and its Subsidiaries to the extent required under applicable law, and (iv) for issuances by Subsidiaries of the Company which are newly created or acquired in accordance with the terms of this Agreement.

SECTION 6.16. Limitation on Activities of Canadian Holding Companies and Dormant Subsidiaries .

(a) In the case of each Canadian Holding Company, notwithstanding anything to the contrary in this Agreement or any other Loan Document, (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to the ownership of Capital Stock in Canadian Subsidiaries and the other transactions permitted pursuant to this clause (a), (ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (w) nonconsensual obligations imposed by operation of law, (x) Indebtedness pursuant to the Loan Documents to which it is a party, (y) loans to or from the Company or other Subsidiaries to the extent otherwise permitted hereunder and (z) obligations with respect to its Capital Stock, or (iii) own, lease, manage or otherwise operate any properties or assets (including cash (other than cash received in connection with dividends or intercompany loans made to or by such Canadian Holding Company in accordance with Section 6.05 or 6.07, as applicable, pending application in the manner contemplated thereby) and Cash Equivalents) other than the ownership of shares of Capital Stock in Canadian Subsidiaries and of promissory notes and other evidence of Indebtedness permitted pursuant to the preceding clause (a)(ii)(y).

(b) In the case of each Dormant Subsidiary of the Company, notwithstanding anything to the contrary in this Agreement or any other Loan Document, unless otherwise agreed by the Administrative Agent, (a) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to the ownership of the Capital Stock of other Dormant Subsidiaries owned by such Dormant Subsidiary on the Restatement Effective Date, (b) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (i) nonconsensual obligations imposed by operation of law, (ii) pursuant to the Loan Documents to which it is a party, and (iii) obligations with respect to its Capital Stock, or (c) own, lease, manage or otherwise operate any properties or assets other than the ownership of shares of Capital Stock of other Dormant Subsidiaries owned by such Dormant Subsidiary on the Restatement Effective Date.

SECTION 6.17. Limitation on Hedge Agreements . Enter into any Hedge Agreement other than Hedge Agreements entered into in the ordinary course of business, and not for speculative purposes, to protect against changes in interest rates or foreign exchange rates or commodity prices.

SECTION 6.18. Financial Covenants .

(a) Maximum Net Leverage Ratio . The Company will not permit the ratio (the " Net Leverage Ratio "), determined as of the end of each of its fiscal quarters ending on and after March 31, 2016, of (x) Consolidated Net Indebtedness to (y) Consolidated EBITDA for the period of four (4) consecutive

fiscal quarters ending with the end of such fiscal quarter, all calculated for the Company and its Subsidiaries on a consolidated basis, to be greater than:

(i) 4.00 to 1.00, in the case of any fiscal quarter ending prior to the consummation of the November 2017 Acquisition; provided that, upon prior written notice to the Administrative Agent, the Company may elect to increase the maximum Net Leverage Ratio permitted under this Section 6.18(a)(i) to no more than 4.50 to 1.00 in connection with any Permitted Acquisition for any period of four consecutive fiscal quarters, commencing with the fiscal quarter in which such Permitted Acquisition was consummated (and for any Calculation Period for purposes of determining the Net Leverage Ratio on a Pro Forma Basis); provided further that the maximum Net Leverage Ratio permitted under this Section 6.18(a)(i) will decrease to 4.00 to 1.00 for at least one fiscal quarter before becoming eligible to increase again to 4.50 to 1.00 for a new period of four consecutive fiscal quarters; and

(ii) (A) 4.50 to 1.00, in the case of the fiscal quarter during which the November 2017 Acquisition is consummated and for each of the three (3) consecutive fiscal quarters ending immediately thereafter, (B) 4.25 to 1.00, in the case of each of the four (4) consecutive fiscal quarters ending immediately after the final fiscal quarter described in the foregoing clause (a)(ii)(A) and (C) 4.00 to 1.00, in the case of each fiscal quarter ending after the final fiscal quarter described in the foregoing clause (a)(ii)(B); provided that, upon prior written notice to the Administrative Agent, the Company may elect to increase the maximum Net Leverage Ratio permitted under this Section 6.18(a)(ii) to no more than 4.50 to 1.00 in connection with one or more Permitted Acquisitions consummated during any period of four consecutive fiscal quarters and having a total Aggregate Consideration for all such Permitted Acquisitions of not less than $250,000,000 (any such Permitted Acquisitions during any period of four consecutive fiscal quarters being collectively referred to as " Material Permitted Acquisitions ") for any period of four consecutive fiscal quarters, commencing with the fiscal quarter in which the most recent of such Material Permitted Acquisitions was consummated (and for any Calculation Period for purposes of determining the Net Leverage Ratio on a Pro Forma Basis); provided further that the maximum Net Leverage Ratio permitted under this Section 6.18(a)(ii) will decrease to the then applicable level for at least one fiscal quarter before becoming eligible to increase again to 4.50 to 1.00 for a new period of four consecutive fiscal quarters.

For purposes of calculating the Net Leverage Ratio, Consolidated EBITDA shall be determined on a Pro Forma Basis in accordance with clause (iii) of the definition of Pro Forma Basis contained herein and Consolidated Net Indebtedness shall be determined on a Pro Forma Basis in accordance with the requirements of the definition of Pro Forma Basis contained herein.

(b) Minimum Interest Coverage Ratio . The Company will not permit the ratio (the " Interest Coverage Ratio "), determined as of the end of each of its fiscal quarters ending on and after March 31, 2016, of (i) Consolidated EBITDA to (ii) Consolidated Interest Expense paid or payable in cash, in each case for the period of four (4) consecutive fiscal quarters ending with the end of such fiscal quarter, all calculated for the Company and its Subsidiaries on a consolidated basis, to be less than 3.00 to 1.00. For purposes of calculating the Interest Coverage Ratio, Consolidated EBITDA shall be determined on a Pro Forma Basis in accordance with the requirements of clause (iii) of the definition of Pro Forma Basis contained herein and Consolidated Interest Expense shall be determined on a Pro Forma Basis in accordance with the requirements of clauses (i) and (ii) of the definition of Pro Forma Basis contained herein as related to applicable Indebtedness.

ARTICLE VII

Events of Default

If any of the following events (" Events of Default ") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or any Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any Loan Party shall fail to pay any other amount payable hereunder or under any other Loan Document, within five (5) days after any such interest or other amount becomes due in accordance with the terms hereof or thereof; or

(b) Any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made or furnished; or

(c) (i) Any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 5.04(a) (with respect to any Borrower only), Section 5.07(a), 5.10 or Article VI, or in Section 5 of the Guarantee and Collateral Agreement, or (ii) any default in the performance of the agreements set forth in Section 5.2(g) of the Guarantee and Collateral Agreement; or

(d) Any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Company (which notice will be given at the request of any Lender); or

(e) The Company or any of its Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness (including, without limitation, any Guarantee Obligation, but excluding the Loans and Reimbursement Obligations) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or to become subject to a mandatory offer to purchase, prepay, defease or redeem by the obligor thereunder or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided , that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall exist and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $75,000,000; or

(f) (i) The Company or any of its Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement,

adjustment, winding up, liquidation, dissolution, composition, compromise or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, receiver and manager, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Company or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Company or any of its Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Company or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Company or any of its Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Company or any of its Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) a UK Insolvency Event shall occur in respect of any UK Relevant Entity;

(g) (i) Any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan for which an individual, statutory or class exemption is unavailable, (ii) any failure to satisfy the "minimum funding standard" (within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, or any Lien under ERISA, the Code or Canadian federal or provincial statutes in relation to pension plans or any other applicable employee benefit plan law shall arise on the assets of the Company, any of its Subsidiaries or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, (iv) any Single Employer Plan or Non-US Plan shall be involuntarily terminated by the PBGC pursuant to Section 4042 of ERISA or other applicable law, (v) the Company, any of its Subsidiaries or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders shall be likely to, incur during any fiscal year of the Company any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan, that, in the aggregate, exceeds the amount set forth on Schedule 7(g)(v), (vi) the Company, any of its Subsidiaries or any Commonly Controlled Entity shall be required to make during any fiscal year of the Company payments pursuant to any employee welfare benefit plan (as defined in Section 3.1 of ERISA) that provides benefits to retired employees (or their dependents) that, in the aggregate, exceed the amount set forth on Schedule 7(g)(vi) with respect to such fiscal year, (vii) the Company, any of its Subsidiaries or any Commonly Controlled Entity shall be required to make during any fiscal year of the Company contributions to any defined benefit Plan subject to Title IV of ERISA that, in the aggregate, exceed the amount set forth on Schedule 7(g)(vii) with respect to such fiscal year, (viii) the Company, any of its Subsidiaries or any Commonly Controlled Entity has not timely made a contribution required to be made with respect to a Plan or a Non-US Plan, (ix) the Company, any of its Subsidiaries or any Commonly Controlled Entity incurs a liability, fine or penalty with respect to a Plan or a Non-US Plan, (x) any other similar event or condition shall occur or exist with respect to a Plan or Non-US Plan or (xi) the Company or any of its Subsidiaries shall have been notified that any of them has, in relation to a Non-US Plan, incurred a debt or other liability under section 75 or 75A of the United Kingdom Pensions Act 1995, or has been issued with a contribution notice or financial support direction (as those terms are defined in the United Kingdom Pensions Act 2004), or otherwise is liable to pay any other amount in respect of Non-US Plans; and in each case in clauses (i) through (xi) above, such event or condition, together with all other such events or conditions, if any, could, in the reasonable judgment of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

(h) One or more judgments or decrees shall be entered against the Company or any of its Subsidiaries involving for the Company and its Subsidiaries taken as a whole a liability (not paid or fully covered by insurance as to which the relevant insurance company has been notified and not denied coverage) of $75,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 45 days from the entry thereof; or

(i) Any of this Agreement, any Borrowing Subsidiary Agreement, any Borrowing Subsidiary Termination, any promissory notes issued pursuant to Section 2.10(e) of this Agreement, any Letter of Credit applications, the Collateral Documents, the Canadian Intercompany Collateral Agreements or the Amendment and Restatement Agreement shall cease, for any reason (other than by reason of the express release thereof pursuant to this Agreement and other than a Collateral Document during any Collateral Release Period), to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Collateral Documents or the Canadian Intercompany Collateral Agreements shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j) The guarantee of any Loan Party contained in the Guarantee and Collateral Agreement shall cease, for any reason (other than by reason of the express release thereof pursuant to this Agreement), to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(k) Any Change of Control shall occur; or

(l) Any Subordinated Indebtedness or any guarantees thereof shall cease, for any reason, to be validly subordinated to the Secured Obligations or the obligations of any Loan Party under the Guarantee and Collateral Agreement, as the case may be, as provided in the documentation governing such Subordinated Indebtedness, or any Loan Party, any Affiliate of any Loan Party, any trustee or the holders of at least 25% in aggregate principal amount of the such Subordinated Indebtedness shall so assert;

then, and in every such event (other than an event with respect to the Company described in clause (f) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and (x) with respect to clause (i) below, at the request of a Majority in Interest of Revolving Lenders, shall and (y) with respect to clause (ii) below, at the request of the Required Lenders, shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate the Commitments (including the Letter of Credit Commitments of each Issuing Bank), and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Secured Obligations of the Borrowers accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers and (iii) require cash collateral for the LC Exposure in accordance with Section 2.06(j) hereof; and in case of any event with respect to any Borrower described in clause (f) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding and cash collateral for the LC Exposure, together with accrued interest thereon and all fees and other Secured Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders

shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

ARTICLE VIII

The Administrative Agent

Each of the Lenders, on behalf of itself and any of its Affiliates that are Secured Parties, and the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In furtherance of the foregoing, and not in limitation, each of the Lenders authorizes the Administrative Agent to enter into one or more intercreditor agreements acceptable to the Administrative Agent in its sole discretion with parties to any Permitted Receivables Facility. Such intercreditor agreements may provide for, among other things, (i) the Administrative Agent's and the Lenders' forbearance of, and other limitations on, any exercise of remedies in respect of any equity interests in any Receivables Entity and/or any notes issued by any Receivables Entity to any Receivables Seller in connection with any Permitted Receivables Facility, in any case, that have been pledged to secure the Obligations and/or (ii) disclaimers of interests on, and releases of security interests in, any Receivables and Permitted Receivables Facility Assets. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders (including the Swingline Lender and each Issuing Bank), and neither the Company nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be

deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Company or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Company. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by any Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between such Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further acknowledges that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Administrative Agent or any other Lender

and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder and in deciding whether or the extent to which it will continue as a Lender or assign or otherwise transfer its rights, interests and obligations hereunder.

None of the Lenders, if any, identified in this Agreement as a Syndication Agent or Documentation Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Syndication Agent or Documentation Agents, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

In its capacity, the Administrative Agent is a "representative" of the Secured Parties within the meaning of the term "secured party" as defined in the New York Uniform Commercial Code. Each Lender authorizes the Administrative Agent to enter into each of the Collateral Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Secured Party (other than the Administrative Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Secured Parties upon the terms of the Collateral Documents. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Administrative Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Secured Parties any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Secured Parties. The Lenders hereby authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) as described in Section 9.02(d); (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Document; or (iii) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant hereto. Upon any sale or transfer of assets constituting Collateral which is permitted pursuant to the terms of any Loan Document, or consented to in writing by the Required Lenders or all of the Lenders, as applicable, and upon at least five (5) Business Days' prior written request by the Company to the Administrative Agent, the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Administrative Agent for the benefit of the Secured Parties herein or pursuant hereto upon the Collateral that was sold or transferred; provided , however , that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent's opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release

of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations or any Liens upon (or obligations of the Company or any Subsidiary in respect of) all interests retained by the Company or any Subsidiary, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral. Any execution and delivery by the Administrative Agent of documents in connection with any such release shall be without recourse to or warranty by the Administrative Agent.

In case of the pendency of any proceeding with respect to any Loan Party under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any LC Disbursement shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Company or any other Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Exposure and all other Secured Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.15, 2.16, 2.17 and 9.03) allowed in such judicial proceeding; and

(b) collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender, each Issuing Bank and each other Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, the Issuing Banks or the other Secured Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03).

For greater certainty and without limiting the powers of the Administrative Agent, each Borrower, on its behalf and on behalf of its Subsidiaries, and each Lender, on its behalf and on the behalf of its affiliated Secured Parties, hereby irrevocably constitute the Administrative Agent as the holder of an irrevocable power of attorney (*fondé de pouvoir* within the meaning of Article 2692 of the Civil Code of Québec) in order to hold hypothecs and security granted by each Borrower or any Subsidiary on property pursuant to the laws of the Province of Quebec to secure obligations of any Borrower or any Subsidiary under any bond, debenture or similar title of indebtedness issued by any Borrower or any Subsidiary in connection with this Agreement, and agrees that the Administrative Agent may act as the bondholder and mandatary with respect to any shares, capital stock or other securities or any bond, debenture or similar title of indebtedness that may be issued by any Borrower or any Subsidiary and pledged in favor of the Administrative Agent for the benefit of the Secured Parties in connection with this Agreement. The execution by Wells Fargo Bank, National Association, as Administrative Agent, acting as *fondé de pouvoir* and mandatary, prior to the Credit Agreement of any deeds of hypothec or other security documents is hereby ratified and confirmed. Notwithstanding the provisions of Section 32 of *An Act respecting the special powers of legal person* s (Québec), Wells Fargo Bank, National Association as Administrative Agent may acquire and be the holder of any bond issued by any Borrower or any Subsidiary in connection with this Agreement (i.e., the *fondé de pouvoir* may acquire and hold the first bond issued under any deed of hypothec by any Borrower or any Subsidiary). The constitution of Wells Fargo Bank, National Association as *fondé de pouvoir* , and of the Administrative Agent as bondholder and mandatary with respect to any bond, debenture,

shares, capital stock or other securities that may be issued and pledged from time to time to the Administrative Agent for the benefit of the Secured Parties, shall be deemed to have been ratified and confirmed by each Person accepting an assignment of, a participation in or an arrangement in respect of, all or any portion of any Secured Parties' rights and obligations under this Agreement by the execution of an assignment, including an Assignment and Assumption Agreement or other agreement pursuant to which it becomes such assignee or participant, and by each successor Administrative Agent. Wells Fargo Bank, National Association, acting as *fondé de pouvoir* shall have the same rights, powers, immunities, indemnities and exclusions from liability as are prescribed in favor of the Administrative Agent, which shall apply *mutatis mutandis* to Wells Fargo Bank, National Association acting as *fondé de pouvoir* .

The Administrative Agent is hereby authorized to execute and deliver any documents necessary or appropriate to create and perfect the rights of pledge over assets governed by the laws of The Netherlands for the benefit of the Secured Parties (a " Dutch Pledge "). Without prejudice to the provisions of this Agreement and the other Loan Documents, the parties hereto acknowledge and agree with the creation of parallel debt obligations of the Company or any relevant Subsidiary as will be described in any Dutch Pledge (the " Parallel Debt "), including that any payment received by the Administrative Agent in respect of the Parallel Debt will - conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application - be deemed a satisfaction of a pro rata portion of the corresponding amounts of the Obligations. The parties hereto acknowledge and agree that, for purposes of any Dutch Pledge, any resignation by the Administrative Agent is not effective until its rights under the Parallel Debt are assigned to the successor Administrative Agent.

The parties hereto acknowledge and agree for the purposes of taking and ensuring the continuing validity of German law governed pledges (*Pfandrechte*) with the creation of parallel debt obligations of the Company and its Subsidiaries as will be further described in a separate German law governed parallel debt undertaking. The Administrative Agent shall (i) hold such parallel debt undertaking as fiduciary agent (*Treuhänder*) and (ii) administer and hold as fiduciary agent (*Treuhänder*) any pledge created under a German law governed Collateral Document which is created in favor of any Secured Party or transferred to any Secured Party due to its accessory nature (*Akzessorietät*), in each case in its own name and for the account of the Secured Parties. Each Lender (on behalf of itself and its affiliated Secured Parties) hereby authorizes the Administrative Agent to enter as its agent in its name and on its behalf into any German law governed Collateral Document, accept as its agent in its name and on its behalf any pledge or other creation of any accessory security right in relation to this Agreement and to agree to and execute on its behalf as its representative in its name and on its behalf any amendments, supplements and other alterations to any such Collateral Document and to release on behalf of any such Lender or Secured Party any such Collateral Document and any pledge created under any such Collateral Document in accordance with the provisions herein and/or the provisions in any such Collateral Document.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices . (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(i) if to any Borrower, to it c/o LKQ Corporation, 500 West Madison Street, Suite 2800, Chicago, Illinois 60661, Attention of Varun Laroyia, Executive Vice President and Chief Financial Officer (Facsimile No. (312) 207-1529; Telephone No. (312) 621-2730), with copies (in the case of a notice of Default) to (A) LKQ Corporation, 500 West Madison Street, Suite 2800, Chicago, IL 60611, Attention: Victor Casini (Facsimile: 312-621-2754, Telephone: 312-280-3730), and (B) Sheppard Mullin Richter & Hampton LLP, 70 West Madison Street, 48 th Floor, Chicago, IL 60602, Attention: Kenneth A. Peterson, Jr. (Facsimile: 312-499-4733, Telephone: 312-499-6307);

(ii) if to the Administrative Agent, to Wells Fargo Bank, National Association, 1525 West W.T. Harris Blvd. 1B1, Charlotte, North Carolina 28262, Attention of WLS Charlotte Agency Services (Facsimile No. (704) 590-2782), and with a copy to Wells Fargo Bank, National Association, 10 South Wacker Drive, 16 th Floor, Chicago, Illinois 60606, Attention of Keith J. Cable (Facsimile No. (312) 845-4222);

(iii) if to Wells Fargo Bank, National Association in its capacity as an Issuing Bank, to Wells Fargo Bank, National Association, 1525 West W.T. Harris Blvd. 1B1, Charlotte, North Carolina 28262, Attention of WLS Charlotte Agency Services (Facsimile No. (704) 590-2782);

(iv) if to the Swingline Lender, to it at Wells Fargo Bank, National Association, 1525 West W.T. Harris Blvd. 1B1, Charlotte, North Carolina 28262, Attention of WLS Charlotte Agency Services (Facsimile No. (704) 590-2782); and

(v) if to any other Lender or Issuing Bank, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Electronic Systems, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent, any applicable Issuing Bank, or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) Electronic Systems .

(i) The Company agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Banks and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(ii) Any Electronic System used by the Administrative Agent is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the " Agent Parties ") have any liability to any Loan Party, any Lender, any Issuing Bank or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of Communications through an Electronic System, other than any such direct damages, losses and expenses caused by the Administrative Agent's or any of its Related Parties' own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. " Communications " means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Electronic System.

SECTION 9.02. Waivers; Amendments . (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(a) Except as provided in Section 2.20 with respect to an Incremental Term Loan Amendment or as otherwise provided in Section 9.02(c), (f) or (g), neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or

LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement (other than any reduction of the amount of, or any extension of the payment date for, the mandatory prepayments required under Section 2.11(b) or (c), in each case which shall only require the approval of the Required Lenders), or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment or extend the stated expiration date of any Letter of Credit beyond the Maturity Date, in each case without the written consent of each Lender directly affected thereby, (iv) change Section 2.18(b) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender (it being understood that, solely with the consent of the parties prescribed by Section 2.20 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the Commitments and the Revolving Loans are included on the Original Effective Date), (vi) reduce the percentage specified in the definition of Majority in Interest with respect to any Class of Lenders without the written consent of all the Lenders of such Class, (vii) release any Borrower or all or substantially all of the Subsidiary Guarantors from their Guarantee Obligations under Article X or the Guarantee and Collateral Agreement without the written consent of each Lender, (viii) except as provided in clause (d) of this Section or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender, (ix) increase the stated maximum Dollar Amount of Revolving Credit Exposures with respect to Mexican Pesos without the written consent of each Lender directly affected thereby, (x) change any provisions of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of any Class differently than those holding Loans of any other Class without the written consent of Lenders representing a Majority in Interest of each affected Class or (xi) amend, waive or otherwise change any of the provisions of Section 2.24, without the written consent of each Lender directly and adversely affected thereby; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Banks or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Banks or the Swingline Lender, as the case may be (it being understood that any change to Section 2.25 shall require the consent of the Administrative Agent, each Issuing Bank and the Swingline Lender). Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(b) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrowers to each relevant Loan Document (x) to add one or more credit facilities (in addition to the Incremental Term Loans pursuant to an Incremental Term Loan Amendment) to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans, the Term Loans, Incremental Term Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(c) The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to the Administrative Agent by the Loan Parties on

any Collateral (i) upon the termination of all the Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Unliquidated Obligations), and the cash collateralization of all Unliquidated Obligations in a manner satisfactory to the Administrative Agent, (ii) constituting property being sold or disposed of if the Company certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property leased to the Company or any Subsidiary under a lease which has expired or been terminated in a transaction permitted under this Agreement, (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VII or (v) upon the occurrence of a Collateral Release Date in accordance with the terms and conditions of Section 5.09(f). Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral so long as a Collateral Period is then in effect.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a " Non-Consenting Lender "), then the Company may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Company and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) each Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) the outstanding principal amount of its Loans and participations in LC Disbursements and all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by such Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15, 2.17, 2.17A and 2.17B, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(e) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrowers only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

(f) The Administrative Agent may, without the consent of any Lender, enter into amendments or modifications to this Agreement or any of the other Loan Documents or to enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to implement any Replacement Rate or otherwise effectuate the terms of Section 2.14 in accordance with the terms of Section 2.14.

SECTION 9.03. Expenses; Indemnity; Damage Waiver . (a) The Company shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable and documented fees, charges and disbursements of counsels for the Administrative Agent, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Syndtrak) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or

waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Banks in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of one U.S. counsel, one Canadian counsel and one additional local counsel and regulatory counsel in each applicable jurisdiction for the Administrative Agent and one additional counsel for all the Lenders other than the Administrative Agent and additional counsel in light of actual or potential conflicts of interest or the availability of different claims or defenses for the Administrative Agent, any Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit. The Administrative Agent shall use its reasonable efforts to cause its counsels to provide invoices to the Company covering all fees, charges and disbursements of such counsel within ninety (90) days of the incurrence of any time or expense by such counsel.

(a) The Company shall indemnify the Administrative Agent, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an " Indemnitee ") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Company or any of its Subsidiaries or its or their respective equity holders, Affiliates or creditors, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 9.03(b) shall not apply with respect to Taxes or UK Taxes other than any Taxes or UK Taxes that represent losses, claims or damages arising from any non-Tax or non-UK Tax claim.

(b) To the extent that the Company fails to pay any amount required to be paid by it to the Administrative Agent, the Issuing Banks or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, and each Revolving Lender severally agrees to pay to the applicable Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Company's failure to pay any such amount shall not relieve the Company of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, such Issuing Bank or the Swingline Lender in its capacity as such.

(c) To the extent permitted by applicable law, no Borrower shall assert, and each Borrower hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), other than claims based on the gross negligence or willful misconduct of such Indemnitee, or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(d) All amounts due under this Section shall be payable not later than fifteen (15) days after written demand therefor.

SECTION 9.04. Successors and Assigns . (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(a) (1) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Company (provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof); provided , further , that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund;

(C) each Issuing Bank; provided that no consent of an Issuing Bank shall be required for an assignment of all or any portion of a Term Loan; and

(D) the Swingline Lender; provided that no consent of the Swingline Lender shall be required for an assignment of all or any portion of a Term Loan.

Notwithstanding the foregoing, the assignor with respect to any assignment that does not require the Company's consent under the foregoing provisions shall nevertheless use commercially reasonable efforts to provide notice to the Company thereof promptly after such assignment; provided that the failure of any

assignor to provide such notice of any assignment shall not affect the validity or effectiveness of such assignment.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 (in the case of Revolving Commitments and Revolving Loans) or $1,000,000 (in the case of a Term Loan) unless each of the Company and the Administrative Agent otherwise consent, provided that no such consent of the Company shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of $3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders; provided that, with respect to any assignment entered into pursuant to Section 9.02(e) in respect of any Non-Consenting Lender, (1) such assignment may become effective without the execution or delivery by such Non-Consenting Lender of an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the applicable Assignment and Assumption are participants) and (2) such Non-Consenting Lender shall be deemed to have consented to and be bound by the terms of such Assignment and Assumption (or such other agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the applicable Assignment and Assumption are participants), in each case, so long as (I) each of the other requirements set forth in Section 9.02(e) for such assignment are satisfied, including, without limitation, the payment in full of all outstanding Obligations owing to such Non-Consenting Lender and (II) such assignment becomes effective immediately prior to the effectiveness of the proposed amendment, waiver or consent that requires the consent of such Non-Consenting Lender; provided further that, following the effectiveness of any assignment described in the foregoing proviso, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Non-Consenting Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Company and its Affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws;

(E) the assignee shall not be (x) the Company or any Subsidiary or Affiliate of the Company, (y) a Defaulting Lender or its Parent or (z) any natural person or any a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof (any such Person described in this clause (E), an " Ineligible Institution "); and

(F) assignments to Lenders that will acquire a position of the Obligations of any Dutch Borrower shall at all times be to a Non-Public Lender.

For the purposes of this Section 9.04(b), the term " Approved Fund " has the following meaning:

" Approved Fund " means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17, 2.17A, 2.17B and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of each Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the " Register "). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment

and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(b) Any Lender may, without the consent of any Borrower, the Administrative Agent, the Issuing Banks or the Swingline Lender, sell participations to one or more banks or other entities (a " Participant "), other than an Ineligible Institution, in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrowers, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16, 2.17, 2.17A and 2.17B (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15, 2.17, 2.17A or 2.17B, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the " Participant Register "); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any this Agreement) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(c) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution; Dutch Power of Attorney. This Agreement, the Amendment and Restatement Agreement and the other Loan Documents and any separate letter agreements with respect to (i) fees payable to the Administrative Agent and (ii) the reductions or increases of the Letter of Credit Commitment of any Issuing Bank constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective on the Restatement Effective Date. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. If a Dutch Borrower is represented by an attorney in connection with the signing and/or execution of this Agreement (including by way of accession to this Agreement) or any other agreement, deed or document referred to in or made pursuant to this Agreement, it is hereby expressly acknowledged and accepted by the other parties to this Agreement that the existence and extent of the attorney's authority and the effects of the attorney's exercise or purported exercise of his or her authority shall be governed by the laws of the Netherlands.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff . If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower or any Subsidiary Guarantor against any of and all of the Secured Obligations due from such entity to such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured; provided , however , that the deposits of a Foreign Subsidiary and the obligations owed to a Foreign Subsidiary may only be set off and applied to the Secured Obligations of such Foreign Subsidiary or other Foreign Subsidiaries to the extent such set off and application would not cause a Deemed Dividend Problem or any other materially adverse tax consequence under applicable law to any Loan Party as determined by the Company in its commercially reasonable judgment acting in good faith and in consultation with its legal and tax advisors. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process . (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(a) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(b) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Each Foreign Subsidiary Borrower irrevocably designates and appoints the Company, as its authorized agent, to accept and acknowledge on its behalf, service of any and all process which may be served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City. The Company hereby represents, warrants and confirms that the Company has agreed to accept such appointment (and any similar appointment by a UK Guarantor or a Subsidiary Guarantor which is a Foreign Subsidiary). Said designation and appointment shall be irrevocable by each such Foreign Subsidiary Borrower until all Loans, all reimbursement obligations, interest thereon and all other amounts payable by such Foreign Subsidiary Borrower hereunder and under the other Loan Documents shall have been paid in full in accordance with the provisions hereof and thereof and such Foreign Subsidiary Borrower shall have been terminated as a Borrower hereunder pursuant to

Section 2.24. Each Foreign Subsidiary Borrower hereby consents to process being served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City by service of process upon the Company as provided in this Section 9.09(d); provided that, to the extent lawful and possible, notice of said service upon such agent shall be mailed by registered or certified air mail, postage prepaid, return receipt requested, to the Company and (if applicable to) such Foreign Subsidiary Borrower at its address set forth in the Borrowing Subsidiary Agreement to which it is a party or to any other address of which such Foreign Subsidiary Borrower shall have given written notice to the Administrative Agent (with a copy thereof to the Company). Each Foreign Subsidiary Borrower irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service in such manner and agrees that such service shall be deemed in every respect effective service of process upon such Foreign Subsidiary Borrower in any such suit, action or proceeding and shall, to the fullest extent permitted by law, be taken and held to be valid and personal service upon and personal delivery to such Foreign Subsidiary Borrower. To the extent any Foreign Subsidiary Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether from service or notice, attachment prior to judgment, attachment in aid of execution of a judgment, execution or otherwise), each Foreign Subsidiary Borrower hereby irrevocably waives such immunity in respect of its obligations under the Loan Documents. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL . EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings . Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality . (a) Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) on a need to know basis to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (each of the foregoing being collectively referred to as " Representatives "; it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or

Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) on a confidential basis to (i) any rating agency in connection with rating any Borrower or its Subsidiaries or the credit facilities evidenced by this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities evidenced by this Agreement, (h) with the consent of the Company or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Company. For the purposes of this Section, " Information " means all information received from the Company relating to the Company and its Subsidiaries or their business, other than any such information (i) that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Company, (ii) that is independently developed by the Administrative Agent, any Issuing Bank or any Lender or any of their respective Representatives without reference to the Information or (iii) pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised at least the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(a) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE COMPANY AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(b) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE COMPANY OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE COMPANY, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE COMPANY AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 9.13. USA PATRIOT Act; AML Legislation . (a) Each Lender that is subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " Act ") hereby notifies each Loan Party that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name, address and tax identification number of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Act.

(a) Each Canadian Borrower acknowledges that, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" Laws, whether within Canada or

elsewhere (collectively, including any guidelines or orders thereunder, " AML Legislation "), the Lenders and the Administrative Agent may be required to obtain, verify and record information regarding such Canadian Borrower, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Canadian Borrower, and the transactions contemplated hereby. Each Canadian Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Administrative Agent, or any prospective assign or participant of a Lender or the Administrative Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

If the Administrative Agent has ascertained the identity of any Canadian Borrower or any authorized signatories of any Canadian Borrower for the purposes of applicable AML Legislation, then the Administrative Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Administrative Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that the Administrative Agent has no obligation to ascertain the identity of any Canadian Borrower or any authorized signatories of any Canadian Borrower on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any Canadian Borrower or any such authorized signatory in doing so.

SECTION 9.14. Appointment for Perfection . Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than the Administrative Agent) obtain possession of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.15. Releases of Subsidiary Guarantors .

(a) A Subsidiary Guarantor shall automatically be released from its obligations under the Guarantee and Collateral Agreement upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any termination or release pursuant to this Section, the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Company, release any Subsidiary Guarantor from its obligations under the Guarantee and Collateral Agreement if such Subsidiary Guarantor is no longer a Subsidiary.

(c) At such time as the principal and interest on the Loans, all LC Disbursements, the fees, expenses and other amounts payable under the Loan Documents and the other Secured Obligations (other than Swap Obligations, Banking Services Obligations, and other Obligations expressly stated to survive such payment and termination) shall have been paid in full, the Commitments shall have been terminated and no Letters of Credit shall be outstanding, the Guarantee and Collateral Agreement and all obligations (other than those expressly stated to survive such termination) of each Subsidiary Guarantor thereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

SECTION 9.16. Interest Rate Limitation . Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the " Charges "), shall exceed the maximum lawful rate (the " Maximum Rate ") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.17. No Advisory or Fiduciary Responsibility . In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between such Borrower and its Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) such Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) such Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for such Borrower or any of its Affiliates, or any other Person and (B) no Lender or any of its Affiliates has any obligation to such Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such Borrower and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to such Borrower or its Affiliates. To the fullest extent permitted by law, each Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.18. Acknowledgement and Consent to Bail-In of EEA Financial Institutions . Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

SECTION 9.19. Certain ERISA Matters .

(a) Each Lender (x) represents and warrants, as of the date such Person became a party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfied the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

ARTICLE X

Cross-Guarantee

In order to induce the Lenders to extend credit to the other Borrowers hereunder, but subject to the last sentence of this Article X, each Borrower hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due of the Secured Obligations of such other Borrowers. Each Borrower further agrees that the due and punctual payment of such Secured Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any such Secured Obligation.

Each Borrower irrevocably and unconditionally jointly and severally agrees that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Administrative Agent, the Issuing Banks and the Lenders immediately on demand against any cost, loss or liability they incur as a result of any Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under this Article X on the date when it would have been due (but so that the amount payable by a Borrower under this indemnity will not exceed the amount it would have had to pay under this Article X if the amount claimed had been recoverable on the basis of a guarantee).

Each Borrower waives presentment to, demand of payment from and protest to any Borrower of any of the Secured Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The obligations of each Borrower hereunder shall not be affected by (a) the failure of the Administrative Agent, any Issuing Bank or any Lender to assert any claim or demand or to enforce any right or remedy against any Borrower under the provisions of this Agreement, any other Loan Document or otherwise; (b) any extension or renewal of any of the Secured Obligations; (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement, or any other Loan Document or agreement; (d) any default, failure or delay, willful or otherwise, in the performance of any of the Secured Obligations; (e) the failure of the Administrative Agent to take any steps to perfect and maintain any security interest in, or to preserve any rights to, any security or collateral for the Secured Obligations, if any; (f) any change in the corporate, partnership or other existence, structure or ownership of any Borrower or any other guarantor of any of the Secured Obligations; (g) the enforceability or validity of the Secured Obligations or any part thereof or the genuineness, enforceability or validity of any agreement

relating thereto or with respect to any collateral securing the Secured Obligations or any part thereof, or any other invalidity or unenforceability relating to or against any Borrower or any other guarantor of any of the Secured Obligations, for any reason related to this Agreement, any Swap Agreement, any Banking Services Agreement, any other Loan Document, or any provision of applicable law, decree, order or regulation of any jurisdiction purporting to prohibit the payment by such Borrower or any other guarantor of the Secured Obligations, of any of the Secured Obligations or otherwise affecting any term of any of the Secured Obligations; or (h) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of such Borrower or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of such Borrower to subrogation.

Each Borrower further agrees that its agreement hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Secured Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by the Administrative Agent, any Issuing Bank or any Lender to any balance of any deposit account or credit on the books of the Administrative Agent, any Issuing Bank or any Lender in favor of any Borrower or any other Person.

The obligations of each Borrower hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of any of the Secured Obligations, any impossibility in the performance of any of the Secured Obligations or otherwise.

Each Borrower further agrees that its obligations hereunder shall constitute a continuing and irrevocable guarantee of all Secured Obligations of such other Borrowers now or hereafter existing and shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Secured Obligation (including a payment effected through exercise of a right of setoff) is rescinded or is or must otherwise be restored or returned by the Administrative Agent, any Issuing Bank or any Lender upon the bankruptcy or reorganization of any Borrower or otherwise (including pursuant to any settlement entered into by a Secured Party in its discretion).

In furtherance of the foregoing and not in limitation of any other right which the Administrative Agent, any Issuing Bank or any Lender may have at law or in equity against any Borrower by virtue hereof, upon the failure of any other Borrower to pay any Secured Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Borrower hereby promises to and will, upon receipt of written demand by the Administrative Agent, any Issuing Bank or any Lender, forthwith pay, or cause to be paid, to the Administrative Agent, any Issuing Bank or any Lender in cash an amount equal to the unpaid principal amount of such Secured Obligations then due, together with accrued and unpaid interest thereon. Each Borrower further agrees that if payment in respect of any Secured Obligation shall be due in a currency other than Dollars and/or at a place of payment other than New York, Chicago or any other Applicable Payment Office and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Secured Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of the Administrative Agent, any Issuing Bank or any Lender, disadvantageous to the Administrative Agent, any Issuing Bank or any Lender in any material respect, then, at the election of the Administrative Agent, such Borrower shall make payment of such Secured Obligation in Dollars (based upon the applicable Equivalent Amount in effect on the date of payment) and/or in New York, Chicago or such other Applicable Payment Office as is designated by the Administrative Agent and, as a separate and independent obligation, shall indemnify the Administrative Agent, any Issuing Bank and any Lender against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by any Borrower of any sums as provided above, all rights of such Borrower against any Borrower arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full in cash of all the Secured Obligations owed by such Borrower to the Administrative Agent, the Issuing Banks and the Lenders.

Nothing shall discharge or satisfy the liability of any Borrower hereunder except the full performance and payment of the Secured Obligations.

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Borrower to honor all of its obligations under this Article X or the Guarantee and Collateral Agreement, as applicable, in respect of Specified Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this paragraph for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this paragraph or otherwise under this Article X or the Guarantee and Collateral Agreement, as applicable, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Article X or the Guarantee and Collateral Agreement, as applicable, shall remain in full force and effect until a discharge of such Qualified ECP Guarantor's Secured Obligations in accordance with the terms hereof and the other Loan Documents. Each Qualified ECP Guarantor intends that this paragraph constitute, and this paragraph shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Borrower for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Notwithstanding anything contained in this Agreement (including, without limitation, Article X) to the contrary, (a) no Foreign Subsidiary Borrower shall be liable hereunder for any of the Loans made to, or any other Secured Obligation incurred solely by or on behalf of, any other Borrower or any Subsidiary Guarantor to the extent such liability for such Obligations would make such Foreign Subsidiary Borrower an Affected Foreign Subsidiary, (b) no UK Borrower shall be required to guarantee or be liable for any Loans other than the Loans of the UK Borrowers nor shall any UK Borrower or any UK Guarantor be required to pledge or grant a security interest on any of their assets to secure any Loans (other than the pledge or grant of a security interest by a UK Borrower or a UK Guarantor of its applicable Equity Interests in its subsidiaries) and (c) the obligations and liabilities of any Swedish Borrower in its capacity as a Borrower, guarantor and/or security provider (each a " Swedish Obligor ") under the Loan Documents shall be limited, if (and only if) required by the provisions of the Swedish Companies Act (*Sw. Aktiebolagslagen* (2005:551)) regulating distribution of assets (Chapter 17, Section 1-4 (or their equivalents from time to time)) and unlawful loans, security, guarantees and financial assistance (Chapter 21, Section 1-5 (or their equivalents from time to time)), and it is understood that the liability of each Swedish Obligor under the Loan Documents only applies to the extent permitted by the above mentioned provisions of the Swedish Companies Act, provided that all steps available to each Swedish Obligor and its shareholders to authorize its obligations and liabilities under the Loan Documents have been taken.

Each Borrower incorporated or established in Jersey waives any right it may have (whether by virtue of the droit de discussion or division or otherwise) to require that any Secured Party, before enforcing this guarantee, takes any action, exercises any recourse or seeks a declaration of bankruptcy against any other Borrower or any other Person, makes any claim in a bankruptcy, liquidation, administration or insolvency of any other Borrower or any other Person or enforces or seeks to enforce any other right, claim, remedy or recourse against any other Loan Party or any other Person or that any Secured Party, in order to preserve any of its rights against a guarantor under this Article X or under any other Loan Document, joins

another Borrower as a party to any proceedings against any Loan Party or any Loan Party as a party to any proceedings against a guarantor or takes any other procedural steps or that any Secured Party divides the liability of another Borrower under the guarantee given under this Article X or under any other Loan Document with any other Person.

ARTICLE XI

Collection Allocation Mechanism

(a) On the CAM Exchange Date, (i) the Commitments shall automatically and without further act be terminated as provided in Article VII, (ii) the principal amount of each Revolving Loan and LC Disbursement denominated in a Foreign Currency shall automatically and without any further action required, be converted into Dollars determined using the Exchange Rates calculated as of the CAM Exchange Date, equal to the Dollar Amount of such amount and on and after such date all amounts accruing and owed to any Revolving Lender in respect of such Obligations shall accrue and be payable in Dollars at the rates otherwise applicable hereunder and (iii) the Revolving Lenders shall automatically and without further act be deemed to have made reciprocal purchases of interests in the Designated Obligations such that, in lieu of the interests of each Revolving Lender in the particular Designated Obligations that it shall own as of such date and immediately prior to the CAM Exchange, such Revolving Lender shall own an interest equal to such Revolving Lender's CAM Percentage in each Specified Obligation. Each Revolving Lender, each Person acquiring a participation from any Revolving Lender as contemplated by Section 9.04, and each Borrower hereby consents and agrees to the CAM Exchange. Each of the Borrowers and the Revolving Lenders agrees from time to time to execute and deliver to the Administrative Agent all such promissory notes and other instruments and documents as the Administrative Agent shall reasonably request to evidence and confirm the respective interests and obligations of the Revolving Lenders after giving effect to the CAM Exchange, and each Revolving Lender agrees to surrender any promissory notes originally received by it hereunder to the Administrative Agent against delivery of any promissory notes so executed and delivered; provided that the failure of any Borrower to execute or deliver or of any Revolving Lender to accept any such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

(b) As a result of the CAM Exchange, on and after the CAM Exchange Date, each payment received by the Administrative Agent pursuant to any Loan Document in respect of the Designated Obligations shall be distributed to the Revolving Lenders pro rata in accordance with their respective CAM Percentages (to be redetermined as of each such date of payment or distribution to the extent required by paragraph (c) below).

In the event that, after the CAM Exchange, the aggregate amount of the Designated Obligations shall change as a result of the making of an LC Disbursement by any Issuing Bank that is not reimbursed by any Borrower, then (i) each Revolving Lender shall, in accordance with Section 2.06(d), promptly purchase from such Issuing Bank the Dollar equivalent of a participation in such LC Disbursement in the amount of such Revolving Lender's Applicable Percentage of such LC Disbursement (without giving effect to the CAM Exchange), (ii) the Administrative Agent shall redetermine the CAM Percentages after giving effect to such LC Disbursement and the purchase of participations therein by the applicable Revolving Lenders, and the Revolving Lenders shall automatically and without further act be deemed to have made reciprocal purchases of interests in the Designated Obligations such that each Revolving Lender shall own an interest equal to such Revolving Lender's CAM Percentage in each of the Designated Obligations and (iii) in the event distributions shall have been made in accordance with clause (i) of paragraph (b) above, the Revolving

Lenders shall make such payments to one another in Dollars as shall be necessary in order that the amounts received by them shall be equal to the amounts they would have received had each LC Disbursement been outstanding immediately prior to the CAM Exchange. Each such redetermination shall be binding on each of the Revolving Lenders and their successors and assigns in respect of the Designated Obligations held by such Persons and shall be conclusive absent manifest error.

Nothing in this Article shall prohibit the assignment by any Revolving Lender of interests in some but not all of the Designated Obligations held by it after giving effect to the CAM Exchange; provided , that in connection with any such assignment such Revolving Lender and its assignee shall enter into an agreement setting forth their reciprocal rights and obligations in the event of a redetermination of the CAM Percentages as provided in the immediately preceding paragraph.

[Signature Pages Follow]

SCHEDULE 2.01

COMMITMENTS

LENDER	DOLLAR TRANCHE COMMITMENT	MULTICURRENCY TRANCHE COMMITMENT	OUTSTANDING TERM LOANS
WELLS FARGO BANK, NATIONAL ASSOCIATION	---	$279,000,000.00	$31,000,000.00
BANK OF AMERICA, N.A.	---	$279,000,000.00	$31,000,000.00
MUFG BANK, LTD.	---	$252,000,000.00	$28,000,000.00
HSBC BANK USA, NATIONAL ASSOCIATION	---	$162,000,000.00	$18,000,000.00
HSBC BANK PLC (AS TRUSTEE FOR HSBC UK BANK PLC)	---	$90,000,000.00	$10,000,000.00
CITIZENS BANK, N.A.	---	$213,300,000.00	$23,700,000.00
SUNTRUST BANK	---	$213,300,000.00	$23,700,000.00
PNC BANK, NATIONAL ASSOCATION	---	$213,300,000.00	$23,700,000.00
TD BANK, N.A.	---	$213,300,000.00	$23,700,000.00
CAPITAL ONE, NATIONAL ASSOCIATION	---	$213,300,000.00	$23,700,000.00
COMPASS BANK d/b/a BBVA COMPASS	---	$193,500,000.00	$21,500,000.00
BRANCH BANKING AND TRUST COMPANY	---	$162,000,000.00	$18,000,000.00
BNP PARIBAS	---	$162,000,000.00	$18,000,000.00
UNICREDIT BANK AG, NEW YORK BRANCH	---	$162,000,000.00	$18,000,000.00
U.S. BANK NATIONAL ASSOCIATION	---	$139,500,000.00	$15,500,000.00
ROYAL BNAK OF CANADA	---	$135,000,000.00	$15,000,000.00
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH	---	$67,500,000.00	$7,500,000.00
AGGREGATE COMMITMENT	**$0**	**$3,150,000,000.00**	**$350,000,000.00**

SCHEDULE 2.02

LETTER OF CREDIT COMMITMENTS

ISSUING BANK	LETTER OF CREDIT COMMITMENT
WELLS FARGO BANK, NATIONAL ASSOCIATION	$75,000,000
BANK OF AMERICA, N.A.	$75,000,000

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the " Assignment and Assumption ") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the " Assignor ") and [*Insert name of Assignee*] (the " Assignee "). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the " Credit Agreement "), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the " Assigned Interest "). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____

[and is an Affiliate/Approved Fund of [identify Lender]]

3. Borrowers: LKQ Corporation, LKQ Delaware LLP and certain other Subsidiary Borrowers

4. Administrative Agent: Wells Fargo Bank, National Association, as the administrative agent under the Credit Agreement

5. Credit Agreement: The Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 among LKQ Corporation, LKQ Delaware LLP, the Subsidiary Borrowers from time to time parties thereto, the Lenders parties thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other agents parties thereto

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/Loans
	$	$	%
	$	$	%
	$	$	%

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]
By: _____
Title:
ASSIGNEE
[NAME OF ASSIGNEE]
By: _____
Title:

Consented to and Accepted:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Administrative Agent[, Swingline Lender and an Issuing Bank]

By: _____
Title:

[Consented to:]

LKQ CORPORATION

By: _____
Title:

[With a copy to:

LKQ Corporation
500 West Madison Street, Suite 2800
Chicago, Illinois 60661
Attention: Dominick Zarcone, Executive Vice President and Chief Financial Officer
Facsimile: (312) 207-1529
Telephone: (312) 621-2740)]

[BANK OF AMERICA, N.A., as
an Issuing Bank

By: _____
Title:]

ANNEX I

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties .

1.1 Assignor . The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Company, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Company, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee . The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Non-U.S. Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments . From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions . This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Acceptance and adoption of the terms of this Assignment and Assumption by the Assignee and the Assignor by Electronic Signature or delivery of an executed counterpart of a signature page of this Assignment and Assumption by any Electronic System shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B-1

OPINION OF U.S. COUNSEL FOR THE LOAN PARTIES

[Attached]

EXHIBIT B-2

OPINION OF INTERNAL COUNSEL FOR THE LOAN PARTIES

[Attached]

EXHIBIT C

FORM OF INCREASING LENDER SUPPLEMENT

INCREASING LENDER SUPPLEMENT, dated _____, 20___ (this " Supplement "), by and among each of the signatories hereto, to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the " Credit Agreement "), among LKQ Corporation (the " Company "), LKQ Delaware LLP, the Subsidiary Borrowers from time to time party thereto, the Lenders party thereto and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the " Administrative Agent ").

W I T N E S S E T H

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the Company has the right, subject to the terms and conditions thereof, to effectuate from time to time an increase in the aggregate Revolving Commitments and/or one or more tranches of Incremental Term Loans under the Credit Agreement by requesting one or more Lenders to increase the amount of its Revolving Commitment and/or to participate in such a tranche;

WHEREAS, the Company has given notice to the Administrative Agent of its intention to [increase the aggregate Revolving Commitments] [and] [enter into a tranche of Incremental Term Loans] pursuant to such Section 2.20 ; and

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the undersigned Increasing Lender now desires to [increase the amount of its Revolving Commitment] [and] [participate in a tranche of Incremental Term Loans] under the Credit Agreement by executing and delivering to the Company and the Administrative Agent this Supplement;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Increasing Lender agrees, subject to the terms and conditions of the Credit Agreement, that on the date of this Supplement it shall [have its Revolving Commitment increased by $[_____], thereby making the aggregate amount of its total Revolving Commitments equal to $[_____]] [and] [participate in a tranche of Incremental Term Loans with a commitment amount equal to $[_____] with respect thereto].

2. The Company hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

3. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

4. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

5. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF INCREASING LENDER]

By:_____

Name:

Title:

Accepted and agreed to as of the date first written above:

LKQ CORPORATION

By:_____
Name:
Title:

Acknowledged as of the date first written above:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By:_____
Name:
Title:

EXHIBIT D

FORM OF AUGMENTING LENDER SUPPLEMENT

AUGMENTING LENDER SUPPLEMENT, dated _____, 20___ (this " Supplement "), by and among each of the signatories hereto, to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the " Credit Agreement "), among LKQ Corporation (the " Company "), LKQ Delaware LLP, the Subsidiary Borrowers from time to time party thereto, the Lenders party thereto and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the " Administrative Agent ").

W I T N E S S E T H

WHEREAS, the Credit Agreement provides in Section 2.20 thereof that any bank, financial institution or other entity may [extend Revolving Commitments] [and] [participate in tranches of Incremental Term Loans] under the Credit Agreement subject to the approval of the Company and the Administrative Agent, by executing and delivering to the Company and the Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Augmenting Lender was not an original party to the Credit Agreement but now desires to become a party thereto;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date of this Supplement, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a [Revolving Commitment of $[_____]] [and] [a commitment with respect to Incremental Term Loans of $[_____]].

2. The undersigned Augmenting Lender (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

3. The undersigned's address for notices for the purposes of the Credit Agreement is as follows:

[_____]

4. The Company hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

5. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

6. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

7. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF AUGMENTING LENDER]

By: _____

Name:

Title:

Accepted and agreed to as of the date first written above:

LKQ CORPORATION

By:_____
Name:
Title:

Acknowledged as of the date first written above:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, an Issuing Bank and Swingline Lender

By:_____
Name:
Title:

BANK OF AMERICA, N.A.,
as an Issuing Bank

By:_____

Name:

Title:

EXHIBIT E

[Intentionally omitted]

EXHIBIT F-1

[FORM OF]

BORROWING SUBSIDIARY AGREEMENT

BORROWING SUBSIDIARY AGREEMENT dated as of [_____], among LKQ Corporation, a Delaware corporation (the " Company "), LKQ Delaware LLP, a Delaware limited liability partnership (the " Canadian Primary Borrower "), [Name of Subsidiary Borrower], a [_____] (the " New Borrowing Subsidiary "), and Wells Fargo Bank, National Association, as Administrative Agent (the " Administrative Agent ").

Reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among the Company, the Canadian Primary Borrower, the Subsidiary Borrowers from time to time party thereto, the Lenders from time to time party thereto and Wells Fargo Bank, National Association, as Administrative Agent. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. Under the Credit Agreement, the Lenders have agreed, upon the terms and subject to the conditions therein set forth, to make Loans to certain Subsidiary Borrowers (collectively with the Company, the " Borrowers "), and the Company and the New Borrowing Subsidiary desire that the New Borrowing Subsidiary become a Subsidiary Borrower. In addition, the New Borrowing Subsidiary hereby authorizes the Company to act on its behalf as and to the extent provided for in Article II of the Credit Agreement. **[** Notwithstanding the preceding sentence, the New Borrowing Subsidiary hereby designates the following officers as being authorized to request Borrowings under the Credit Agreement on behalf of the New Subsidiary Borrower and sign this Borrowing Subsidiary Agreement and the other Loan Documents to which the New Borrowing Subsidiary is, or may from time to time become, a party: [_____]. **] [** The New Borrowing Subsidiary [is hereby] [is not] designated as a [UK Borrower][Dutch Borrower][Swedish Borrower]. **]**

Each of the Company and the New Borrowing Subsidiary represents and warrants that the representations and warranties of the Company in the Credit Agreement relating to the New Borrowing Subsidiary and this Agreement are true and correct on and as of the date hereof, other than representations given as of a particular date, in which case they shall be true and correct as of that date. [The Company and the New Borrowing Subsidiary further represent and warrant that the execution, delivery and performance by the New Borrowing Subsidiary of the transactions contemplated under this Agreement and the use of any of the proceeds raised in connection with this Agreement will not contravene or conflict with, or otherwise constitute unlawful financial assistance under, Sections 677 to 683 (inclusive) of the United Kingdom Companies Act 2006 of England and Wales (as amended)] [INSERT OTHER PROVISIONS REASONABLY REQUESTED BY ADMINISTRATIVE AGENT OR ITS COUNSELS]. The Company agrees that the Guarantee Obligations of the Company contained in the Credit Agreement will apply to the Obligations of the New Borrowing Subsidiary. Upon execution of this Agreement by each of the Company, the New Borrowing Subsidiary and the Administrative Agent, the New Borrowing Subsidiary shall be a party to the Credit Agreement and shall constitute a "Subsidiary Borrower" [and a "Foreign Subsidiary Borrower"] [and a "UK Borrower"][and a "Dutch Borrower"][and a "Swedish Borrower"] for all purposes thereof, and the New Borrowing Subsidiary hereby agrees to be bound by all provisions of the Credit Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers as of the date first appearing above.

LKQ CORPORATION

By: _____

Name:

Title:

[NAME OF NEW BORROWING SUBSIDIARY]

By: _____

Name:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____

Name:

Title:

EXHIBIT F-2

[FORM OF]

BORROWING SUBSIDIARY TERMINATION

Wells Fargo Bank, National Association
as Administrative Agent
for the Lenders referred to below
[_____]
[_____]
Attention: [_____]

[Date]

Ladies and Gentlemen:

The undersigned, LKQ Corporation (the " Company "), refers to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among the Company, LKQ Delaware LLP, the Subsidiary Borrowers from time to time party thereto and Wells Fargo Bank, National Association, as Administrative Agent. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Company hereby terminates the status of [_____] (the " Terminated Borrowing Subsidiary ") as a Subsidiary Borrower under the Credit Agreement. [The Company represents and warrants that no Loans made to the Terminated Borrowing Subsidiary are outstanding as of the date hereof and that all amounts payable by the Terminated Borrowing Subsidiary in respect of interest and/or fees (and, to the extent notified by the Administrative Agent or any Lender, any other amounts payable under the Credit Agreement) pursuant to the Credit Agreement have been paid in full on or prior to the date hereof.] [The Company acknowledges that the Terminated Borrowing Subsidiary shall continue to be a Borrower until such time as all Loans made to the Terminated Borrowing Subsidiary shall have been prepaid and all amounts payable by the Terminated Borrowing Subsidiary in respect of interest and/or fees (and, to the extent notified by the Administrative Agent or any Lender, any other amounts payable under the Credit Agreement) pursuant to the Credit Agreement shall have been paid in full, provided that the Terminated Borrowing Subsidiary shall not have the right to make further Borrowings under the Credit Agreement.]

[Signature Page Follows]

This instrument shall be construed in accordance with and governed by the laws of the State of New York.

Very truly yours,

LKQ CORPORATION

By:_____

Name:

Title:

Copy to: Wells Fargo Bank, National Association
[_____]
[_____]

EXHIBIT G-1

FORM OF U.S. TAX CERTIFICATE

(For Non-U.S. Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among LKQ Corporation (the " Company "), LKQ Delaware LLP, the Subsidiary Borrowers from time to time party thereto, the Lenders from time to time party thereto (collectively with the Company, the " Borrowers ") and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the " Administrative Agent ").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code and (v) the interest payments in question are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrowers with a certificate of its non-U.S. person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_____
Name:
Title:

Date: _____, 20[__]

EXHIBIT G-2

FORM OF U.S. TAX CERTIFICATE

(For Non-U.S. Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among LKQ Corporation (the " Company "), LKQ Delaware LLP, the Subsidiary Borrowers from time to time party thereto, the Lenders from time to time party thereto (collectively with the Company, the " Borrowers ") and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the " Administrative Agent ").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned's or its partners/members' conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrowers with IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_____
Name:
Title:

Date: _____, 20[__]

EXHIBIT G-3

FORM OF U.S. TAX CERTIFICATE

(For Non-U.S. Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among LKQ Corporation (the " Company "), LKQ Delaware LLP, the Subsidiary Borrowers from time to time party thereto, the Lenders from time to time party thereto (collectively with the Company, the " Borrowers ") and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the " Administrative Agent ").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code, and (v) the interest payments in question are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with a certificate of its non- U.S. person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_____
Name:
Title:

Date: _____, 20[__]

EXHIBIT G-4

FORM OF U.S. TAX CERTIFICATE

(For Non-U.S. Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among LKQ Corporation (the " Company "), LKQ Delaware LLP, the Subsidiary Borrowers from time to time party thereto, the Lenders from time to time party thereto (collectively with the Company, the " Borrowers ") and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the " Administrative Agent ").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned's or its partners/members' conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:_____
Name:
Title:

Date: _____, 20[__]

EXHIBIT H

COMPLIANCE CERTIFICATE

LKQ CORPORATION

COMPLIANCE CERTIFICATE

I, the undersigned, [Name of Officer], [Title of Officer] of LKQ Corporation (the " Company "), a Delaware corporation, do hereby certify, solely in my capacity as an officer of the Company and not in my individual capacity, on behalf of the Company, that:

1. This Certificate is furnished pursuant to the Fourth Amended and Restated Credit Agreement dated as of March 25, 2011, as amended and restated as of September 30, 2011, as further amended and restated as of May 3, 2013, as further amended and restated as of March 27, 2014, as further amended and restated as of January 29, 2016, among the Company, the Canadian Primary Borrower, the Foreign Subsidiary Borrowers party thereto, the Lenders and agents party thereto, and Wells Fargo Bank, National Association, as Administrative Agent (as the same may be amended, supplemented or otherwise modified from time to time, the " Credit Agreement "). Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the Credit Agreement.

2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Company and its Subsidiaries during the accounting period covered by the attached financial statements [**for quarterly financial statements add** : and such financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes];

3. The examinations described in paragraph 2 did not disclose, except as set forth below, and I have no knowledge of (i) the existence of any condition or event which constitutes a Default at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate or (ii) any change in GAAP or in the application thereof that has occurred since the date of the audited financial statements referred to in Section 3.01 of the Credit Agreement; and

4. Exhibit A attached hereto sets forth financial data and computations (i) evidencing the Company's compliance with the financial covenants set forth in Section 6.18 of the Credit Agreement and (ii) setting forth the Senior Secured Leverage Ratio, the Net Leverage Ratio and Interest Coverage Ratio as of the last day of the fiscal quarter or fiscal year of the Company, all of which data and computations are true, complete and correct.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the (i) nature of the condition or event, the period during which it has existed and the action which the Company has taken, is taking, or proposes to take with respect to each such condition or event or (ii) the change in GAAP or the application thereof and the effect of such change on the attached financial statements:

[_____]

(signature page follows)

The foregoing certifications, together with the computations set forth in Exhibit A hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 20___.

LKQ CORPORATION

By: _____
Name:
Title:

EXHIBIT A

Compliance as of _____ _____, 20___ with
Section 6.18 of the Credit Agreement

Calculation of Net Leverage Ratio for purposes of determining the Applicable Rate

[worksheet attached]

Exhibit 10.4

LKQ CORPORATION

401(k) PLUS PLAN II

(As Amended and Restated Effective as of January 1, 2019)

65225940.2

LKQ CORPORATION

401(k) PLUS PLAN II

(As Amended and Restated Effective as of January 1, 2019)

Table of Contents

LKQ CORPORATION

401(k) PLUS PLAN II

(As Amended and Restated Effective as of January 1, 2019)

1. INTRODUCTION

1.1. **Amendment and Restatement of the Plan**. LKQ Corporation (the "Company") hereby amends and restates the LKQ Corporation 401(k) Plus Plan (the "Plan") generally effective as of January 1, 2019.

1.2. **Purposes of Plan**. The purpose of the Plan is to provide deferred compensation for a select group of management or highly compensated employees of the Company.

1.3. **"Top Hat" Pension Benefit Plan**. The Plan is an "employee pension benefit plan" within the meaning of Section 3(2) of the Employees Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is maintained, however, only for a select group of management or highly compensated employees and, therefore, is exempt from Parts 2, 3 and 4 of Title 1 of ERISA. The Plan is not intended to qualify under Code Section 401(a).

1.4. **Plan Unfunded**. The Plan is unfunded. All benefits will be paid from the general assets of the Company, which will continue to be subject to the claims of the Company's creditors. No amounts will be set aside for the benefit of Plan Participants or their Beneficiaries.

1.5. **Effective Date**. The amended and restated Plan is effective as of January 1, 2019. The rights and benefits of and/or with respect to a Participant whose employment terminated prior to January 1, 2019 shall be determined under the provisions of the Plan in effect when his/her employment terminated.

1.6. **Administration**. The Plan shall be administered by the Committee. Solely for purposes of the claims procedures under Section 9 with respect to determinations of Disability:

1.6.1. At the initial claims determination stage of the process, the Administrator will mean an officer of the Company designated by the Committee, provided that such officer is not a member of the Committee.

1.6.2. At the claims review stage of the process, the Administrator will be the Committee.

2. DEFINITIONS AND CONSTRUCTION

2.1. **Definitions**. For purposes of the Plan, the following words and phrases shall have the respective meanings set forth below, unless the context clearly requires a different meaning:

2.1.1. **401(k) Plan**. "401(k) Plan" means the LKQ Corporation Employees' Retirement Plan, as amended from time to time.

2.1.2. **Account**. "Account" means the bookkeeping account maintained by the Committee on behalf of each Participant pursuant to Section 6.1.

2.1.3. **Affiliate**. "Affiliate" means any entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, LKQ Corporation, pursuant to Code Section 1563.

2.1.4. **Base Pay**. "Base Pay" means:

2.1.4.1. the Employee's gross base rate of salary with respect to services rendered or labor performed reflected in the personnel records of the Company for a particular Plan Year before deduction for income and employment taxes, but reduced by all legally required deductions against such income (including, but not limited to, wage assignments, wage garnishments, child support payments, levies, and remittance of all applicable taxes to governmental authorities); and

2.1.4.2. Commissions, if any.

2.1.5. **Base Pay Deferral**. "Base Pay Deferral" means the amount of a Participant's Base Pay which the Participant elects to have withheld on a pre-tax basis and credited to his/her Account pursuant to Section 4.1.

2.1.6. **Beneficiary**. "Beneficiary" means the person or persons designated by the Participant in accordance with Paragraph 7.5.1 or, in the absence of an effective designation, the person or entity described in Paragraph 7.5.4.

2.1.7. **Board**. "Board" means the board of directors of LKQ Corporation.

2.1.8. **Bonus Compensation**. "Bonus Compensation" means the amount awarded to a Participant for a Plan Year under any bonus or long-term incentive arrangement maintained by the Company from time to time.

2.1.9. **Bonus Deferral**. "Bonus Deferral" means the amount of a Participant's Bonus Compensation which the Participant elects to have withheld on a pre-tax basis and credited to his/her account pursuant to Section 4.1.

2.1.10. **Code**. "Code" means the Internal Revenue Code of 1986, as amended.

2.1.11. **Committee**. "Committee" means the administrative committee appointed by the Board to administer the Plan in accordance with Section 8.2.

2.1.12. **Commissions**. "Commissions" means remuneration paid by the Company to a Participant based on sales of the Company's products and/or services made by the Participant or individuals under his/her supervision.

2.1.13. **Company**. "Company" means LKQ Corporation, and any successor thereto, and any Affiliate.

2.1.14. **Company Profit Sharing Contribution**. "Company Profit Sharing Contribution" means the discretionary contribution, if any, made by the Company for a Participant for a Plan Year in accordance with Section 4.5.

2.1.15. **Deferral**. "Deferral" means a Base Pay Deferral and/or Bonus Deferral.

2.1.16. **Deferral Period**. "Deferral Period" means the period of time for which a Participant elects to defer receipt of the Deferrals credited to such Participant's Account as specified in Section 5.2. Deferral Periods shall be measured on the basis of Plan Years, beginning with the Plan Year that

commences immediately following the Plan Year for which the applicable Deferrals are credited to the Participant's Account.

2.1.17. **Disability**. "Disability" means a disability which qualifies for disability under the Company's long-term disability plan; provided, however, if disability cannot, for purposes of Code Section 409A, be defined by reference to the Company's long-term disability plan (or if no such plan exists), then disability means a condition whereby a Participant:

2.1.17.1. is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or

2.1.17.2. is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's employer.

2.1.18. **Director**. "Director" means a member of the Board of the Company.

2.1.19. **Election to Extend Deferral Form**. "Election to Extend Deferral Form" means the form designated by the Committee for use by Employees and the Company to further extend the Deferral Period related to payment of their Deferrals under the Plan. This form may be changed at any time by the Committee as it deems necessary or advisable.

2.1.20. **Election to Change Form of Distribution**. "Election to Change Form of Distribution" means the form designated by the Committee for use by Employees and the Company to change the form in which payment of their Deferrals under the Plan will be paid to them (*i.e.* , lump sum or installments). This form may be changed at any time by the Committee as it deems necessary or advisable.

2.1.21. **Employee**. "Employee" means any common-law employee of the Company.

2.1.22. **ERISA**. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.1.23. **Matching Contribution**. "Matching Contribution" means the discretionary matching contribution, if any, made by the Company for a Participant for a Plan Year which is based on the Participant's Deferrals into the Plan for such Plan Year in accordance with Section 4.4.

2.1.24. **Other Company Contribution**. "Other Company Contribution" means the discretionary contribution, if any, made by the Company for a Participant for a Plan Year in accordance with Section 4.6 and which is based on such criteria as the Company determines and deems appropriate.

2.1.25. **Participant**. "Participant" means each Employee who has been selected for participation in the Plan and who has become a Participant pursuant to Section 3.

2.1.26. **Participation Agreement**. "Participation Agreement" means the written agreement pursuant to which the Participant:

2.1.26.1. elects the amount of his/her Base Pay and Bonus Compensation, if any, to be deferred pursuant to the Plan;

2.1.26.2. elects the Deferral Period;

2.1.26.3. elects the initial timing-of-distribution elections and initial form-of-distributions elections as relates to the his/her Account;

2.1.26.4. elects the deemed investment of amounts credited to his/her Account; and

2.1.26.5. elects any such other matters as the Committee shall determine from time to time.

2.1.27. Performance Based Compensation. "Performance Based Compensation" means the portion of the Participant's Bonus Compensation determined by the Committee to satisfy the requirements set forth in Treasury Regulation Section 1.409A-1(e) (or any successor guidance subsequently issued including revised Treasury Regulations or other administrative guidance issued pursuant thereto), and such Performance Based Compensation may be determined on a fiscal or calendar year basis.

2.1.28. Permissible Investment. "Permissible Investment" means the investments specified by the Committee as available for hypothetical investment of Accounts. The Permissible Investments under the Plan are listed in the Participation Agreement, and the provisions of the Participation Agreement listing the Permissible Investments are hereby incorporated herein.

2.1.29. Plan. "Plan" means the LKQ Corporation 401(k) Plus Plan II, as amended and restated effective January 1, 2019, and as further amended from time to time.

2.1.30. Plan Year. "Plan Year" means the twelve-consecutive month period commencing January 1 of each year ending on December 31.

2.1.31. Retirement Date. "Retirement Date" means the date a Participant voluntarily terminates his/her employment with the Company on the earlier of:

2.1.31.1. on or after he/she has attained at least sixty-five (65) years of age; or

2.1.31.2. on or after he/she has attained at least fifty-five (55) years of age and completed at least ten (10) Years of Service.

2.1.32. Specified Employee. "Specified Employee" shall mean a Participant who is a key employee (as defined in Code Section 416(i) without regarding to Code Section 416(i)(5)) of the Company. For purposes of this definition, a Participant is a key employee if the Participant meets the requirements of Code Sections 416(i)(1)(A)(i), (ii) or (iii) (applied in accordance with the regulations thereunder and disregarding Code Section 416(i)(5)) at any time during the twelve-month period ending on any December 31. If a Participant is a key employee as of any December 31, that Participant is treated as a Specified Employee for the twelve-month period beginning on the April 1 following the relevant December 31.

2.1.33. **Unforeseeable Emergency**. "Unforeseeable Emergency" is as defined in Treasury Regulation Section 1.409A-3(i)(3)(i) (or any successor guidance subsequently issued including revised Treasury Regulations or other administrative guidance issued pursuant thereto).

2.1.34. **Valuation Date**. "Valuation Date" means the last business day of each calendar month and each special valuation date designated by the Committee.

2.1.35. **Year of Service**. "Year of Service" has the same meaning as in the 401(k) Plan for purposes of vesting.

2.2. **Number and Gender**. Wherever appropriate, words used in the singular shall be considered to include the plural and words used in the plural shall be considered to include the singular. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender.

2.3. **Headings**. The headings are included solely for convenience, and if there is any conflict between any heading and the text of the Plan, the Plan text shall control.

3. PARTICIPATION AND ELIGIBILITY

3.1. **Participation**. Participants in the Plan are those Employees who are:

3.1.1. subject to the income tax laws of the United States;

3.1.2. members of a select group of highly compensated or management Employees; and

3.1.3. selected by the Committee, in its sole discretion, as Participants.

The Committee shall notify each Participant of his/her selection as a Participant in writing. Notwithstanding any eligibility designation under this Section 3.1, an Employee shall not be eligible for the first time unless and until notification is provided to them of such designation. Subject to the provisions of Section 3.2, a Participant shall remain eligible to continue participation in the Plan for each Plan Year following his/her initial year of participation in the Plan.

3.2. **Commencement of Participation**. Subject to Code Section 409A nonqualified deferred compensation plan aggregation rules, an Employee who becomes newly eligible to participate in the Plan under Section 3.1 must submit (or complete online if such form is electronic) the Participation Agreement within thirty (30) days of the date he/she first becomes eligible due to notification pursuant to Section 3.1 immediately above. However, such Deferral elections shall be prospective and shall apply only to Base Pay and/or Bonus Compensation that would otherwise be earned and then paid to the Employee after the Participation Agreement is filed. Notwithstanding the foregoing, no Deferral elections shall be permitted under the Plan until such time as determined by the Committee. Additionally, at the time a Participant files (or completes online if such form is electronic) his/her first Participation Agreement, the Participant must also make the timing-of-distribution election (specifically relating to a specified, fixed date for distribution) described in Section 5.2 and the form-of-distribution election also described in Section 7.1 related to his/her total amounts accumulated under the Plan. In the event that a Participant does not make a timing-of-distribution election (specifically relating to a specified, fixed date for distribution) and/or a form-of-distribution election with respect to his/her initial Deferral election under the Plan, such Participant shall be deemed to have initially elected to receive his/her deferred compensation in the form of a lump-sum on his/her date of termination of service (unless earlier acceleration due to death or Disability).

3.3. **Cessation of Active Participation**. In the event a Participant no longer meets the requirements for eligibility to participate in the Plan, such Participant shall become an inactive Participant as of the January 1 of the Plan Year immediately following the Plan Year that includes the ineligibility event trigger. Notwithstanding this, such Participant shall retain all of the rights described under the Plan, except the right to make any further deferrals hereunder as of the immediately following January 1; provided, however, that such a Participant shall continue to make deferrals for the remainder of the Plan Year in which he or she becomes ineligible to participate. The Committee shall communicate such ineligibility to such Participant in writing prior to the effective date of such action. Such cessation shall have no effect upon amounts then credited to his/her Account which shall remain subject to all of the applicable provisions of the Plan.

4. DEFERRALS, MATCHING AND COMPANY CONTRIBUTIONS

4.1. **Deferrals by Participants**. Before the first day of each Plan Year (or as otherwise permitted by applicable law), a Participant may file (or complete online if such form is electronic) with the Committee a Participation Agreement pursuant to which such Participant elects to make Deferrals. Any Participant Deferral election shall be subject to rules prescribed by the Committee. Deferrals will be credited to the Account of each Participant at the time they would have been paid to the Participant in cash but for the election to defer. The minimum Deferral for a Plan Year is Two Thousand Dollars ($2000.00); provided, however, the minimum Deferral shall be prorated for any Plan Year in which an individual is not a Participant for twelve (12) months based on full months of participation. The maximum Deferrals permitted under the Plan for a Plan Year are as follows:

4.1.1. **Participant Deferrals for Plan Years Prior to January 1, 2011**. For Plan Years prior to January 1, 2011, Participants may defer, in whole percentages, amounts which cannot exceed the following:

4.1.1.1. up to fifty percent (50%) of Base Pay; and

4.1.1.2. up to one hundred percent (100%) of Bonus Compensation.

The maximum Deferrals permitted under the Plan for Plan Years prior to January 1, 2011 is Fifty Thousand Dollars ($50,000.00) or such other adjusted amount determined by the Committee from time to time before the commencement of any Plan Year; provided, however, such maximum shall not apply to Bonus Deferrals which shall not be subject to any maximum limitation.

4.1.2. **Participant Deferrals for Plan Years On and After January 1, 2011**. For Plan Years on and after January 1, 2011, Participants may defer, in whole percentages:

4.1.2.1. up to one hundred percent (100%) of Base Pay; and

4.1.2.2. up to one hundred percent (100%) of Bonus Compensation.

For Plan Years on and after January 1, 2011, there is no maximum Deferrals limitation but the Committee retains discretion to impose any such limitation, if necessary in its complete and sole discretion, from time to time before the commencement of any Plan Year.

4.2. **Effective Date of Participation Agreement**.

4.2.1. **Annual Submission of Election to Defer Form**. Before the beginning of each Plan Year, each Employee may elect to reduce the amount of:

4.2.1.1. his/her Base Pay that would otherwise be earned and paid to the Employee in the following Plan Year; and/or

4.2.1.2. his/her Bonus Compensation that would otherwise be paid to the Employee in the second following Plan Year (where the immediately following Plan Year is the performance period upon which such Bonus is based).

This Deferral election must be made on the Participation Agreement (or any successor form thereto for this purpose) (or completed online if such form is electronic) provided by the Committee. A Participant's Participation Agreement shall become effective on the first day of the Plan Year to which it relates. The Deferral election may be amended at any time but any election as in effect on the last business day before the first day of the Plan Year with respect to which the Deferral election is made shall govern. An Employee must file (or complete online if such form is electronic) a new Participation Agreement for each Plan Year as to which he/she wishes to defer Base Pay and/or Bonus Compensation. Notwithstanding the foregoing, no such Deferral elections shall be permitted under the Plan until such time as determined by the Company. Notwithstanding anything to the contrary, a Participation Agreement with respect to any Bonus Compensation which is determined by the Committee to be Performance Based Compensation, shall be made (or completed online if such form is electronic) as provided by the Committee, but no later than six (6) months prior to the end of such Bonus Compensation's performance period.

4.2.2. **Failure to Submit Annual Election to Defer Form**. If an Employee fails to submit (or complete online if such form is electronic) the appropriate annual Participation Agreement as required under this Section 4.2, he/she will be deemed to have elected not to participate in the Plan for the Plan Year to which such Participation Agreement otherwise would apply.

4.2.3. **Cancellation of Deferral Elections**.

4.2.3.1. **Non Revocation of Deferral**. After the beginning of a Plan Year to which Base Pay and/or Bonus Compensation are deferred by the Participant for such Plan Year under Section 4.1, the Participant may not revoke such Deferral election during the Plan Year, except to the extent that such revocation would be allowable by the provisions of this subparagraph 4.2.3.

4.2.3.2. **Unforeseeable Emergency**. The Committee may cancel a Participant's Participation Agreement pursuant to the provisions of Treasury Regulation Section 1.409A-3(j)(4)(viii) (or any successor guidance subsequently issued including revised Treasury Regulations or other administrative guidance issued pursuant thereto) in connection with the Participant's Unforeseeable Emergency.

4.2.3.3. **Disability**. The Committee may cancel a Participant's Participation Agreement pursuant to the provisions of Treasury Regulation Section 1.409A-3(j)(4)(xii) (or any successor guidance subsequently issued including revised Treasury Regulations or other administrative guidance issued pursuant thereto) in connection with the Participant's Disability. Such cancellation must occur by the later of the end of the Participant's taxable year in which, or the 15th day of the third month following the date on which, the Participant incurs a Disability.

4.2.3.4. **Final Pay Check Due to Termination of Employment**. A Participant whose employment terminates prior to the date any remuneration which he/she elected to

defer would have been paid to him/her shall be paid such remuneration in cash instead of deferring it into the Plan.

A cancellation pursuant to this subparagraph 4.2.3 shall apply only to Base Pay and/or Bonus Compensation not yet earned.

4.3. **Modification or Revocation of Election by Participant**. A Participant may not change the amount of his/her Base Pay Deferrals or Bonus Deferrals at any time during a Plan Year.

4.4. **Matching Contributions**. For each Plan Year, the Account of each Participant shall be credited with a Matching Contribution equal to such amount, if any, as the Company shall determine based on the Participant's Deferrals for such Plan Year.

4.5. **Company Profit Sharing Contribution**. For each Plan Year, the Account of each Participant shall be credited with a Company Profit Sharing Contribution equal to such amount, if any, as the Company shall determine in its complete and sole discretion.

4.6. **Other Company Contributions**. For each Plan Year, the Account of each Participant shall be credited with an Other Company Contribution equal to such amount, if any, as the Company shall determine in its complete and sole discretion.

5. VESTING, DEFERRAL PERIODS AND INVESTMENT ELECTIONS

5.1. **Vesting**. All provisions of the Plan relating to the distribution of a Participant's Account shall mean only the vested portion of such Account. Since the Plan is unfunded, the portion of a Participant's Account which is not vested and therefore not distributed with the vested portion of his/her Account shall remain property of the Company and not be allocated to Accounts of other Participants or otherwise inure to their benefit.

5.1.1. **Participant Deferrals**. A Participant shall be one hundred percent (100%) vested at all times in the amount of his/her Account which is attributable to his/her Deferrals.

5.1.2. **Matching Contributions**. A Participant shall vest in his/her Matching Contributions, if any, for a Plan Year in accordance with the vesting provisions of the 401(k) Plan applicable to the vesting of matching contributions thereunder.

5.1.3. **Company Profit Sharing Contributions**. A Participant shall vest in his/her Company Profit Sharing Contributions, if any, for a Plan Year in accordance with the vesting provisions of the 401(k) Plan applicable to the vesting of profit sharing contributions thereunder.

5.1.4. **Other Contributions**. A Participant shall vest in his/her Other Contributions, if any, for a Plan Year in accordance with any relevant vesting schedule determined by the Committee from time to time.

5.1.5. **Accelerated Vesting**. Notwithstanding anything to the contrary, a Participant's Account shall become one hundred percent (100%) vested upon his/her:

5.1.5.1. Death while employed;

5.1.5.2. Disability while employed; or

5.1.5.3. Retirement Date while employed.

5.2. Election of In-Service Distribution.

5.2.1. Election. If a Participant desires an in-service distribution of all or a percentage of his/her Deferrals for any given Plan Year, including earnings on such Deferrals, he/she must elect such in-service distribution on his/her Participation Agreement for such Plan Year (or complete online if such form is electronic). In the case of any such election, the Deferral Period must be for at least two (2) years.

5.2.2. Subsequent Deferral Election of In-Service Distribution. A Participant may elect to extend a Deferral Period previously selected under paragraph 5.2.1 immediately above for an in-service distribution by filing (or completing online if such form is electronic) an Election to Extend Deferral Period Form (or any successor form thereto from time to time) with the Company that specifies the later fixed date on which the Deferral Period for such in-service distribution will expire. This Election to Extend Deferral Period Form must be filed at least one year *(i.e.,* twelve (12) months) before the expiration of the original Deferral Period specified by the Participant under paragraph 5.2.1 immediately above with respect to such in-service distribution. This Election to Extend Deferral Period Form will not be effective until at least one year *(i.e.,* twelve (12) months) after the date on which such form has been filed (or completed online if such form is electronic). Under the Election to Extend Deferral Period Form, all payments scheduled under the extended specified, fixed date for a given in-service distribution must occur five (5) years or later from the date such payment was originally scheduled to be received under the then designated and enforceable specified, fixed date election for such in-service distribution. A Participant may make multiple subsequent deferral elections under this paragraph 5.2.2 for any given in-service distribution but any time requirements set forth herein must be separately satisfied with respect to each subsequent distribution election. Notwithstanding the foregoing, subsequent deferral elections made on an Election to Extend Deferral Period Form must comply, at all times, with Code Section 409A, any regulations issued with respect to Code Section 409A and any other guidance issued the IRS and authoritative on the issue.

5.3. Investment Elections.

5.3.1. Manner of Investment. All amounts credited to the Accounts of Participants shall be treated as though invested and reinvested only in Permissible Investments.

5.3.2. Investment Decisions, Earnings and Expenses. Investments in which the Accounts of Participants shall be treated as invested and reinvested shall be directed by the Participant in Permissible Investments as designated in the Participation Agreement or otherwise designated by the Committee from time to time. A Participant may elect different investment allocations for new contributions and existing Account balances. Only whole percentages may be elected, and the total elections must allocate 100% of all new contributions and 100% of all existing Account balances. In the event a Participant fails to allocate one hundred percent (100%) of his or her Account, he or she shall conclusively be deemed to have elected that any unallocated amounts in his or her Account be hypothetically invested in the default fund designated by the Company from time to time. Investment elections may be changed once per month in accordance with the procedures set forth by the Committee from time to time. Any change shall be effective prospectively only. All dividends, interest, gains, and distributions of any nature that would be earned on a Permissible Investment will be credited to the Account as though reinvested in additional shares of that Permissible Investment. Expenses that would be attributable to such investments shall be charged to the Account of the Participant. The Committee may change Permissible Investments at any time in its sole discretion, and may adopt

procedures with respect to Participant's investment decisions, including procedures providing for the investment of the Account of a Participant who does not make an investment decision. Under no circumstances whatsoever shall the Company or the Committee, or any of their employees, have any liability for any investment losses incurred by any Participant (including without limitation any loss alleged to have resulted from the negligence, gross negligence, or recklessness of any such person). A Participant's Account shall be adjusted as of each Valuation Date to reflect investment gains and losses.

6. ACCOUNTS

6.1. **Establishment of Bookkeeping Accounts**. A separate bookkeeping Account shall be maintained for each Participant. Such account shall be:

6.1.1. credited with the Deferrals, Matching Contributions, Company Profit Sharing Contributions, and Other Company Contributions;

6.1.2. credited (or reduced by, as the case may be) with the hypothetical investment gains/losses determined pursuant to Section 5.3; and

6.1.3. reduced by the distributions made to or with respect to a Participant.

6.2. **Subaccounts**. Within each Participant's bookkeeping Account, separate subaccounts shall be maintained to the extent necessary for the administration of the Plan.

6.3. **Hypothetical Nature of Accounts**. The Account established under this Section 6 shall be hypothetical in nature and shall be maintained for bookkeeping purposes only, so that Deferrals, Matching Contributions, and Company Profit Sharing Contributions, and Other Company Contributions can be credited to the Participant and so that gains and losses on such amounts so credited can be credited or charged, as the case may be. Neither the Plan nor any of the Accounts (or subaccounts) shall hold any actual funds or assets. The right of any person to receive one or more payments under the Plan shall be an unsecured claim against the general assets of the Company. Any liability of the Company to any Participant, former Participant, or Beneficiary with respect to a right to payment shall be based solely upon contractual obligations created by the Plan. Neither the Company, the Board, nor any other person shall be deemed to be a trustee of any amounts to be paid under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and a Participant, former Participant, Beneficiary, or any other person.

7. PAYMENT OF ACCOUNT

7.1. **Length of Deferral Period (i.e., Timing of Distributions)**.

7.1.1. **General Rule**. Distribution of that portion of a Participant's Account for which an in-service distribution has been elected for a given Plan Year pursuant to Section 5.2 above shall be made at the time specified in such Participation Agreement election unless the Participant's employment terminates prior to such time, in which event the remaining provisions of this Section 7.1 shall apply. Except as otherwise provided, payment of the Participant's Account shall commence no later than sixty (60) days following *the earliest to occur* of the following events:

7.1.1.1. the Participant's death;

7.1.1.2. the Participant's Disability; or

7.1.1.3. the Participant's termination from service with the Company.

Such Account shall be valued as of the Valuation Date commensurate with the payment date.

7.1.2. **Specified Employee Six (6) Month Delay**. Notwithstanding paragraph 7.1.1 immediately above, if the Participant is a Specified Employee, any amounts payable to the Participant under this Section 7.1 during the first six months and one day following such Participant's date of termination shall be further deferred until the date which is six months and one day following such Participant's termination, and if such payments are required to be so deferred the first payment will be in an amount equal to the total amount to which the Participant would otherwise have been entitled during the period following the Participant's date of termination of employment if deferral had not been required.

7.2. **Form of Payment**.

7.2.1. **Distributable Events**.

7.2.1.1. **Distributable Events Where Elections Must Be Made**. At the time a Participant files (or completes online if such form is electronic) a Participation Agreement for a given Plan Year, the Participant must elect the form in which the Participant's entire Account will be distributed if such distribution event occurs due to the Participant's termination of service prior to his/her Retirement Date (and other than due to death or Disability). With respect to a termination of service prior to his/her Retirement Date, the Participant must elect either:

A. A lump sum payment; or

B. Substantially equal monthly installments over a period of twelve (12) months. Earnings on the unpaid balance shall continue to be credited to subaccounts at the appropriate earning rate, in accordance with the Participant's investment election. For purposes of the Plan and Code Section 409A, the right to a series of installment payments is to be treated as a right to a series of separate payments.

At the time a Participant files a Participation Agreement for a given Plan Year, the Participant must also elect the form in which the Participant's entire Account will be distributed if such distribution event occurs due to the Participant's termination of service on or after his/her Retirement Date. With respect to a termination of service on or after his/her Retirement Date, the Participant must elect either:

A. A lump sum payment; or

B. Substantially equal monthly installments over a period of sixty (60), one hundred twenty (120), or one hundred eighty (180) months or substantially equal annual installments over a period of five (5), ten (10), or fifteen (15) years. Earnings on the unpaid balance shall continue to be credited to subaccounts at the appropriate earning rate, in accordance with the Participant's investment election. For purposes of the Plan and Code Section 409A, the right to a series of installment payments is to be treated as a right to a series of separate payments.

In the event that a Participant does not make a form-of-distribution election as provided above for each of the two distributable events, such Participant shall be deemed to have elected to receive his/her deferred compensation in the form of a lump-sum.

7.2.1.2. **Disability as a Distributable Event**. In the event that Participant has a termination of service due to his/her Disability, such Participant's entire Account shall be paid in the identical form-of-distribution elected by the Participant with respect to his/her termination of service on or after his/her Retirement Date. A separate form-of-distribution election is not secured from the Participant related to a Disability distributable event.

7.2.1.3. **Death as a Distributable Event**. In the event that Participant has a termination of service due to his/her death while still employed with the Company, such Participant's entire Account shall be paid in the form of a lump-sum; provided, however, if a former Participant (i.e., who is no longer employed by the Company, is receiving an installment form of distribution and dies prior to the distribution of his/her entire Account, the installment distributions will be continued to his/her Beneficiary. A separate form-of-distribution election is not secured from the Participant related to a death distributable event.

7.2.2. **Subsequent Change in Form Election**. A Participant may elect to change his/her form of distribution (i.e., from lump sum to installments or vice versa) by filing an Election to Change Form of Distribution (or any successor form thereto from time to time) with the Company to reflect the newly elected form of distribution. This Election to Change Form of Distribution must be filed (or completed online if such form is electronic) at least one year (*i.e* ., twelve (12) months) before the expiration of the then designated and enforceable Deferral Period specified by the Participant under Section 7.1 subject to Section 5.2. This Election to Change Form of Distribution will not be effective until at least one year (*i.e* ., twelve (12) months) after the date on which such form has been filed (or completed online if such form is electronic). Under the Election to Change Form of Distribution, any change in form of distribution (*i.e.* , from lump sum to installments or vice versa) cannot accelerate any payment scheduled under the then designated and enforceable Deferral Period and shall additionally require an automatic delay in the timing of distribution to five (5) years from the date all such payments are then scheduled to be made under then designated and enforceable Deferral Period. A Participant may make multiple subsequent change in form elections under this paragraph 7.2.2 but any time requirements set forth herein must be separately satisfied with respect to each subsequent distribution election. Notwithstanding the foregoing, subsequent change in form elections made on an Election to Change Form of Distribution must comply, at all times, with Code Section 409A, any regulations issued with respect to Code Section 409A and any other guidance issued the IRS and authoritative on the issue.

7.3. **No Acceleration Of Benefits**. Notwithstanding any other terms in this Plan document, the Plan does not permit the acceleration of the time or schedule of any payment under the Plan, except as may be allowed by Treasury Regulations or any other Department of Treasury or IRS guidance issued under Code Section 409A.

7.4. **Small Account**. Notwithstanding anything to the contrary in this Plan, if the total of a Participant's vested, unpaid Account balance as of the time the payments are to commence from the Participant's Account pursuant to Section 7.1 are less than $10,000, the remaining unpaid, vested Account shall be paid in a lump sum paid no later than sixty (60) days immediately following the date of termination, notwithstanding any election by the Participant to the contrary.

7.5. **Designation of Beneficiaries**.

7.5.1. **General Designation Rule**. Each Participant shall have the right, at any time, to designate one (1) or more persons or an entity as Beneficiary (both primary as well as secondary) to whom benefits under this Plan shall be paid in the event of a Participant's death prior to complete distribution of the Participant's Account. Each Beneficiary designation shall be in a written form prescribed by the Committee (or completed online if such form is electronic) and will be effective only when filed (or completed online if such form is electronic) with and received by the Committee during the Participant's lifetime. In case of a Participant who is a resident of a community property state, designation by a married Participant of a Beneficiary other than the Participant's spouse shall not be effective unless the spouse executes a written consent that acknowledges the effect of the designation and is witnessed by a notary public, or the consent cannot be obtained because the spouse cannot be located.

7.5.2. **Amendments**. Except as provided below, any nonspousal designation of Beneficiary may be changed by a Participant without the consent of such Beneficiary by the filing of a new designation with the Committee. The filing of a new designation shall cancel all designations previously filed.

7.5.3. **Change in Marital Status**. If the marital status of a Participant residing in a community property state changes after the Participant has designated a Beneficiary, the following shall apply:

7.5.3.1. If the Participant is married at death but was unmarried when the designation was made, the designation shall be void unless the spouse has consented to it in the manner prescribed above.

7.5.3.2. If the Participant is unmarried at death but was married when the designation was made:

A. The designation shall be void if the spouse was named as Beneficiary.

B. The designation shall remain valid if a nonspouse Beneficiary was named.

If the Participant was married when the designation was made and is married to a different spouse at death, the designation shall be void unless the new spouse has consented to it in the manner prescribed above.

7.5.4. **No Beneficiary Designation**. If any Participant fails to designate a Beneficiary in the manner provided above, or if the Beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's Beneficiary shall be the person in the first of the following classes in which there is a survivor:

7.5.4.1. The Participant's surviving spouse;

7.5.4.2. The Participant's children in equal shares, except that if any of the children predeceases the Participant but leaves issue surviving, then such issue shall take by right of representation the share the parent would have taken if living;

7.5.4.3. The Participant's estate.

7.6. **Unclaimed Benefits**. In the case of a benefit payable on behalf of such Participant, if the Committee is unable to locate the Participant or Beneficiary to whom such benefit is payable, such benefit may be forfeited to the Company, upon the Committee's determination. Notwithstanding the foregoing, if subsequent to any such forfeiture the Participant or Beneficiary to whom such benefit is payable makes a valid claim for such benefit, such forfeited benefit shall be paid by the Company or restored to the Plan by the Company.

7.7. **Unforeseeable Emergency Withdrawals**. A Participant may apply in writing to the Committee for, and the Committee may permit, a withdrawal for an Unforeseeable Emergency of all (valued as of the last day of the month prior to the month in which the application is made) or any part of a Participant's Account if the Committee, in its sole discretion, determines that the Participant has incurred an Unforeseeable Emergency. The amount that may be withdrawn shall be limited to the amount reasonably necessary to relieve the hardship or financial emergency upon which the request is based, plus the federal and state taxes due on the withdrawal, as determined by the Committee. The Committee may require a Participant who requests such a withdrawal to submit such evidence as the Committee, in its sole discretion, deems necessary or appropriate to substantiate the circumstances upon which the request is based.

7.8. **Withholding**. All Deferrals and distributions shall be subject to legally required income and employment tax withholding. Such taxes shall include, but not necessarily be limited to, Social Security taxes on Deferrals, Matching Contributions, Company Profit Sharing Contributions and/or Other Contributions at the time they are vested and income taxes on distributions.

8. ADMINISTRATION

8.1. **Committee**. The Plan shall be administered by a Committee, which shall be appointed by and serve at the pleasure of the Board. The Committee shall be responsible for the general operation and administration of the Plan and for carrying out the provisions thereof. The Committee may delegate to others certain aspects of the management and operational responsibilities of the Plan including the employment of advisors and the delegation of ministerial duties to qualified individuals, provided that such delegation is in writing. No member of the Committee who is a Participant shall participate in any matter relating to his status as a Participant or his rights or entitlement to benefits as a Participant.

8.2. **General Powers of Administration**. The Committee shall have all powers necessary or appropriate to enable it to carry out its administrative duties. Not in limitation, but in application of the foregoing, the Committee shall have discretionary authority to construe and interpret the Plan and determine all questions that may arise hereunder as to the status and rights of Employees, Participants, and Beneficiaries. The Committee may exercise the powers hereby granted in its sole and absolute discretion. The Committee may promulgate such regulations as it deems appropriate for the operation and administration of the Plan. No member of the Committee shall be personally liable for any actions taken by the Committee unless the member's action involves gross negligence or willful misconduct.

8.3. **Indemnification of Committee**. The Company shall indemnify the members of the Committee against any and all claims, losses, damages, expenses, including attorney's fees, incurred by them, and any liability, including any amounts paid in settlement with their approval, arising from their action or failure to act, except when the same is judicially determined to be attributable to their gross negligence or willful misconduct.

9. DETERMINATION OF BENEFITS, CLAIMS PROCEDURE AND ADMINISTRATION

9.1. **Claims**. A Participant, Beneficiary or other person who believes that he/she is being denied a benefit to which he/she is entitled (hereinafter referred to as "Claimant"), or his/her duly authorized representative, may file a written request for such benefit with the Committee setting forth his/her claim. The request must be addressed to the Committee at the Company at its then principal place of business no more than 60 days after such Claimant first believes that such a denial has taken place.

9.2. **Non-Disability Claims**.

9.2.1. Time for Decision on a Claim. A claim shall be filed in writing with the Committee and decided within 90 days by the Committee unless the Committee determines that special circumstances require an extension of time for processing the claim. If the Committee determines that an extension of time for processing is required, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit determination.

9.2.2. Notification of Adverse Determination. Notice of the decision on such claim shall be furnished promptly to the Claimant. Every notice of an adverse benefit determination will be provided in writing or electronically, and will include all of the following that pertain to the determination: (i) the specific reason or reasons for the adverse determination; (ii) reference to the specific Plan provisions on which the determination is based; (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and (iv) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

9.2.3. Right to Review. A Claimant may review all pertinent documents and may request a review by the Secretary of the Company ("Secretary") of such decision denying the claim. Any such request must be addressed and sent to the Secretary at the Company at its then principal place of business within 60 days after receipt by the Claimant of written notice of the decision. A failure to file a request for review within 60 days will constitute a waiver of the Claimant's right to request a review of the denial of the claim. Such written request for review shall contain all additional information that the Claimant wishes the Secretary to consider.

9.2.4. Review Procedures. During the review process, the Secretary will provide: (i) the Claimant the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits; (ii) that a Claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and (iii) for a review that takes into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

9.2.5. Time for Decision on Review. Written notice of the decision on review shall be furnished to the Claimant within 60 days unless the Secretary determines that special circumstances require an extension of time for processing the claim. If the Secretary determines that an extension of time for processing is required, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial period. The extension notice will describe the special

circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review.

9.2.6. Notification of Determination on Review . Notice of the decision on such claim shall be furnished promptly to the Claimant. Benefits under the Plan will be paid only if the Secretary decides in its discretion that the Claimant is entitled to such benefits. The decision of the Secretary shall be final and non-reviewable, unless found to be arbitrary and capricious by a court of competent review. Such decision will be binding upon the Employer and the Claimant. Every notice of an adverse benefit determination will be provided in writing or electronically, and will include all of the following that pertain to the determination: (i) the specific reason or reasons for the adverse determination; (ii) reference to the specific Plan provisions on which the benefit determination is based; (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and (iv) a statement describing any voluntary appeal procedures, if any, offered by the Plan and the Claimant's right to obtain additional information about those voluntary review procedures, if any, and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

9.2.7. Discretionary Authority

. The Committee and Secretary shall both have discretionary authority to determine a Claimant's entitlement to benefits upon his/her claim or his/her request for review of a denied claim, respectively.

9.2.8. Legal Remedies . Such suit may be filed only after the Plan's review procedures have been exhausted and only if filed within 90 days after the final decision is provided.

9.3. Disability Claims.

9.3.1. Time for Decision on a Claim . A claim shall be filed in writing with an officer of the Company designated by the Committee, provided that such officer is not a member of the Committee ("Officer") and decided within 45 days after receipt of the claim by the Officer. If the Officer determines that an extension is necessary due to matters beyond the control of the Plan, a maximum of two 30-day extensions will be permitted. A Claimant will be notified of the need for an extension, including the circumstances requiring the extension and the date a decision is expected, prior to the end of the initial 45-day period. A Claimant will receive notice of any second extension prior to the expiration of the first 30-day extension period. The notice(s) of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and any additional information needed to resolve those issues. If additional information is required from a Claimant, such Claimant will have 45 days to provide such information. The deadline for making a decision on the claim will then be extended for 45 days or, if shorter, for the length of time it takes the Claimant to provide the additional information.

9.3.2. Notification of Adverse Determination . Notice of the decision on such claim shall be furnished to the Claimant within the applicable time periods set forth in Section 9.3.1. Every notice of an adverse benefit determination will be provided in writing or electronically, in a culturally and linguistically appropriate manner, and will include all of the following that pertain to the determination: (1) the specific reason or reasons for the adverse determination; (2) reference to the specific Plan provisions on which the determination is based; (3) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; (4) a description of the Plan's review procedures and the

time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review; (5) a discussion of the decision, which will include an explanation of the basis for disagreeing with or not following: (i) the views presented by the Claimant to the Plan of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant; (ii) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (iii) a disability determination regarding the Claimant presented by the Claimant to the Plan made by the Social Security Administration; (6) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or provide a statement that such explanation will be provided free of charge upon request; (7) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, provide a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; and (8) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits. In the case of a claim for disability benefits filed under this Plan, the term "adverse benefit determination" also means any rescission of disability coverage with respect to a Participant or Beneficiary (whether or not, in connection with the rescission, there is an adverse effect on any particular benefit at that time). For this purpose, the term "rescission" means a cancellation or discontinuance of coverage that has retroactive effect, except to the extent it is attributable to a failure to timely pay required premiums or contributions towards the cost of coverage.

9.3.3. Right to Review . A Claimant may review all pertinent documents and may request a review by the Committee of such decision denying the claim. Any such request must be filed in writing with the Committee within 180 days after receipt by the Claimant of written notice of the decision. A failure to file a request for review within 180 days will constitute a waiver of the Claimant's right to request a review of the denial of the claim. Such written request for review shall contain all additional information that the Claimant wishes the Committee to consider.

9.3.4. Review Procedures . During the review process, the Committee will provide: (i) Claimant the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits; (ii) that a Claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; (iii) for a review that takes into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination; (iv) for a review that does not afford deference to the initial adverse benefit determination and that is conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual; (v) that, in deciding an appeal of any adverse benefit determination that is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the appropriate named fiduciary shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment; (vi) for the identification of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in

making the benefit determination; (vii) that the health care professional engaged for purposes of a consultation shall be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual; and (viii) before an adverse benefit determination can be issued, the Claimant shall be provided, free of charge and as soon as possible and sufficiently in advance of the date on which notice of the adverse benefit determination on review must be provided to the Claimant to give the Claimant reasonable opportunity to respond prior to the deadline, (A) any new or additional evidence considered relied upon, or generated by the Plan or other person making the benefit determination (or at the direction of the Plan or such other person) in connection with the claim; and (B) any new or additional rationale that the disability benefit claim is based on.

9.3.5. Time for Decision on Review . Written notice of the decision on review shall be furnished to the Claimant within 45 days following the receipt of the request for review. If an extension is necessary due to special circumstances, the Claimant will be given a written notice of the required extension prior to the expiration of the initial 45-day period. The notice will indicate the circumstances requiring the extension and the date by which the Committee expects to render a decision. The extension may be for up to 45 additional days from the end of the initial period.

9.3.6. Notification of Determination on Review . Notice of the decision on such claim shall be furnished to the Claimant within the applicable time periods set forth in Section 9.3.5 above. Every notice of an adverse benefit determination will be provided in writing or electronically, in a culturally and linguistically appropriate manner, and will include all of the following that pertain to the determination: (1) the specific reason or reasons for the adverse determination; (2) reference to the specific Plan provisions on which the benefit determination is based; (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; (4) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain the information about such procedures, and a statement of the Claimant's right to bring an action under section 502(a) of ERISA, which statement shall also describe any applicable contractual limitations period that applies to the Claimant’s right to bring such an action, including the calendar date on which the contractual limitations period expires for the claim; (5) a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (A) the views presented by the Claimant to the Plan of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant; (B) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (C) a disability determination regarding the Claimant presented by the Claimant to the Plan made by the Social Security Administration; (6) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of change upon request; and (7) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.

If ten percent or more of the population residing in the county (in which a claims notice is sent) is literate only in the same non-English language, as determined in guidance published by the U.S. Secretary of Labor, the Company must: (i) provide assistance with filing claims and appeals in

that non-English language, (ii) upon request, provide a notice in that non-English language to the Claimant; and (iii) include a non-English statement in the English version of the notice on how to access the non-English language services provided by the Plan.

9.3.7. Legal Remedies .

9.3.7.1. A suit under Section 502(a) of ERISA may be filed only after these review procedures have been exhausted and only if filed within 90 days after the final decision is provided.

9.3.7.2. If the Plan fails to strictly adhere to these claims review procedure requirements with respect to a claim for disability benefits filed under this Plan, the Claimant is deemed to have exhausted the administrative remedies available under the Plan, except as provided in the paragraph below. Accordingly, the Claimant is entitled to pursue any available remedies under Section 502(a) of ERISA on the basis that the Plan failed to provide a reasonable claims procedure that would yield a decision on the merits of the claim. If a Claimant chooses to pursue remedies under Section 502(a) of ERISA under such circumstances, the claim or appeal is deemed denied on review without the exercise of discretion by an appropriate fiduciary.

9.3.7.3. Except as provided in the paragraph above, the administrative remedies available under the Plan with respect to a claim for disability benefits filed under this Plan will not be deemed exhausted based on *de minimis* violations that do not cause, and are not likely to cause, prejudice or harm to the Claimant so long as the Plan demonstrates that the violation was for good cause or due to matters beyond the control of the Plan and that the violation occurred in the context of an ongoing, good faith exchange of information between the Plan and the Claimant. This exception is not available if the violation is part of a pattern or practice of violations by the Plan. The Claimant may request a written explanation of the violation from the Plan, and the Plan must provide such explanation within 10 days, including a specific description of its bases, if any, for asserting that the violation should not cause the administrative remedies available under the Plan to be deemed exhausted. If a court rejects the Claimant's request for immediate review under the preceding paragraph on the basis that the Plan met the standards for the exception under this paragraph, the claim shall be considered as re-filed on appeal upon the Plan's receipt of the decision of the court. Within a reasonable time after the receipt of the decision, the Plan shall provide the Claimant with notice of the resubmission.

The decision of the Committee will be final and conclusive.

10. MISCELLANEOUS

10.1. **Plan Not a Contract of Employment** . The adoption and maintenance of the Plan shall not be or be deemed to be a contract between the Company and any person or to be consideration for the employment of any person. Nothing herein contained shall give or be deemed to give any person the right to be retained in the employ of the Company or to restrict the right of the Company to discharge any person at any time; nor shall the Plan give or be deemed to give the Company the right to require any person to remain in the employ of the Company or to restrict any person’s right to terminate his employment at any time.

10.2. **Non-Assignability of Benefits**. No Participant, Beneficiary or distributee of benefits under the Plan shall have any power or right to transfer, assign, anticipate, hypothecate or otherwise encumber any part or all of the amounts payable hereunder, which are expressly declared to be unassignable and non-transferable. Any such attempted assignment or transfer shall be void. No amount payable hereunder shall, prior to actual payment thereof, be subject to seizure by any creditor of any such Participant, Beneficiary or other distributee for the payment of any debt, judgment, or other obligation, by a proceeding at law or in equity, nor transferable by operation of law in the event of the bankruptcy, insolvency or death of such Participant, Beneficiary or other distributee hereunder.

10.3. **Amendment and Termination**. The Board may from time to time, in its discretion, amend, in whole or in part, any or all of the provisions of the Plan; provided, however, that no amendment may be made which would impair the rights of a Participant with respect to amounts already allocated to his/her Account. The Board may terminate the Plan at any time so long as such termination complies fully with the provisions of Code Section 409A and the underlying final regulations. In the event that the Plan is terminated, the balance in a Participant's Account shall be paid to such Participant or his/her Beneficiary in a lump sum or in equal monthly installments as the Committee determines and otherwise in accordance with Code Section 409A and the underlying final regulations.

10.4. **Unsecured General Creditor Status Of Employee**. The payments to Participant, his Beneficiary or any other distributee hereunder shall be made from assets which shall continue, for all purposes, to be a part of the general, unrestricted assets of the Company; no person shall have nor acquire any interest in any such assets by virtue of the provisions of this Agreement. The Company's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that the Participant, a Beneficiary, or other distributee acquires a right to receive payments from the Company under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Company; no such person shall have nor require any legal or equitable right, interest or claim in or to any property or assets of the Company. In the event that, in its discretion, the Company purchases an insurance policy or policies insuring the life of the Participant (or any other property) to allow the Company to recover the cost of providing the benefits, in whole, or in part, hereunder, neither the Participant, his Beneficiary or other distributee shall have nor acquire any rights whatsoever therein or in the proceeds therefrom. The Company shall be the sole owner and beneficiary of any such policy or policies and, as such, shall possess and may exercise all incidents of ownership therein. No such policy, policies or other property shall be held in any trust for a Participant, Beneficiary or other distributee or held as collateral security for any obligation of the Company hereunder.

10.5. **Severability**. If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions hereof; instead, each provision shall be fully severable and the Plan shall be construed and enforced as if said illegal or invalid provision had never been included herein.

10.6. **Governing Laws**. All provisions of the Plan shall be construed in accordance with the laws of Illinois except to the extent preempted by federal law.

10.7. **Binding Effect**. This Plan shall be binding on each Participant and his/her heirs and legal representatives and on the Company and its successors and assigns.

10.8. **Entire Agreement**. This document and any amendments contain all the terms and provisions of the Plan and shall constitute the entire Plan, any other alleged terms or provisions being of no effect.

10.9. **No Guarantee of Tax Consequences**. While the Company has established, and will maintain the Plan, the Company makes no representation, warranty, commitment, or guaranty concerning the income, employment, or other tax consequences of participation in the Plan under federal, state, or local law.

10.10. **Sole Obligor**. Each Company shall be the sole obligor with respect to Plan benefits that are owed to a Participant which arise by virtue of contributions made by such Company or the Participant's employment by such Company.

10.11. **Compliance with Section 409A**. This Plan will at all times be administered and the provisions of this Plan will be interpreted consistent with the requirements of Section 409A of the Code and any and all regulations thereunder, including such regulations as may be promulgated after the effective date of the Plan. If any provision of this Plan does not comply with the requirements of Section 409A, the Company, in exercise of its sole discretion and without the consent of any Participant, may amend or modify this Plan in any manner to the extent necessary to meet the requirements of Section 409A. In no event does the Company guarantee any particular tax consequences, outcome or tax liability to Participants, and the obligation to pay taxes associated with participation in the Plan, including any liability imposed under Code Section 409A, will be the sole responsibility of the Participant. No provision of the Plan or a Participation Agreement will be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from a Participant or any other individual to the Company. Each installment payment payable hereunder will be deemed to be a separate payment for purposes of Section 409A. Whenever a payment under the Plan or an Participation Agreement specifies a payment period, the actual date of payment within such specified period will be within the sole discretion of the Company, and no Participant will have any right (directly or indirectly) to determine the year in which such payment is made. In the event a payment period straddles two consecutive calendar years, the payment will be made in the later of such calendar years, and the Participant will have no control, directly or indirectly, over the taxable year in which any payment is made.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed on the 17 day of , October 2018.

LKQ CORPORATION

By: /s/ Pamela T Cagle

Title: Director, Employee Benefits

RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (this "Agreement") is made and entered into as of the 7th day of May, 2018 (the "Grant Date") by and between LKQ Corporation, a Delaware corporation (the "Company"), and [[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]] (the "Key Person").

Recitals

The Board is of the opinion that the interests of the Company will be advanced by encouraging certain persons affiliated with the Company, upon whose judgment, initiative and efforts the Company is largely dependent for the successful conduct of the Company's business, to acquire or increase their proprietary interest in the Company, thus providing them with a more direct stake in its welfare and assuring a closer identification of their interests with those of the Company.

The Board is of the opinion that the Key Person is such a person.

The Company desires to grant RSUs to the Key Person, and the Key Person desires to accept such grant, all on the terms and subject to the conditions set forth in this Agreement and set forth in the Company's 1998 Equity Incentive Plan (the "Plan"). Any capitalized term used herein that is not defined shall have the meaning of such term set forth in the Plan.

Covenants

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Restricted Stock Units. The Company hereby grants to the Key Person and the Key Person hereby accepts from the Company [[SHARESGRANTED]] RSUs, on the terms and subject to the conditions set forth herein and in the Plan (the "Award").

2. Representations of Key Person. The Key Person hereby represents and warrants that the Key Person has been provided a copy of the Plan (which is also filed publicly) and a Plan prospectus describing the material terms of the Plan, and is accepting the RSUs with full knowledge of and subject to the restrictions contained in this Agreement and the Plan.

3. Vesting and Settlement. (a) The RSUs shall be subject to time-based vesting conditions (which must be satisfied before the applicable portion of the Award is considered earned and payable) as follows: the Award shall vest with respect to 100% of the number of RSUs subject to the Award on the earlier of (i) the one-year anniversary of the grant date (unless such date is a day on which the U.S. stock exchanges are closed, in which case the vesting date shall be extended to the next succeeding business day), and (ii) the date of the 2019 Annual Meeting of the Stockholders of the Company (the "Vesting Period").

(b) Within 30 days of vesting, one Share shall be delivered to the Key Person in settlement of each vested RSU.

4. Termination of Relationship. In the event the Key Person incurs a Separation from Service for any reason other than death or Disability, all RSUs of such Key Person that are unvested at the date of Separation from Service shall be forfeited to the Company. In the event the Key Person incurs a Separation from Service due to death or Disability, all RSUs of such Key Person shall immediately become fully vested on the date of termination and all restrictions shall lapse.

5. Change of Control. In the event of a Change of Control occurring after the Grant Date, the Change of Control provisions of Article 14 of the Plan shall apply to the RSUs.

6. Non-Transferability of RSUs. Except as expressly provided in the Plan or this Agreement, the RSUs may not be sold, assigned, transferred, pledged or otherwise disposed of, shall not be assignable by operation of law, and shall not be subject to execution, attachment or similar process, except by will or the laws of descent and distribution. Any attempted sale, assignment, transfer, pledge or other disposition of any RSU prior to vesting shall be null and void and without effect.

7. Taxes. The Key Person shall be responsible for taxes due upon the settlement of any RSU granted hereunder and upon any later transfer by the Key Person of any Share received upon the settlement of an RSU.

8. No Rights as a Stockholder. Prior to the settlement of any RSU, the Key Person shall have no rights with respect to the Share issuable to the Key Person upon such settlement, shall not be treated as a Stockholder, and shall not have any voting rights or the right to receive any dividends with respect to the RSU or the underlying Share.

9. Notices. Any notices required or permitted hereunder shall be sent using any means (including personal delivery, courier, messenger service, facsimile transmission or electronic transmission), if to the Key Person, at the address set forth below or such other address as the Key Person may designate in writing to the Company or to the Key Person's home address if no other address has been provided to the Company; and, if to the Company, at the address of its headquarters in Chicago, Attention: General Counsel, or such other address as the Company may designate in writing to the Key Person. Such notice shall be deemed duly given when it is actually received by the party for whom it was intended. The Company may deliver any documents related to current or future participation in the Plan by electronic means and the Key Person's acceptance of the Award constitutes the Key Person's consent to receive those documents by electronic delivery and to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

10. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

11. Amendment or Termination. This Agreement may not be amended or terminated unless such amendment or termination is in writing and duly executed by each of the parties hereto.

12. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Key Person and the Key Person's executors, administrators, personal representatives and heirs. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

13. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions and understandings relating to such subject matter; provided, however, for the avoidance of doubt, the parties acknowledge that any confidentiality, non-competition, non-solicitation or similar restrictive covenant agreed to by the parties hereto on or before the Grant Date is not superseded by this Agreement and is an obligation of the parties hereto in addition to Section 17 below.

14. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to principles and provisions thereof relating to conflict or choice of laws. Any and all actions concerning any dispute arising hereunder shall be filed and maintained only in a state or federal court sitting in the County of Cook, State of Illinois. The parties hereto specifically consent and submit to the jurisdiction of such court.

15. Incorporation of Terms of Plan. The terms of the Plan are incorporated herein by reference and the Key Person's rights hereunder are subject to the terms of the Plan to the extent they are inconsistent with or in addition to the terms set forth herein. The Key Person hereby agrees to comply with all requirements of the Plan.

16. Non-Competition and Confidentiality . (a) Notwithstanding any provision to the contrary set forth elsewhere herein, the RSUs, the Shares underlying the RSUs, and any proceeds received by the Key Person upon the sale of Shares underlying the RSUs shall be forfeited by the Key Person to the Company without any consideration therefore, if the Key Person is not in compliance, at any time during the period commencing on the Grant Date and ending nine months following the Key Person's Separation from Service, with all applicable provisions of the Plan and with the following conditions:

(i) the Key Person shall not directly or indirectly (1) be employed by, engage or have any interest in any business which is or becomes competitive with the Company or its Subsidiaries or is or becomes otherwise prejudicial to or in conflict with the interests of the Company or its Subsidiaries, (2) induce any customer of the Company or its Subsidiaries to patronize such competitive business or otherwise request or advise any such customer to withdraw, curtail or cancel any of its business with the Company or its Subsidiaries, or (3) hire or solicit for employment any person employed by the Company or its Subsidiaries or hire any person who was employed by the Company or its Subsidiaries at any time within nine months of such hire; provided, however, that this restriction shall not prevent the Key Person from acquiring and holding up to two percent of the outstanding shares of capital stock of any corporation which is or becomes competitive with the Company or is or becomes otherwise prejudicial to or in conflict with the interests of the Company if such shares are available to the general public on a national securities exchange or in the over-the-counter market; and

(ii) the Key Person shall not use or disclose, except for the sole benefit of or with the written consent of the Company, any confidential information relating to the business, processes or products of the Company. Nothing in this Agreement, however, prohibits the Key Employee from reporting violations of law or regulation to any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a "Governmental Entity"), or from cooperating with any Governmental Entity, including the EEOC, the Securities and Exchange Commission or the Department of Justice.

(b) The Company shall notify in writing the Key Person of any violation by the Key Person of this Section 16. The forfeiture shall be effective as of the date of the occurrence of any of the activities set forth in Section 16(a) above. If the Shares underlying the RSUs have been sold, the Key Person shall promptly pay to the Company the amount of the proceeds from such sale. The Key Person hereby consents to a deduction from any amounts owed by the Company to the Key Person from time to time (including amounts owed as wages or other compensation, fringe benefits or vacation pay) to the extent of the amounts owed by the Key Person to the Company under this Section 16. Whether or not the Company elects to make any set-off in whole or in part, the Key Person agrees to timely pay any amounts due under this Section 16. In

addition, the Company shall be entitled to injunctive relief for any violation by the Key Person of this Section 16.

(c) Notwithstanding any provision of this Agreement to the contrary, the Key Person shall be entitled to communicate, cooperate and file a complaint with any Governmental Entity concerning possible violations of any U.S. federal, state or local law or regulation, and to otherwise make disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation, as long as in each case the communications and disclosures are consistent with applicable law. The Key Person shall not forfeit any RSUs, Shares held in connection with any RSUs or proceeds from the sale of such Shares as a result of exercising any rights under this Section 16(c).

17. Hedging Positions . The Key Person agrees that, at any time during the period commencing on the Grant Date and ending when the Award is fully settled or the RSUs are forfeited, the Key Person shall not (a) directly or indirectly sell any equity security of the Company if the Key Person does not own the security sold, or if owning the security, does not deliver it against such sale within 20 days thereafter; or (b) establish a derivative security position with respect to any equity security of the Company that increases in value as the value of the underlying equity decreases (including a long put option and a short call option position) with securities underlying the position exceeding the underlying securities otherwise owned by the Key Person. In the event the Key Person violates this provision, the Company shall have the right to cancel the Award.

18. Code Section 409A . The RSUs are intended to be exempt from (or in the alternative to comply with) Code Section 409A. This Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A, consistent with Section 18.6 of the Plan. For purposes of Code Section 409A, each installment payment under this Agreement or the Plan, or otherwise payable to the Key Employee, shall be treated as a separate payment. Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any additional tax or penalty on the Key Employee under Code Section 409A and neither the Company nor the Committee shall have any liability to the Key Employee for such tax or penalty.

19. Clawback. The Award and all amounts and benefits received or outstanding under the Plan shall be subject to potential clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance with the terms and conditions of any applicable Company clawback or similar policy or any applicable law related to such actions, as may be in effect from time to time. The Key Person's acceptance of the Award constitutes the Key Person's acknowledgement of and consent to the Company's application, implementation and enforcement of any applicable Company clawback or similar policy that may apply to the Key Person, whether adopted before or after the Grant Date, and any provision of applicable law relating to clawback, cancellation, recoupment, rescission, payback or reduction of compensation, and the Key Person's agreement that the Company may take such actions as may be necessary to effectuate any such policy or applicable law, without further consideration or action.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Grant Date.

LKQ CORPORATION KEY PERSON

By: _____ By: _____
Name:_____ Name: _____
Title: _____ Address:_____

RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (this "Agreement") is made and entered into as of the [[DAY]] day of [[MONTH]] 2018 (the "Grant Date") by and between LKQ Corporation, a Delaware corporation (the " **Company** "), and [[FIRSTNAME]] [[LASTNAME]] (the "Key Person").

Recitals

The Board is of the opinion that the interests of the Company will be advanced by encouraging certain persons affiliated with the Company, upon whose judgment, initiative and efforts the Company is largely dependent for the successful conduct of the Company's business, to acquire or increase their proprietary interest in the Company, thus providing them with a more direct stake in its welfare and assuring a closer identification of their interests with those of the Company.

The Board is of the opinion that the Key Person is such a person.

The Company desires to grant RSUs to the Key Person, and the Key Person desires to accept such grant, all on the terms and subject to the conditions set forth in this Agreement and set forth in the Company's 1998 Equity Incentive Plan (the "Plan"). Any capitalized term used herein that is not defined shall have the meaning of such term set forth in the Plan.

Covenants

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Restricted Stock Units. The Company hereby grants to the Key Person and the Key Person hereby accepts from the Company [[SHARESGRANTED]] RSUs (the "RSUs"), on the terms and subject to the conditions set forth herein and in the Plan (the "Award").

2. Representations of Key Person. The Key Person hereby represents and warrants that the Key Person has been provided a copy of the Plan (which is also filed publicly) and a Plan prospectus describing the material terms of the Plan, and is accepting the RSUs with full knowledge of and subject to the restrictions contained in this Agreement and the Plan.

3. Vesting and Settlement. (a) The RSUs shall be subject to time-based vesting conditions (which must be satisfied before the applicable portion of the Award is considered earned and payable) as follows: the Award shall vest with respect to 10% of the RSUs (rounded to the nearest whole Share) on [[FIRSTVESTINGDATE]] and on each six-month anniversary of [[FIRSTVESTINGDATE]] (unless such date is a day on which the U.S. stock exchanges are closed, in which case the vesting date shall be extended to the next succeeding business day), subject to the Key Person's continued Service through the applicable vesting date.

(b) Within 30 days of vesting, one Share shall be delivered to the Key Person in settlement of each vested RSU.

4. Termination of Relationship. In the event the Key Person incurs a Separation from Service for any reason other than death or Disability, any RSUs that are unvested as of the Separation from Service

shall be forfeited to the Company. In the event the Key Person incurs a Separation from Service due to death or Disability, any RSUs that are unvested as of the Separation from Service shall immediately become fully vested on the date of termination and all restrictions shall lapse.

5. Change of Control. In the event of a Change of Control occurring after the Grant Date, the Change of Control provisions of Article 14 of the Plan shall apply to the RSUs.

6. Non-Transferability of RSUs. Except as expressly provided in the Plan or this Agreement, the RSUs may not be sold, assigned, transferred, pledged or otherwise disposed of, shall not be assignable by operation of law and shall not be subject to execution, attachment or similar process, except by will or the laws of descent and distribution. Any attempted sale, assignment, transfer, pledge or other disposition of any RSU prior to vesting shall be null and void and without effect.

7. Taxes. The Key Person shall be responsible for taxes due upon the settlement of any RSU granted hereunder and upon any later transfer by the Key Person of any Share received upon the settlement of an RSU; provided that, unless the Committee determines otherwise, the Company shall withhold Shares otherwise deliverable to the Key Person as a result of the vesting and settlement of the RSUs to cover all taxes due for those RSUs.

8. Payroll Authorization. In the event that the Key Person does not make an arrangement acceptable to the Company to pay to the Company the tax withholding obligation due upon vesting or settlement of an RSU or in the event that the Key Person does not pay the entire tax withholding obligation due upon vesting or settlement of an RSU, the Key Person authorizes the Company to collect the amount due through a payroll withholding or to direct a broker to sell a sufficient number of the Key Person's Shares to satisfy such obligation (and any related brokerage fees) and to remit to the Company from the proceeds of sale the amount due. In the event that the Key Person pays more than the tax withholding obligation due upon vesting or settlement of an RSU, the Key Person authorizes the Company to return the excess payment through the Key Person's payroll.

9. No Rights as a Stockholder. Prior to the settlement of any RSU, the Key Person shall have no rights with respect to the Share issuable to the Key Person upon such settlement, shall not be treated as a Stockholder and shall not have any voting rights or the right to receive any dividends with respect to the RSU or the underlying Share.

10. Notices. Any notices required or permitted hereunder shall be sent using any means (including personal delivery, courier, messenger service, facsimile transmission or electronic transmission), if to the Key Person, at the address set forth below or such other address as the Key Person may designate in writing to the Company or to the Key Person's home address if no other address has been provided to the Company; and, if to the Company, at the address of its headquarters in Chicago, Attention: General Counsel, or such other address as the Company may designate in writing to the Key Person. Such notice shall be deemed duly given when it is actually received by the party for whom it was intended. The Company may deliver any documents related to current or future participation in the Plan by electronic means and the Key Person's acceptance of the Award constitutes the Key Person's consent to receive those documents by electronic delivery and to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

12. Amendment or Termination. This Agreement may not be amended or terminated unless such amendment or termination is in writing and duly executed by each of the parties hereto.

13. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Key Person and the Key Person's executors, administrators, personal representatives and heirs. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

14. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions and understandings relating to such subject matter; provided, however, for the avoidance of doubt, the parties acknowledge that any confidentiality, non-competition, non-solicitation or similar restrictive covenant agreed to by the parties hereto on or before the Grant Date is not superseded by this Agreement and is an obligation of the parties hereto in addition to **Section 17** below.

15. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to principles and provisions thereof relating to conflict or choice of laws. Any and all actions concerning any dispute arising hereunder shall be filed and maintained only in a state or federal court sitting in the County of Cook, State of Illinois. The parties hereto specifically consent and submit to the jurisdiction of such court.

16. Incorporation of Terms of Plan. The terms of the Plan are incorporated herein by reference and the Key Person's rights hereunder are subject to the terms of the Plan even to the extent they are inconsistent with or in addition to the terms set forth herein. The Key Person hereby agrees to comply with all requirements of the Plan.

17. Non-Competition and Confidentiality. (a) Notwithstanding any provision to the contrary set forth elsewhere herein, the RSUs, the Shares underlying the RSUs and any proceeds received by the Key Person upon the sale of Shares underlying the RSUs shall be forfeited by the Key Person to the Company without any consideration therefore, if the Key Person is not in compliance, at any time during the period commencing on the Grant Date and ending nine months following the Key Person's Separation from Service, with all applicable provisions of the Plan and with the following conditions:

(i) the Key Person shall not directly or indirectly (1) be employed by, engage or have any interest in any business which is or becomes competitive with the Company or its Subsidiaries or is or becomes otherwise prejudicial to or in conflict with the interests of the Company or its Subsidiaries, (2) induce any customer of the Company or its Subsidiaries to patronize such competitive business or otherwise request or advise any such customer to withdraw, curtail or cancel any of its business with the Company or its Subsidiaries or (3) hire or solicit for employment any person employed by the Company or its Subsidiaries or hire any person who was employed by the Company or its Subsidiaries at any time within nine months of such hire; provided, however, that this restriction shall not prevent the Key Person from acquiring and holding up to two percent of the outstanding shares of capital stock of any corporation which is or becomes competitive with the Company or is or becomes otherwise prejudicial to or in conflict with the interests of the Company if such shares are available to the general public on a national securities exchange or in the over-the-counter market; and

(ii) the Key Person shall not use or disclose, except for the sole benefit of or with the written consent of the Company, any confidential information relating to the business, processes or products

of the Company. Nothing in this Agreement, however, prohibits the Key Employee from reporting violations of law or regulation to any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a "Governmental Entity"), or from cooperating with any Governmental Entity, including the EEOC, the Securities and Exchange Commission or the Department of Justice.

(b) The Company shall notify in writing the Key Person of any violation by the Key Person of this Section 17. The forfeiture shall be effective as of the date of the occurrence of any of the activities set forth in Section 17(a) above. If the Shares underlying the RSUs have been sold, the Key Person shall promptly pay to the Company the amount of the proceeds from such sale. The Key Person hereby consents to a deduction from any amounts owed by the Company to the Key Person from time to time (including amounts owed as wages or other compensation, fringe benefits or vacation pay) to the extent of the amounts owed by the Key Person to the Company under this Section 17. Whether or not the Company elects to make any set-off in whole or in part, the Key Person agrees to timely pay any amounts due under this Section 17. In addition, the Company shall be entitled to injunctive relief for any violation by the Key Person of this Section 17.

(c) Notwithstanding any provision of this Agreement to the contrary, the Key Person shall be entitled to communicate, cooperate and file a complaint with any Governmental Entity concerning possible violations of any U.S. federal, state or local law or regulation, and to otherwise make disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation, as long as in each case the communications and disclosures are consistent with applicable law. The Key Person shall not forfeit any RSUs, Shares held in connection with any RSUs or proceeds from the sale of such Shares as a result of exercising any rights under this Section 17(c).

18. Hedging Positions. The Key Person agrees that, at any time during the period commencing on the Grant Date and ending when the Award is fully settled or the RSUs are forfeited, the Key Person shall not (a) directly or indirectly sell any equity security of the Company if the Key Person does not own the security sold, or if owning the security, does not deliver it against such sale within 20 days thereafter; or (b) establish a derivative security position with respect to any equity security of the Company that increases in value as the value of the underlying equity decreases (including a long put option and a short call option position) with securities underlying the position exceeding the underlying securities otherwise owned by the Key Person. In the event the Key Person violates this provision, the Company shall have the right to cancel the Award.

19. Code Section 409A. The RSUs are intended to be exempt from (or in the alternative to comply with) Code Section 409A. This Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A, consistent with Section 18.6 of the Plan. For purposes of Code Section 409A, each installment payment under this Agreement or the Plan, or otherwise payable to the Key Employee, shall be treated as a separate payment. Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any additional tax or penalty on the Key Employee under Code Section 409A and neither the Company nor the Committee shall have any liability to the Key Employee for such tax or penalty.

20. Clawback. The Award and all amounts and benefits received or outstanding under the Plan shall be subject to potential clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance with the terms and conditions of any applicable Company clawback or similar policy or any applicable law related to such actions, as may be in effect from time to time. The Key Person's acceptance of the Award constitutes the Key Person's acknowledgement of and consent to the Company's application, implementation and enforcement of any applicable Company clawback or similar policy that may apply to the Key Person, whether adopted before or after the Grant Date, and any provision of applicable law relating to clawback, cancellation, recoupment, rescission, payback or reduction of compensation, and

the Key Person's agreement that the Company may take such actions as may be necessary to effectuate any such policy or applicable law, without further consideration or action.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Grant Date.

LKQ CORPORATION **KEY PERSON**

Sign Name: /s/ Dominick Zarcone Sign Name:

Print Name: Dominick Zarcone Print Name:

Title: President & Chief Executive Officer Address:

M E M O R A N D U M

TO:

FROM: Compensation Committee

DATE: March 8, 2018

RE: Management Incentive Plan

You have been selected to participate in the LKQ Corporation Management Incentive Plan (“MIP”) for purposes of your potential 2018 bonus. The potential bonus described in this letter is subject to all of the terms and conditions set forth in this memorandum and in the MIP (a copy of which is attached to this memorandum).

In the event of any inconsistency between the terms and conditions of the MIP and this memorandum, the terms and conditions of the MIP shall control.

Performance Period: January 1, 2018 to December 31, 2018

Performance Goals: The diluted earnings per share from continuing operations attributable to LKQ stockholders ("EPS") for the Performance Period; provided, however, that EPS shall be increased to the extent that EPS was reduced in accordance with GAAP by objectively determinable amounts in each case due to:

1. A change in accounting policy or GAAP;
2. Dispositions of assets or businesses;
3. Asset impairments;
4. Amounts incurred in connection with any financing;
5. Losses on interest rate swaps resulting from mark-to-market adjustments or discontinuing hedges;
6. Board approved restructuring, acquisition or similar charges including but not limited to charges in conjunction with or in anticipation of an acquisition;
7. Losses (and related fees and expenses) related to extra-ordinary environmental, legal, product liability or other contingencies;
8. Changes in tax laws or regulations or interpretations of such laws or regulations;
9. A Board approved divestiture of a material business (i.e. the performance goals will be adjusted to account for the divestiture, including, if appropriate, the pro-rata effect of targeted improvements);
10. Changes in contingent consideration liabilities;
11. The imposition of tariffs or taxes on the importation of inventory;
12. Amortization expense related to acquired intangibles; and
13. Other extraordinary, unusual or infrequently occurring

items.

In addition, the Compensation Committee shall adjust the Performance Goals or other features of the award (a) that relate to the value or number of the shares of common stock of the Company to reflect any stock dividend, stock split, recapitalization, combination or exchange of shares, or other similar changes in such stock, and (b) to account for changes in the value of foreign currencies of countries in which we operate versus the U.S. dollar (using the respective exchange rates as set forth in the Company's budget approved by the Board of Directors on February 8, 2018).

Notwithstanding the foregoing, the Compensation Committee, in its sole discretion, may reduce the actual award payable to you below that which otherwise would be payable pursuant to the Payout Formula or may eliminate the actual award.

Target Award: of Base Salary

Payout Formula: Less Than

Exhibit 10.15

MEMORANDUM

TO: LTIP Participant

FROM: Compensation Committee

DATE: March 9, 2018

RE: Long Term Incentive Plan

You have been selected to participate in the LKQ Corporation Long Term Incentive Plan ("LTIP") for the 2018 to 2020 Performance Period. The potential payout under your award is subject to all of the terms and conditions set forth in this memorandum and in the LTIP (a copy of which is attached to this memorandum). In the event of any inconsistency between the terms and conditions of the LTIP and this memorandum, the terms and conditions of the LTIP shall control.

Performance Period: January 1, 2018 to December 31, 2020

Award Components: See the attached Award Component Matrix

Each of diluted earnings per share from continuing operations attributable to LKQ stockholders, organic parts and services revenue growth, and return on equity shall be increased to the extent that it was reduced in accordance with GAAP by objectively determinable amounts in each case due to:

1. A change in accounting policy or GAAP;
2. Dispositions of assets or businesses;
3. Asset impairments;
4. Amounts incurred in connection with any ◌nancing;
5. Losses on interest rate swaps resulting from mark to market adjustments or discontinuing hedges;
6. Board approved restructuring, acquisition or similar charges including but not limited to charges in conjunction with or in anticipation of an acquisition;
7. Losses (and related fees and expenses) related to extra-ordinary environmental, legal, product liability or other contingencies;
8. Changes in tax laws or regulations or interpretations of such laws or regulations;
9. A Board approved divestiture of a material business (i.e. the performance goals will be adjusted to account for the divestiture, including, if appropriate, the pro-rata effect of targeted improvements);
10. Changes in contingent consideration liabilities;
11. The imposition of tariffs or taxes on the importation of inventory; and
12. Other extraordinary, unusual or infrequently occurring items.

In addition, the diluted earnings per share shall exclude amortization expense related to acquired intangibles.

In addition, the Compensation Committee shall adjust the Award Components or other features of the award (a) that relate to the value or number of the shares of common stock of the Company to re◌°ect any stock dividend, stock split, recapitalization, combination or exchange of shares, or other similar changes in such stock, and (b) to account for changes

in the value of foreign currencies of countries in which we operate versus the US. Dollar (using the 2017 average respective exchange rates).

Notwithstanding the foregoing, the Compensation Committee, in its sole discretion, may reduce the actual award payable to you below that which otherwise would be payable pursuant to the Award Component or may eliminate the actual award.

Exhibit 10.31

Execution Version

ACTIVE 236620731v.5

AMENDMENT NO. 3

to

RECEIVABLES PURCHASE AGREEMENT

Dated as of December 20, 2018

THIS AMENDMENT NO. 3 TO RECEIVABLES PURCHASE AGREEMENT (this " Amendment ") is entered into as of December 20, 2018 by and among LKQ Receivables Finance Company, LLC, a Delaware limited liability company (the " Seller "), LKQ Corporation, a Delaware corporation (the " Servicer "), the conduits party hereto (the " Conduits "), the financial institutions party hereto (together with the Conduits, the " Purchasers "), the managing agents party hereto (the " Managing Agents ") and MUFG Bank, Ltd., as administrative agent (the " Administrative Agent ") for the Purchasers under the RPA (as defined below).

PRELIMINARY STATEMENTS

A. The Seller, the Servicer, the Purchasers, the Managing Agents and the Administrative Agent are parties to that certain Receivables Purchase Agreement dated as of September 28, 2012 (as amended pursuant to that certain Amendment No. 1 to Receivables Purchase Agreement, dated as of September 29, 2014 and that certain Amendment No. 2 to Receivables Purchase Agreement, dated as of November 29, 2016 and as may be further amended, restated, supplemented or otherwise modified from time to time, the " RPA "). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the RPA.

B. The Seller, the Servicer, the Purchasers, the Managing Agents and the Administrative Agent have agreed to amend the RPA on the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. **Amendments** . Effective as of the date hereof, subject to the execution of this Amendment by the parties hereto and the satisfaction of the conditions precedent set forth in Section 1 below, the RPA is amended as set forth in the blacklined conformed copy attached hereto as Exhibit 1 .

(a) Schedule A of the RPA is amended and restated in its entirety in the form attached as Exhibit 2 hereto.

Section 2. **Conditions Precedent** . This Amendment shall become effective and be deemed effective, as of the date first above written, upon receipt by the Administrative Agent of (a) one copy of this Amendment duly executed by each of the parties hereto and (b) one copy of that certain amended and restated fee letter, dated as of the date hereof, duly executed by each of the parties thereto.

Section 3. **Covenants, Representations and Warranties of the Seller and the Servicer**.

(a) Upon the effectiveness of this Amendment, each of the Seller and the Servicer hereby reaffirms all covenants, representations and warranties made by it in the RPA, as amended, and agrees that all such covenants, representations and warranties shall be deemed to have been re-made as of the effective date of this Amendment.

(b) Each of the Seller and the Servicer hereby represents and warrants as to itself (i) that this Amendment constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general principles of equity which may limit the availability of equitable remedies and (ii) upon the effectiveness of this Amendment, that no event shall have occurred and be continuing which constitutes an Amortization Event or a Potential Amortization Event.

Section 4. **Fees, Costs, and Expenses**. Without limiting the rights of the Administrative Agent, the Managing Agents and the Purchasers set forth in the RPA and the other Transaction Documents, the Seller agrees to pay on demand all reasonable fees and out-of-pocket expenses of external counsel and auditors for the Administrative Agent, the Managing Agents and the Purchasers incurred in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered in connection herewith, with respect to advising the Administrative Agent, the Managing Agents and the Purchasers as to their rights and responsibilities hereunder and thereunder and in connection with the follow-up monitoring and auditing related to the Receivables reporting.

Section 5. **Reference to and Effect on the RPA**.

(a) Upon the effectiveness of this Amendment, each reference in the RPA to "this Agreement," "hereunder," "hereof," "herein," "hereby" or words of like import shall mean and be a reference to the RPA as amended hereby, and each reference to the RPA in any other document, instrument or agreement executed and/or delivered in connection with the RPA shall mean and be a reference to the RPA as amended hereby.

(b) Except as specifically amended hereby, the RPA and other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Purchaser, any Managing Agent or the Administrative Agent under the RPA or any of the other Transaction Documents, nor constitute a waiver of any provision contained therein.

Section 6. **GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK**.

Section 7. **Execution in Counterparts**. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

Section 8. **Headings**. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on the date first set forth above by their respective officers thereto duly authorized, to be effective as hereinabove provided.

LKQ RECEIVABLES FINANCE COMPANY, LLC, as Seller

By: /s/ Varun Laroyia
Name: Varun Laroyia
Title: Executive Vice President and CFO

LKQ CORPORATION, as Servicer

By: /s/ Walter P. Hanley
Name: Walter P. Hanley
Title: Associate General Counsel

VICTORY RECEIVABLES CORPORATION, as a Conduit

By:____ /s/ Kevin J. Corrigan_____
Name: Kevin J. Corrigan
Title: Vice President

MUFG BANK, LTD., as a Financial Institution, as Administrative Agent and as a Managing Agent

By:_____ /s/ Christopher Pohl_____
Name: Christopher Pohl
Title: Managing Director

EXHIBIT 1

CONFORMED COPY OF RECEIVABLES PURCHASE AGREEMENT SHOWING AMENDMENT NO. 3 CHANGES

[See attached.]

SCHEDULE A

COMMITMENTS; PURCHASER GROUPS

MUFG Bank, Ltd.

Managing Agent: MUFG Bank, Ltd.
Group Purchase Limit: $110,000,000
Conduit: Victory Receivables Corporation
Conduit Purchase Limit: $110,000,000
Financial Institution: MUFG Bank, Ltd.
Commitment: $110,000,000

EXHIBIT 2

~~CONFORMED COPY TO INCLUDE AMENDMENT NO. 2 DATED~~
Conformed Copy to include (i) Amendment No. 1 dated September 29, 2014, (ii) Amendment No. 2 dated November 29, 2016 and (iii) Amendment No. 3 dated ~~NOVEMBER 29~~ December 20 , ~~2016~~ 2018

RECEIVABLES PURCHASE AGREEMENT

dated as of September 28, 2012

among

LKQ RECEIVABLES FINANCE COMPANY, LLC,

as Seller,

LKQ CORPORATION,

as Servicer,

THE CONDUITS

from time to time party hereto,

THE FINANCIAL INSTITUTIONS

from time to time party hereto,

THE MANAGING AGENTS

from time to time party hereto

and

~~THE~~ MUFG BANK ~~OF TOKYO-MITSUBISHI UFJ~~ , LTD.

as Administrative Agent

RECEIVABLES PURCHASE AGREEMENT

This Receivables Purchase Agreement dated as of September 28, 2012 (as amended, restated, supplemented or otherwise modified from time to time, this " Agreement ") is among LKQ Receivables Finance Company, LLC, a Delaware limited liability company, as the seller (the "Seller "), LKQ Corporation, a Delaware corporation, as initial servicer ("the " Servicer ", the Servicer and the Seller are referred to herein as the " Seller Parties " and each a " Seller Party "), the entities party hereto from time to time as Conduits (together with any of their respective successors and assigns hereunder, the " Conduits "), the entities party hereto from time to time as Financial Institutions (together with any of their respective successors and assigns hereunder, the " Financial Institutions "), the entities party hereto from time to time as Managing Agents (together with any of their respective successors and assigns hereunder, the " Managing Agents "), and The MUFG Bank of Tokyo-Mitsubishi UFJ , Ltd. (" BTMU MUFG "), as administrative agent for the Purchasers hereunder or any successor administrative agent hereunder (together with its successors and assigns hereunder, the " Administrative Agent "). Unless defined elsewhere herein, capitalized terms used in this Agreement shall have the meanings assigned to such terms in Exhibit I .

PRELIMINARY STATEMENTS

A. Pursuant to this Agreement, the Seller may transfer and assign Purchaser Interests to the Administrative Agent, for the benefit of the Purchasers from time to time.

B. The Conduits may, in their absolute and sole discretion, continue to purchase Purchaser Interests from the Seller from time to time.

C. In the event that a Conduit declines to make any purchase of Purchaser Interests, the Financial Institutions within such Conduit's Purchaser Group shall, subject to the terms and conditions of this Agreement, purchase such Purchaser Interests from time to time.

D. Each Managing Agent has been requested and is willing to act as Managing Agent on behalf of the Conduit and the Financial Institutions in its Purchaser Group in accordance with the terms hereof.

ARTICLE I

PURCHASE ARRANGEMENTS

Purchase Facility

.

(a) Upon the terms and subject to the conditions hereof, the Seller may, at its option, sell and assign Purchaser Interests to the Administrative Agent for the benefit of the Purchasers. In accordance with the terms and conditions set forth herein, each Conduit may, at its option, instruct its related Managing Agent to purchase through the Administrative Agent on behalf on such Conduit, or if any such Conduit shall decline to purchase and the Seller has not cancelled the Purchase Notice (as defined below) pursuant to Section 1.2 , such related Managing Agent shall purchase though the Administrative Agent, on behalf of the Financial Institutions in such Conduit's Purchaser Group, the Purchaser Interests from time to time in an aggregate amount not to exceed

the Group Purchase Limit for such Purchaser Group during the period from the date hereof to but not including the Facility Termination Date.

(b) The Seller may, upon at least ten (10) Business Days' notice to each Managing Agent, or, if delivered as a result of the establishment of a Replacement Rate pursuant to Section 4.4(a) with which the Seller does not agree, one (1) Business Days' notice to each Managing Agent, terminate in whole or reduce in part, the Purchase Limit; provided that after giving effect to any such reduction and any amounts paid to reduce the outstanding Purchaser Interests on such date, (i) the Aggregate Capital shall not exceed the Purchase Limit and (ii) if reduced in part, the Purchase Limit shall not be less than $50,000,000. Any such partial reduction shall be in a minimum amount of $5,000,000 or an integral multiple thereof. Any such reduction shall, (x) reduce each Group Purchase Limit (and the corresponding Conduit Purchase Limit(s)) hereunder ratably in accordance with each Purchaser Group's Pro Rata Share and (y) reduce each Financial Institution's Commitment ratably within its Purchaser Group in accordance with each Financial Institution's Pro Rata Share.

Increases

(a) The Seller shall provide each Managing Agent with at least one (1) Business Day's prior notice in a form set forth as Exhibit II hereto of each Incremental Purchase (a " Purchase Notice "). Each Purchase Notice shall be subject to Section 6.2 hereof and, except as set forth in clause (c) below, shall be irrevocable and shall specify the requested Purchase Price (which shall not be less than $1,000,000) in the aggregate for all Purchasers, date of purchase (which, in the case of any Incremental Purchase (after the initial Incremental Purchase hereunder), shall occur (i) on a Business Day and (ii) only once per month unless otherwise consented to by each Managing Agent).

(b) Each Purchase Notice issued hereunder shall constitute a request by the Seller (i) for an Incremental Purchase to be made ratably by each Purchaser Group, in accordance with the Pro Rata Share of such Purchaser Group as among all Purchaser Groups (such Purchaser Group's " Purchase Allocation ") and (ii) that, unless the Seller shall cancel such Purchase Notice as hereinafter provided, in the event a Conduit in any Purchaser Group shall elect to purchase less than all of its Purchaser Group's Purchase Allocation in connection with such Incremental Purchase, the balance of such Purchase Allocation is to be made ratably by each Financial Institution within such Purchaser Group, in accordance with the Pro Rata Share of such Financial Institution as among all Financial Institutions within such Purchaser Group.

(c) Following receipt of a Purchase Notice, each Managing Agent will determine whether the Purchaser Group Conduit agrees to purchase the entire amount of its Purchaser Group's Purchase Allocation in connection with the Incremental Purchase. If any Conduit declines to make a proposed purchase, the balance of the Purchase Allocation for such Purchaser Group shall be made by such Purchaser Group's Financial Institutions ratably in accordance with their Pro Rata Shares within such Purchaser Group.

(d) On the date of each Incremental Purchase, upon satisfaction of the applicable conditions precedent set forth in Article VI , each applicable Purchaser shall deposit to the Facility Account, in immediately available funds, no later than 1:00 p.m. (New York time), an amount equal to (i) in the case of a Conduit, the Purchase Price of the Purchaser Interests such Conduit is then purchasing, up to the Purchase Allocation of its Purchaser Group, and (ii) in the case of a Financial Institution, such Financial Institution's Pro Rata Share, as among all Financial Institutions in its Purchaser Group, of the Purchase Price for the Purchase Allocation of its Purchaser Group to the extent such Purchase Price is not then being paid by the Conduit in such Purchaser Group.

Decreases

. The Seller shall provide each Managing Agent with not less than two (2) Business Days' prior written notice in substantially the form of Exhibit XVII hereto (a " Reduction Notice ") of any proposed reduction of Aggregate Capital from Collections. Such Reduction Notice shall designate (i) the date (the " Proposed Reduction Date ") upon which any such reduction of Aggregate Capital shall occur (which date shall give effect to the required two (2) Business Days' prior notice), and (ii) the amount of Aggregate Capital to be reduced which shall be applied ratably to the outstanding Purchaser Interests of the Conduits and the Financial Institutions in accordance with the amount of Capital (if any) owing to each Purchaser (the " Aggregate Reduction "). Only one (1) Reduction Notice shall be outstanding at any time. No Aggregate Reduction will be made following the occurrence of the Amortization Date without the consent of each Managing Agent.

Payment Requirements

. All amounts to be paid or deposited by any Seller Party pursuant to any provision of this Agreement shall be paid or deposited in accordance with the terms hereof no later than 1:00 p.m. (New York time) on the day when due in immediately available funds, and if not received before 1:00 p.m. (New York time) shall be deemed to be received on the next succeeding Business Day. If such amounts are payable to the Administrative Agent, a Managing Agent or a Purchaser they shall be paid to the Administrative Agent, in respect of amounts payable to it, or to the applicable Managing Agent in respect of amounts payable to such Managing Agent or any of its related Purchasers, for the account of such Person or its related Purchasers, at the Administrative Agent's designated account or such Managing Agent's designated account, in each case, as listed beneath its signature on the signature page to this Agreement (or the applicable Assignment Agreement or Joinder Agreement) until otherwise notified by such Managing Agent. Upon notice to the Seller, the Administrative Agent, for the benefit of each Managing Agent and the related Purchasers, may debit the Facility Account for all amounts due and payable hereunder. All computations of Yield, per annum fees hereunder and per annum fees under the Fee Letter shall be made on the basis of a year of 360 days (or 365 or 366, as applicable, in the case of payments based on the Base Rate) for the actual number of days elapsed. If any amount hereunder shall be payable on a day which is not a Business Day, such amount shall be payable on the next succeeding Business Day.

ARTICLE II

PAYMENTS AND COLLECTIONS

Payments

. Notwithstanding any limitation on recourse contained in this Agreement, the Seller shall promptly pay to the Administrative Agent or the Managing Agents (for their own account or the account of the related Purchasers, as applicable), on a full recourse basis, when due, (i) such fees as set forth in the Fee Letter (which fees shall be sufficient to pay all fees owing to the Financial Institutions), (ii) all amounts payable as Yield, (iii) all amounts payable as Deemed Collections, to the extent required to reduce Aggregate Capital hereunder (which shall be immediately due and payable by the Seller and applied to reduce outstanding Aggregate Capital hereunder in accordance with Sections 2.2 and 2.4 hereof), (iv) all amounts payable to reduce the outstanding Purchaser Interests, if required, pursuant to Section 2.7 , (v) all amounts payable pursuant to Article X , if any, (vi) all Servicer costs and expenses, including the Servicing Fee, in connection with servicing, administering and collecting the Receivables, (vii) all Broken Funding Costs and (viii) all Default Fees (collectively, the " Obligations "). If any Person fails to pay any of the Obligations when due,

or if the Servicer fails to make any deposit required to be made by it hereunder when due, such Person, or the Servicer, as applicable, agrees to pay, on demand, the Default Fee in respect thereof until all such Obligations are paid. Notwithstanding the foregoing, no provision of this Agreement or the Fee Letter shall require the payment or permit the collection of any amounts hereunder in excess of the maximum permitted by applicable law. If at any time the Seller receives any Collections or is deemed to receive any Collections, the Seller shall immediately pay such Collections or Deemed Collections to the Servicer for application in accordance with the terms and conditions hereof and, at all times prior to such payment, such Collections or Deemed Collections shall be held in trust by the Seller for the exclusive benefit of the Purchasers, the Managing Agents and the Administrative Agent.

Collections Prior to Amortization

. (a) Prior to the Amortization Date, any Collections and/or Deemed Collections received by the Servicer shall be set aside and held in trust by the Servicer for the payment of any accrued and unpaid Aggregate Unpaids or for a Reinvestment as provided in this Section 2.2 .

(b) If at any time any Collections and/or Deemed Collections are received by the Servicer prior to the Amortization Date, (i) the Servicer shall set aside the Termination Percentage of Collections and/or Deemed Collections evidenced by the outstanding Purchaser Interests of each Non-Renewing Financial Institution and (ii) the Seller hereby requests and the Purchasers (other than any Non-Renewing Financial Institutions) hereby agree to make, (subject to the conditions precedent set forth in Section 6.2) simultaneously with such receipt, a reinvestment (each a " Reinvestment ") with that portion of the balance of each and every Collection received by the Servicer that is part of any Purchaser Interest (other than any Purchaser Interest of Non-Renewing Financial Institutions), such that after giving effect to such Reinvestment, the amount of aggregate Capital immediately after such receipt and corresponding Reinvestment shall be equal to the amount of Capital immediately prior to such receipt.

(c) On each Settlement Date prior to the occurrence of the Amortization Date and at all times that Section 2.5 is not in effect, the Servicer shall remit the amounts set aside during the preceding Settlement Period that have not been subject to a Reinvestment and apply such amounts (if not previously paid in accordance with Section 2.1) as follows (and any amounts applied to the Obligations shall be in satisfaction of the Seller's liabilities under Section 2.1 hereof):

(i) first , to itself for the payment of the Servicing Fee then due and payable to it;

(ii) second, to each applicable Managing Agent's account, *pro rata* , (A) first , to reduce unpaid Obligations and (B) second , to reduce the Capital of all Purchaser Interests of Non-Renewing Financial Institutions, to be applied ratably to each Non-Renewing Financial Institution according to its respective Termination Percentage;

(iii) third, if applicable, to each applicable Managing Agent's account, *pro rata* , no later than 1:00 p.m. (New York time) to the extent required to fund any Aggregate Reduction on such Settlement Date; and

(iv) fourth, any balance remaining thereafter to the Seller on such Settlement Date.

Section 2.3 Non-Renewing Financial Institutions

. Each Non-Renewing Financial Institution shall be allocated a ratable portion of Collections from the date of its becoming a Non-Renewing Financial Institution (the " Termination Date ") until such Non-Renewing Financial Institution's Capital shall be paid in full. This ratable portion shall be calculated on the Termination Date of each Non-Renewing Financial Institution as a percentage equal to (i) the Capital of such Non-Renewing Financial Institution outstanding on its Termination Date, divided by (ii) the Aggregate Capital outstanding on such Termination Date (the " Termination Percentage "). Each Non-Renewing Financial Institution's Termination Percentage shall remain constant prior to the Amortization Date. On and after the Amortization Date, each Termination Percentage shall be disregarded, and each Non-Renewing Financial Institution's Capital shall be reduced ratably with all Financial Institutions in accordance with Section 2.4 .

Collections Following Amortization

. On the Amortization Date and on each day thereafter, the Servicer shall set aside and hold in trust, for the benefit of the Purchasers holding each Purchaser Interest, all Collections received on such day and an additional amount for the payment of any accrued and unpaid Obligations owed by the Seller and not previously paid by the Seller in accordance with Section 2.1 . On and after the Amortization Date, the Servicer shall at any time, upon the request from time to time by (or pursuant to standing instructions from) the Administrative Agent, (i) remit to the Administrative Agent's or applicable Managing Agent's account the amounts set aside pursuant to the preceding sentence, and (ii) apply such amounts, *pro rata* , to reduce the Capital associated with each such Purchaser Interest and any other Aggregate Unpaids.

Application of Collections

. If there shall be insufficient funds on deposit for the Servicer to distribute funds in payment in full of the aforementioned amounts pursuant to Section 2.2 or 2.4 (as applicable), the Servicer shall distribute funds (and any amounts applied to the Obligations shall be in satisfaction of the Seller's liabilities under Section 2.1 hereof):

(i) first , to the payment of the Servicer's reasonable out-of-pocket costs and expenses in connection with servicing, administering and collecting the Receivables, including the Servicing Fee,

(ii) second , to the reimbursement of the Administrative Agent's and each Managing Agent's costs of collection and enforcement of this Agreement, to the extent applicable,

(iii) third , to each applicable Managing Agent, for the account of the related Purchasers, for the ratable payment of all accrued and unpaid Yield and fees payable pursuant to the Fee Letter,

(iv) fourth , to the extent applicable, to each applicable Managing Agent, for the account of the related Purchasers, to the ratable reduction of the Aggregate Capital (without regard to any Termination Percentage),

(v) fifth , to the Administrative Agent and Managing Agents, as applicable, for the ratable payment of all other unpaid Obligations, and

(vi) sixth , after the Aggregate Unpaids have been indefeasibly reduced to zero, to the Seller.

Collections applied to the payment of Aggregate Unpaids shall be distributed in accordance with the aforementioned provisions, and, giving effect to each of the priorities set forth in this Section 2.5 , shall be shared ratably (within each priority) among the Administrative Agent, the Managing Agents and the Purchasers in accordance with the amount of such Aggregate Unpaids owing to each of them in respect of each such priority.

Payment Rescission

. No payment of any of the Aggregate Unpaids shall be considered paid or applied hereunder to the extent that, at any time, all or any portion of such payment or application is rescinded by application of law or judicial authority, or must otherwise be returned or refunded for any reason. The Seller shall remain obligated for the amount of any payment or application so rescinded, returned or refunded, and shall promptly pay to the Person or Persons who suffered such rescission, return or refund the full amount thereof, plus the Default Fee from the date of any such rescission, return or refunding.

Maximum Purchaser Interests

. The Seller shall ensure that the outstanding Purchaser Interests of the Purchasers shall, as of the end of each Business Day, not exceed 100% in the aggregate. If the outstanding Purchaser Interests of the Purchasers exceed 100% in the aggregate as of the end of any Business Day, the Seller shall pay to each Managing Agent for the account of the applicable Purchasers (ratably according to the Aggregate Capital of the Purchasers), within two (2) Business Days, an amount to be ratably applied to reduce the Aggregate Capital, such that after giving effect to such payment the aggregate of the outstanding Purchaser Interests equals or is less than 100%.

Clean Up Call

. The Servicer shall have the right (after providing at least two (2) Business Days' prior written notice to each Managing Agent and to the Seller), at any time following the reduction of the Aggregate Capital to a level that is less than 10.00% of the original Purchase Limit on September 28, 2012 (which the parties agree is a level below which servicing of the remaining Receivables Assets is financially burdensome to the Servicer), to cause the Seller to repurchase from the Purchasers all, but not less than all, of the then outstanding Purchaser Interests. The purchase price in respect thereof shall be an amount equal to the Aggregate Unpaids through the date of such repurchase, payable in immediately available funds. Such repurchase shall be without representation, warranty or recourse of any kind by, on the part of, or against any Purchaser, any Managing Agent or the Administrative Agent.

ARTICLE III

CONDUIT FUNDING

Yield

. The Seller shall pay Yield with respect to the Capital associated with the Purchaser Interest of each Conduit for each day that any Capital in respect of such Purchaser Interest is outstanding. Each Purchaser Interest funded substantially with Pooled Commercial Paper will accrue Yield with respect to the related Capital each day on a pro rata basis, based upon the percentage share the Capital in respect of such Purchaser Interests represents in relation to all assets held by the related Conduit and funded substantially with Pooled Commercial Paper.

Yield Payments

. On each Settlement Date, the Seller shall pay to each applicable Managing Agent (for the benefit of the Conduit in such Managing Agent's Purchaser Group) an aggregate amount equal to all accrued and unpaid Yield in respect of the Capital associated with all Purchaser Interests of the related Conduit for the immediately preceding Settlement Period in accordance with Article II .

Calculation of Yield

. On the third (3rd) Business Day immediately preceding each Settlement Date, each Managing Agent shall calculate its Purchaser Group's aggregate amount of Yield (for all Capital funded by any Conduit or Financial Institution in such Managing Agent's Purchaser Group) for the applicable Settlement Period and shall notify the Seller of such aggregate amount.

ARTICLE IV

FINANCIAL INSTITUTION FUNDING

Financial Institution Funding

. Each Purchaser Interest funded by the Financial Institutions shall accrue Yield with respect to the Capital associated with the Purchaser Interests of such Financial Institutions for each day that such Capital is outstanding at either the LIBO Rate or the Base Rate in accordance with the terms and conditions hereof.

Yield Payments

. On each Settlement Date for each Purchaser Interest of the Financial Institutions, the Seller shall pay to each applicable Managing Agent (for the benefit of the Financial Institutions in its Purchaser Group) an aggregate amount equal to the accrued and unpaid Yield for the immediately preceding Settlement Period in accordance with Article II .

Financial Institution Discount Rates

. Subject to Section 4.4 , the Capital related to each outstanding Purchaser Interest of the Financial Institutions shall accrue Yield initially at the LIBO Rate.

Suspension of the LIBO Rate

.

(a) If at any time (i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) or (ii) any Financial Institution notifies its related Managing Agent that that adequate and reasonable means do not exist for ascertaining the LIBO Rate (including, without limitation, because Bloomberg screen Bloomberg US2001M is not available or published on a current basis) and such circumstances are unlikely to be temporary, (ii) the supervisor for the administrator of the LIBO Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Rate shall no longer be used for determining interest rates for loans, or (iii) any applicable interest rate specified herein is no longer a widely recognized benchmark rate for newly originated loans in the United States syndicated loan market in the applicable currency, then

the Administrative Agent and the Seller shall endeavor to establish an alternate rate of interest (the "Replacement Rate") to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary in Section 13.1, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five (5) Business Days of the date notice of the Replacement Rate is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until the Replacement Rate is determined (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 4.4(a), only to the extent the LIBO Rate for such Settlement Period is not available or published at such time on a current basis), the Administrative Agent and shall suspend the availability of such LIBO Rate and the Base Rate shall apply to all Purchaser Interests for so long as such suspension shall persist. Notwithstanding anything else herein, any definition of Replacement Rate shall provide that in no event shall such Replacement Rate be less than zero for the purposes of this Agreement. To the extent the Replacement Rate is approved by the Administrative Agent (in consultation with the Seller) in connection with this clause, the Replacement Rate shall be applied in a manner consistent with market practice; provided, that, in each case, to the extent such market practice is not administratively feasible for the Administrative Agent, the Replacement Rate shall be applied as otherwise reasonably determined by the Administrative Agent (it being understood that any such modification by the Administrative Agent shall not require the consent of, or consultation with, any of the Lenders).

(b) ~~(a)~~ If any Financial Institution notifies its related Managing Agent that it has determined that funding its Pro Rata Share of the Purchaser Interests at a LIBO Rate would violate any applicable law, rule, regulation, or directive of any governmental or regulatory authority, whether or not having the force of law, or that (i) deposits of a type and maturity appropriate to match fund its Purchaser Interest at such LIBO Rate are not available or (ii) such LIBO Rate does not accurately reflect the cost of acquiring or maintaining a Purchaser Interest at such LIBO Rate, then such Managing Agent shall notify the Seller, the Servicer and the Administrative Agent and shall suspend the availability of such LIBO Rate for the Financial Institutions in such Managing Agent's Purchaser Group and the Base Rate shall apply to any Purchaser Interests funded by the Financial Institution in its related Purchaser Group for so long as such suspension shall persist.

(c) ~~(b)~~ If less than all of the Managing Agents give a notice to the Seller, the Servicer and the Administrative Agent pursuant to Section 4.4(~~a~~ b), the Financial Institution in the Purchaser Group which gave such a notice shall be obliged, at the request of the Seller, the related Conduit in such Purchaser Group or the applicable Managing Agent, to assign all of its rights and obligations hereunder to (i) another Financial Institution or (ii) another funding entity nominated by the Seller or the related Managing Agent that is acceptable to the related Conduit and willing to participate in this Agreement through the Liquidity Termination Date in the place of such notifying Financial Institution; provided that (i) the notifying Financial Institution receives payment in full, pursuant to an Assignment Agreement, of an amount equal to such notifying Financial Institution's Pro Rata Share of the Capital and Yield owing to all Purchasers and all accrued but unpaid fees and other costs and expenses payable in respect of its Pro Rata Share of the Purchaser Interests of such Financial Institution, and (ii) the replacement Financial Institution otherwise satisfies the requirements of Section 12.1(b) .

Liquidity Agreement Fundings

. The parties hereto acknowledge that a Conduit may put all or any portion of its Purchaser Interests to the Financial Institutions in its Purchaser Group at any time pursuant to such Conduit's related Liquidity Agreement to finance or refinance the necessary portion of its Purchaser Interests through a funding under such Liquidity Agreement to the extent available. The fundings under such Liquidity Agreement will accrue interest at the Discount Rate in accordance with this Article IV . Regardless of whether a funding of Purchaser Interests by the Financial Institutions constitutes the direct purchase of a Purchaser Interest hereunder, an assignment under the related Liquidity Agreement of a Purchaser Interest originally funded by a Conduit or the sale of one or more participations or other interests under the related Liquidity Agreement in a Purchaser Interest originally funded by a Conduit, each Financial Institution participating in a funding of a Purchaser Interest shall have the rights and obligations of a "Purchaser" hereunder with the same force and effect as if it had directly purchased such Purchaser Interest from the Seller hereunder.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Representations and Warranties of the Seller

. The Seller hereby represents and warrants to the Administrative Agent, the Managing Agents and the Purchasers as of the date hereof and as of the date of each Incremental Purchase and the date of each Reinvestment that:

(a) Corporate Existence and Power . The Seller is a limited liability company duly organized, validly existing and in good standing under the laws of its state of formation. The Seller is duly qualified to do business and is in good standing as a foreign company, and has and holds all limited liability company power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted, other than those qualifications, good standings, licenses, authorizations, consents and approvals the absence of which would not reasonably have a Material Adverse Effect.

(b) Power and Authority; Due Authorization, Execution and Delivery . The execution and delivery by the Seller of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder and the Seller's use of the proceeds of purchases made hereunder, are within its company powers and authority and have been duly authorized by all necessary limited liability company action on its part. This Agreement and each other Transaction Document to which the Seller is a party have been duly executed and delivered by the Seller.

(c) No Conflict . The execution and delivery by the Seller of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder do not contravene or violate (i) its certificate or articles of formation or operating agreement, (ii) any law, rule or regulation applicable to it other than any contravention or violation which would not reasonably have a Material Adverse Effect, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not result in the creation or imposition of any Adverse Claim on any assets of the Seller or its Subsidiaries (except as created hereunder) and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(d) Governmental Authorization . Other than the filing of the financing statements required hereunder, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by the Seller of this Agreement and each other Transaction Document to which it is a party and the performance of its obligations hereunder and thereunder.

(e) Actions, Suits . There are no actions, suits or proceedings pending, or to the best of the Seller's knowledge, threatened, against or affecting the Seller, or any of its properties, in or before any court, arbitrator or other body. The Seller is not in default with respect to any order of any court, arbitrator or governmental body.

(f) Binding Effect . This Agreement and each other Transaction Document to which the Seller is a party constitute the legal, valid and binding obligations of the Seller enforceable against the Seller in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(g) Accuracy of Information . All information heretofore furnished by the Seller or any of its Affiliates to the Administrative Agent, any Managing Agent or any Purchaser for purposes of or in connection with this Agreement, any of the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by the Seller or any of its Affiliates to the Administrative Agent, any Managing Agent or any Purchaser (including all Monthly Reports) will be, true and accurate in every material respect on the date such information is stated or certified, when considered as a whole, and does not and will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading under the circumstances in which made.

(h) Use of Proceeds . No proceeds of any purchase hereunder will be used (i) for a purpose that violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 12, 13 or 14 of the Securities Exchange Act of 1934, as amended.

(i) Good Title . Immediately prior to each purchase of a Receivable hereunder, the Seller shall be the legal and beneficial owner of such Receivable and Related Security with respect thereto, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Seller's ownership interest in each Purchased Receivable, its Collections and the Related Security, subject to the rights of the Administrative Agent, Managing Agents and Purchasers hereunder.

(j) Perfection . This Agreement, together with the filing of the financing statements contemplated hereby, is effective to, and shall, upon each purchase hereunder, transfer to the Administrative Agent for the benefit of the Purchasers (and the Administrative Agent for the benefit of such Purchasers shall acquire from the Seller) a valid and perfected first priority, undivided percentage ownership or security interest in the Receivables Assets existing or hereafter arising, free and clear of any Adverse Claim, except as created by the Transactions Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Administrative Agent's (on behalf of the Purchasers) ownership or security interest in the Receivables Assets. None

of the Contracts or Invoices constitute "chattel paper" or "instruments" within the meaning of Section 9-102 of the UCC of any applicable jurisdictions.

(k) Places of Business; Locations of Records; Organizational Information . The principal places of business and chief executive office of the Seller and the offices where it keeps all of its Records are located at the address(es) listed on Exhibit III or such other locations of which the Administrative Agent and each Managing Agent has been notified in accordance with Section 7.2(a) in jurisdictions where all action required by Section 13.4(a) has been taken and completed. The Seller is organized solely in the state of Delaware. The Seller's Federal Employer Identification Number is correctly set forth on Exhibit III .

(l) Collections . The conditions and requirements set forth in Section 7.1(j) and Section 8.2 have at all times been satisfied and duly performed in all material respects. The names and addresses of all Collection Banks, together with the account numbers of the Collection Accounts of the Seller at each Collection Bank and the post office box number of each Lock-Box, are listed on Exhibit IV . The Seller has not granted any Person, other than the Administrative Agent as contemplated by this Agreement, dominion and control of any Lock-Box or Collection Account, or the right to take dominion and control of any such Lock-Box or Collection Account at a future time or upon the occurrence of a future event.

(m) Material Adverse Effect . Since the date of this Agreement, no event has occurred that would have a Material Adverse Effect.

(n) Names . In the past five (5) years, the Seller has not used any corporate names, trade names or assumed names other than the name in which it has executed this Agreement.

(o) Ownership of the Seller . LKQ owns, directly or indirectly, 100% of the issued and outstanding membership interests of the Seller, free and clear of any Adverse Claim. Such membership units are validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire membership units or other securities of the Seller.

(p) Not an Investment Company . The Seller (i) is not a "covered fund" under the Volcker Rule and (ii) is not, and after giving effect to the transactions contemplated hereby, will not be required to register as, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or any successor statute. In determining that the Seller is not a covered fund, the Seller either does not rely solely on the exemption from the definition of "investment company" set forth in Section 3(c)(1) and/or 3(c)(7) of the Investment Company Act of 1940 or is entitled to the benefit of the exclusion for loan securitizations in the Volcker Rule under 17 C.F.R. 75.10(c)(8).

(q) Compliance with Law . The Seller has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where a failure to so comply would not reasonably be expected to have a Material Adverse Effect. Each Purchased Receivable, together with the Contract and Invoice related thereto, does not contravene any laws, rules or regulations applicable thereto (including , without limitation , laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), unless such contravention would not reasonably be expected to have a Material Adverse Effect. No part of any Contract or Invoice related to any Purchased Receivable is in violation of any such law, rule or regulation, except where such violation would not reasonably be expected to have a Material Adverse Effect.

(r) Compliance with Credit and Collection Policy . The Seller has complied in all material respects with the Credit and Collection Policy with regard to each Purchased Receivable and the related Contract and Invoice, and has not made any change to such Credit and Collection Policy, other than as permitted under Section 7.2(c) , and in compliance with the notification requirements in Section 7.1(a)(vii) .

(s) Payments to Originators . With respect to each Receivable transferred to the Seller under the Receivables Sale Agreement , the Seller has given reasonably equivalent value to the applicable Originator in consideration therefor and such transfer was not made for or on account of an antecedent debt. No transfer by any Originator of any Receivable under the Receivables Sale Agreement is or may be voidable under any section of the Bankruptcy Reform Act of 1978 (11 U.S.C. §§ 101 *et seq.*), as amended.

(t) Enforceability of Invoices . Each Invoice with respect to each Purchased Receivable is effective to create, and has created, a legal, valid and binding obligation of the related Obligor to pay the Outstanding Balance of such Receivable created thereunder and any accrued interest thereon, enforceable against the Obligor in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(u) Eligible Receivables . Each Receivable included in the Eligible Receivables Balance as an Eligible Receivable on the date of its purchase under the Receivables Sale Agreement was an Eligible Receivable on such purchase date.

(v) Net Receivables Balance . The Seller has determined that, immediately after giving effect to each purchase hereunder, the Net Receivables Balance is at least equal to the sum of (i) the Aggregate Capital, plus (ii) the Aggregate Reserves.

(w) Accounting . The manner in which the Seller accounts for the transactions contemplated by this Agreement and the Receivables Sale Agreement does not jeopardize the true sale analysis.

(x) Purpose . The Seller has determined that, from a business viewpoint, the purchase of the Receivables and related interests thereto from the Originators under the Receivables Sale Agreement , and the sale of Purchaser Interests to the Administrative Agent, for the benefit of the Purchasers, and the other transactions contemplated herein, are in the best interests of the Seller.

(y) Seller's Indebtedness . The Seller has no Indebtedness other than Indebtedness arising under this Agreement or the other Transaction Documents.

(z) Other Representations and Warranties . The Seller has determined that this Agreement is effective to transfer to the Administrative Agent, the Managing Agents and the Purchasers, as assignees of the Seller, the full benefit of and a direct claim against LKQ, as Servicer, and each Originator in respect of each representation or warranty made by LKQ, as Servicer, and each Originator under any Transaction Document.

(aa) Anti-Terrorism Laws; Anti-Corruption Laws and Sanctions . Policies and procedures have been implemented and are currently maintained by Servicer that are designed to achieve compliance by the Transaction Parties and their respective Subsidiaries with Anti-Terrorism Laws, Anti-Corruption Laws and applicable Sanctions, giving due regard to the nature of such

Person's business and activities, and each of the Transaction Parties, their respective Subsidiaries and, to the knowledge of the Authorized Officers of each of the Transaction Parties, its respective officers, employees, directors and agents acting in such capacity in connection with or directly benefitting from the credit facility established hereby, are in compliance with Anti-Terrorism Laws, Anti-Corruption Laws and applicable Sanctions, in each case in all material respects. None of (a) the Transaction Parties or any of their respective Subsidiaries or, to the knowledge of the Authorized Officers of the Transaction Parties, as applicable, any of their respective directors, officers, employees, or agents that will act in such capacity in connection with or directly benefit from the credit facility established hereby, is a Sanctioned Person, and (b) the Transaction Parties nor any of their respective Subsidiaries is organized or resident in a Sanctioned Country, except, in each case, to the extent such activities or transactions are licensed by the Office of Foreign Assets Control of the U.S. Department of Treasury or otherwise not prohibited under applicable Sanctions. No proceeds of any purchase hereunder shall be used by any Transaction Party in any manner will violate Anti-Terrorism Laws, Anti-Corruption Laws or applicable Sanctions.

(bb) Beneficial Ownership. As of the Third Amendment Effective Date, the Seller is an entity (other than a bank) (i) whose common stock or analogous equity interests are listed on the New York Stock Exchange or the American Stock Exchange or have been designated as a NASDAQ National Market Security listed on the NASDAQ stock exchange (as used in this clause, a "listed entity") or (ii) that is organized under the laws of the United States or of any state and at least 51 percent of whose common stock or analogous equity interest is owned by a listed entity and is excluded on that basis from the definition of "Legal Entity Customer" as defined in the Beneficial Ownership Rule.

Representations and Warranties of the Servicer

. The Servicer hereby represents and warrants to the Administrative Agent, the Managing Agents and the Purchasers as of the date hereof and as of the date of each Incremental Purchase and the date of each Reinvestment that:

(a) Corporate Existence and Power . The Servicer is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation. The Servicer is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted, other than those qualifications, good standings, licenses, authorizations, consents and approvals the absence of which would not reasonably have a Material Adverse Effect.

(b) Power and Authority; Due Authorization, Execution and Delivery . The execution and delivery by the Servicer of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Agreement and each other Transaction Document to which the Servicer is a party has been duly executed and delivered by the Servicer.

(c) No Conflict . The execution and delivery by the Servicer of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder do not contravene or violate (i) its certificate or articles of incorporation or by-laws, (ii) any law, rule or regulation applicable to it other than any contravention or violation which would not reasonably have an Material Adverse Effect, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound

other than any contravention or violation which would not reasonably have an Material Adverse Effect, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property other than any contravention or violation which would not reasonably have an Material Adverse Effect, and do not result in the creation or imposition of any Adverse Claim on any assets of the Servicer or its Subsidiaries (except as created hereunder) and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(d) Governmental Authorization. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by the Servicer of this Agreement and each other Transaction Document to which it is a party and the performance of its obligations hereunder and thereunder in its capacity as Servicer.

(e) Actions, Suits. Other than as disclosed on Schedule C, there are no actions, suits or proceedings pending, or to the best of the Servicer's knowledge, threatened, against or affecting the Servicer, or any of its properties, in or before any court, arbitrator or other body that would reasonably be expected to have a Material Adverse Effect. The Servicer is not in default with respect to any order of any court, arbitrator or governmental body applicable to it or its properties other than defaults which would not reasonably be expected to have a Material Adverse Effect.

(f) Binding Effect. This Agreement and each other Transaction Document to which the Servicer is a party constitute the legal, valid and binding obligations of the Servicer enforceable against the Servicer in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(g) Accuracy of Information. All information heretofore furnished by the Servicer or any of its Affiliates to the Administrative Agent, any Managing Agent or any Purchaser for purposes of or in connection with this Agreement, any of the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by the Servicer or any of its Affiliates to the Administrative Agent, any Managing Agent or any Purchaser (including all Monthly Reports) will be, true and accurate in every material respect on the date such information is stated or certified and, when considered as a whole, does not and will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading under the circumstances in which made.

(h) Collections. The conditions and requirements set forth in Section 7.1(j) and Section 8.2 have at all times been satisfied and duly performed in all material respects. The names and addresses of all Collection Banks, together with the account numbers of the Collection Accounts at each Collection Bank and the post office box number of each Lock-Box, are listed on Exhibit IV.

(i) Material Adverse Effect. Since December 31, 2011, no event has occurred that would have a Material Adverse Effect.

(j) Compliance with Law. The Servicer has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where a failure to so comply would not reasonably be expected to have a Material Adverse Effect. Each Purchased Receivable, together with the Contract and Invoice related thereto, does not contravene any laws, rules or regulations applicable to the collection and servicing

thereof (including , without limitation , laws, rules and regulations relating to fair credit billing, fair credit reporting, fair debt collection practices and privacy), unless such contravention would not reasonably be expected to have a Material Adverse Effect. No part of any Contract or Invoice related to any Purchased Receivable is in violation of any such law, rule or regulation, except where such violation would not reasonably be expected to have a Material Adverse Effect.

(k) Compliance with Credit and Collection Policy . The Servicer has complied in all material respects with the Credit and Collection Policy with regard to each Purchased Receivable and the related Contract and Invoice, and has not made any change to such Credit and Collection Policy, other than as permitted under Section 7.2(c) , and in compliance with the notification requirements in Section 7.1(a)(vii) .

(l) Places of Business and Locations of Records . The principal places of business and chief executive office of the Servicer and the offices where it keeps all of its Records are located at the address(es) listed on Exhibit III or such other locations of which the Agent has been notified in accordance with Section 7.2(a) . The Servicer's Federal Employer Identification Number is correctly set forth on Exhibit III .

ARTICLE VI

CONDITIONS OF PURCHASES

Conditions Precedent to Effectiveness of this Agreement

. This Agreement shall become effective as of the date hereof upon the Administrative Agent and each Managing Agent receiving, in a form and substance reasonably satisfactory to each such Person, on or before the date hereof (i) those documents listed on Schedule B, (ii) the credit approvals necessary for each of the Purchasers to consummate the transactions contemplated by this Agreement and (iii) all fees and expenses required to be paid on such date pursuant to the terms of this Agreement and the Fee Letter.

Conditions Precedent to All Purchases and Reinvestments

. Each purchase of a Purchaser Interest and each Reinvestment shall be subject to the further conditions precedent that in the case of each such purchase or Reinvestment: (a) the Servicer shall have delivered to the Administrative Agent and each Managing Agent on or prior to the date of such purchase, in form and substance satisfactory to the Administrative Agent and each Managing Agent, all reports as and when due under Section 8.5 , (b) the Facility Termination Date shall not have occurred, (c) the Administrative Agent and each Managing Agent shall have received such other approvals, opinions or documents as it may reasonably request and (d) on the date of each such Incremental Purchase or Reinvestment, the following statements shall be true (and acceptance of the proceeds of such Incremental Purchase or Reinvestment shall be deemed a representation and warranty by the Seller that such statements are then true):

(i) the representations and warranties set forth in Section 5.1 are true and correct on and as of the date of such Incremental Purchase or Reinvestment as though made on and as of such date;

(ii) no event has occurred and is continuing, or would result from such Incremental Purchase or Reinvestment, that will constitute an Amortization Event, and no

event has occurred and is continuing, or would result from such Incremental Purchase or Reinvestment, that would constitute a Potential Amortization Event;

(iii) the Capital invested by each Purchaser does not exceed the Conduit Purchase Limit (in the case of a Conduit) or Commitment (in the case of a Financial Institution); and

(iv) the Aggregate Capital does not exceed the Purchase Limit and the aggregate Purchaser Interests do not exceed 100%.

It is expressly understood that each Reinvestment shall, unless otherwise directed by the Administrative Agent or any Managing Agent, occur automatically on each day that the Servicer shall receive any Collections without the requirement that any further action be taken on the part of any Person and notwithstanding the failure of the Seller to satisfy any of the foregoing conditions precedent in respect of such Reinvestment. The failure of the Seller to satisfy any of the foregoing conditions precedent in respect of any Reinvestment shall give rise to a right of the Administrative Agent, which right may be exercised at any time on demand of the Administrative Agent or any Managing Agent, to rescind the related Reinvestment and direct the Seller to pay to the applicable Managing Agents (for the benefit of the Purchasers in such Managing Agent's related Purchaser Group) an amount equal to the Collections prior to the Amortization Date that shall have been applied to the affected Reinvestment.

ARTICLE VII

COVENANTS

Affirmative Covenants of the Seller Parties

. Until the date on which the Aggregate Unpaids have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, each of the Seller and the Servicer hereby covenants, as to itself, as set forth below:

(a) Reporting . Such Seller Party will maintain, for itself and each of its Subsidiaries, a system of accounting established and administered in accordance with GAAP, and furnish or cause to be furnished to the Administrative Agent and each Managing Agent (or, in the case of any of the following reporting requirements which are publicly available via EDGAR or on LKQ's website at http://www.lkqcorp.com, notify the Administrative Agent and each Managing Agent (which may be by e-mail notice or electronic alerts) that such reporting requirement is so available):

(i) Annual Reporting . Within 90 days after the close of each of its respective fiscal years, (A) in the case of the Servicer, a copy of the audited consolidated balance sheet of LKQ and its consolidated Subsidiaries (or if an LKQ Entity is not the Servicer, then the audited the consolidated balance sheet of the Servicer) as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures as of the end of and for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Deloitte & Touche LLP or other independent certified public accountants of nationally recognized standing, and (B) in the case of the Seller, financial statements (which shall include balance sheets, statements of income and retained earnings and a statement of cash flows) for such fiscal year, certified by an Authorized Officer.

(ii) Quarterly Reporting . Within 45 days after the close of the first three (3) quarterly periods of each of its respective fiscal years (commencing, in the case of the Servicer, with the fiscal quarter ending September 30, 2012 and, in the case of the Seller, with the fiscal quarter ending March 31, 2013), (A) in the case of the Servicer, unaudited consolidated balance sheet of LKQ and its consolidated Subsidiaries (or if an LKQ Entity is not the Servicer, then the audited consolidated balance sheet of the Servicer) as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures as of the end of and for the corresponding period in the previous year, certified by an Authorized Officer as fairly presenting in all material respects the financial condition of LKQ and its consolidated Subsidiaries (or if an LKQ Entity is not the Servicer, then the Servicer and its consolidated Subsidiaries) during such period (subject to normal year end audit adjustments), and (B) in the case of the Seller, unaudited financial statements of Seller as at the close of each such period (which shall include balance sheets, statements of income and retained earnings, and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter) certified by an Authorized Officer.

(iii) Compliance Certificate . Together with the financial statements required hereunder, a compliance certificate in substantially the form of Exhibit V signed by such Person's Authorized Officer, as applicable, and dated the date of such annual financial statement or such quarterly financial statement, as the case may be.

(iv) Shareholders Statements and Reports . Within five (5) days after the furnishing thereof to the shareholders of LKQ, copies of all financial statements, reports and proxy statements so furnished.

(v) S.E.C. Filings . Promptly upon the filing thereof, copies of all registration statements and reports which LKQ or any of its Subsidiaries files with the Securities and Exchange Commission.

(vi) Copies of Notices . Promptly upon its receipt of any notice, request for consent, financial statements, certification, report or other communication under or in connection with any Transaction Document from any Person other than the Administrative Agent or any Managing Agent, copies of the same.

(vii) Change in Credit and Collection Policy . At least thirty (30) days prior to the effectiveness of any material change in or material amendment to the Credit and Collection Policy, a copy of the Credit and Collection Policy then in effect and a notice (A) indicating such change or amendment, and (B) if such proposed change or amendment would be reasonably likely to adversely affect the collectibility of the Purchased Receivables or decrease the credit quality of any newly created Purchased Receivables, requesting each Managing Agent's consent thereto.

(viii) Other Information . Promptly, from time to time, such other information, documents, records or reports relating to the Receivables or the condition or operations, financial or otherwise, of such Seller Party as the Administrative Agent or any Managing Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent, any Managing Agent or any Purchaser under or as contemplated by this Agreement.

(b) Notices . Such Seller Party will notify the Administrative Agent and each Managing Agent in writing of any of the following promptly upon learning of the occurrence thereof, describing the same and, if applicable, the steps being taken with respect thereto:

(i) Amortization Events or Potential Amortization Events . The occurrence of each Amortization Event and each Potential Amortization Event, by a statement of an Authorized Officer of such Seller Party.

(ii) Material Adverse Effect . The occurrence of any event or condition that has had, or could reasonably be expected to have, a Material Adverse Effect.

(iii) Termination Date . The occurrence of the "Termination Date" under and as defined in the Receivables Sale Agreement.

(iv) Defaults Under Other Agreements . The occurrence of a default or an event of default under any other material financing arrangement pursuant to which such Seller Party is a debtor or an obligor.

(v) Downgrade of LKQ . Any downgrade in the rating of any Indebtedness of LKQ by Standard & Poor's Ratings Group or by Moody's Investors Service, Inc., setting forth the Indebtedness affected and the nature of such change.

(vi) Appointment of Independent Director . The decision to appoint a new director of the Seller as the "Independent Director" for purposes of this Agreement, such notice to be issued not less than ten (10) days prior to the effective date of such appointment and to certify that the designated Person satisfies the criteria set forth in the definition herein of "Independent Director."

(c) Compliance with Laws and Preservation of Corporate Existence . Such Seller Party will comply in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, unless the failure to so comply would not reasonably be expected to have a Material Adverse Effect. Such Seller Party will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where its business is conducted, unless the failure to so preserve, maintain or qualify would not reasonably be expected to have a Material Adverse Effect.

(d) Audits . Such Seller Party will (and will cause the Originators to) furnish to the Administrative Agent and each Managing Agent from time to time such information with respect to it and the Purchased Receivables as the Administrative Agent or any Managing Agent may reasonably request. Such Seller Party will, from time to time during regular business hours as requested by the Administrative Agent or any Managing Agent upon reasonable notice and at the sole cost of such Seller Party, permit the Administrative Agent or such Managing Agent, or any of their respective agents or representatives (and will cause the Originators to permit the Administrative Agent or any Managing Agent or any of their respective agents or representatives) to (i) examine and make copies of and abstracts from all Records in the possession or under the control of such Person relating to the Purchased Receivables and the Related Security, including, without limitation, the related Contracts and Invoices, and (ii) visit the offices and properties of such Person for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to such Person's financial condition or the Purchased Receivables and the Related Security or any Person's performance under any of the Transaction Documents or any Person's performance under

the Contracts and Invoices and, in each case, with any of the officers or employees of such Person having knowledge of such matters; provided that such Seller Party shall not be required to pay for the costs of such audit if (A) collectively, the Seller Parties have paid the costs of at least one (1) other audit occurring during the twelve (12) month period immediately preceding such audit, (B) no Amortization Event has occurred and (C) the results of the Administrative Agent's or any Managing Agent's previous audits were reasonably acceptable to the Agent.

(e) Keeping and Marking of Records and Books .

(i) The Servicer will (and will cause the Originators to) maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Purchased Receivables (including, without limitation, records adequate to permit the immediate identification of each new Receivable and all Collections of and adjustments to each existing Receivable). The Servicer will (and will cause the Originators to) give the Administrative Agent and each Managing Agent notice of any material change in the administrative and operating procedures referred to in the previous sentence.

(ii) Such Seller Party will (and will cause the Originators to) (A) on or prior to the date hereof, mark its master data processing records and other books and records relating to the Purchaser Interests purchased hereunder with a legend, acceptable to the Administrative Agent, describing the sale of such Purchaser Interests (or, if any master data processing records cannot be marked with a legend, mark the related physical records with such a stamped legend no less frequently than monthly) and (B) upon the request of the Administrative Agent or any Managing Agent at any time following the occurrence of an Amortization Event, (x) mark each Invoice which constitutes chattel paper or an instrument with a legend describing the sale of the Purchaser Interests and (y) deliver to the Administrative Agent copies of all Contracts and Invoices (including, without limitation, all multiple originals of any such Invoice which constitutes chattel paper or an instrument) relating to the Receivables Assets.

(f) Compliance with Contracts and Credit and Collection Policy . Such Seller Party will (and will cause the Originators to) timely and fully (i) perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Receivables Assets, and (ii) comply in all material respects with the Credit and Collection Policy in regard to each Purchased Receivable and the related Contract and Invoice.

(g) Performance and Enforcement of Receivables Sale Agreement . The Seller will, and will require the Originators to, perform each of their respective obligations and undertakings under and pursuant to the Receivables Sale Agreement , will purchase Receivables thereunder in strict compliance with the terms thereof and will vigorously enforce the rights and remedies accorded to the Seller under the Receivables Sale Agreement . The Seller will take all actions to perfect and enforce its rights and interests (and the rights and interests of the Administrative Agent and the Purchasers as assignees of the Seller) under the Receivables Sale Agreement as the Administrative Agent or any Managing Agent may from time to time reasonably request, including , without limitation , making claims to which it may be entitled under any indemnity, reimbursement or similar provision contained in the Receivables Sale Agreement .

(h) Ownership . The Seller will (or will cause the Originators to) take all necessary action to (i) vest legal and equitable title to the Receivables, the Related Security and the Collections contributed or purchased or purported to be contributed or purchased under the Receivables Sale Agreement (the " Purchased Receivables ") irrevocably in the Seller, free and clear of any Adverse Claims other than Adverse Claims in favor of the Administrative Agent, the Managing Agents and the Purchasers (including , without limitation , the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect or protect the Seller's interest in such Receivables, Related Security and Collections and such other action, to perfect, protect or more fully evidence the interest of the Seller therein as the Administrative Agent or any Managing Agent may reasonably request), and (ii) establish and maintain, in favor of the Administrative Agent, for the benefit of the Managing Agents and the Purchasers, a valid and perfected first priority undivided percentage ownership interest (and/or a valid and perfected first priority security interest) in all Receivables Assets to the full extent contemplated herein, free and clear of any Adverse Claims other than Adverse Claims in favor of the Administrative Agent for the benefit of the Managing Agents and the Purchasers (including , without limitation , the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Administrative Agent's (for the benefit of the Managing Agents and the Purchasers) interest in such Receivables Assets and such other action, to perfect, protect or more fully evidence the interest of the Administrative Agent for the benefit of the Managing Agents and the Purchasers as the Administrative Agent or any Managing Agent may reasonably request).

(i) Purchasers' Reliance . The Seller acknowledges that the Purchasers are entering into the transactions contemplated by this Agreement in reliance upon the Seller's identity as a legal entity that is separate from LKQ and any of its Affiliates (collectively, the " LKQ Entities " and each a " LKQ Entity "). Therefore, from and after the date of execution and delivery of this Agreement, the Seller shall take all reasonable steps, including, without limitation, all steps that the Administrative Agent, any Managing Agent or any Purchaser may from time to time reasonably request, to maintain the Seller's identity as a separate legal entity and to make it manifest to third parties that the Seller is an entity with assets and liabilities distinct from those of any LKQ Entity and not just a division of any LKQ Entity. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, the Seller will:

(i) conduct its own business in its own name and require that all full-time and part-time employees of the Seller, if any, identify themselves as such and not as employees of any LKQ Entity (including, without limitation, by means of providing appropriate employees with business or identification cards identifying such employees as the Seller's employees);

(ii) compensate all employees, consultants and agents directly, from the Seller's own funds, for services provided to the Seller by such employees, consultants and agents and, to the extent any employee, consultant or agent of the Seller is also an employee, consultant or agent of any LKQ Entity, allocate the compensation of such employee, consultant or agent between the Seller and such LKQ Entity, as applicable, on a basis that reflects the services rendered to the Seller and such LKQ Entity, as applicable;

(iii) clearly identify its offices (by signage or otherwise) as its offices and, if such office is located in the offices of a LKQ Entity, the Seller shall lease such office at a fair market rent;

(iv) have a separate telephone number, which will be answered only in its name and separate stationery, invoices and checks in its own name;

(v) conduct all transactions with each LKQ Entity strictly on an arm's-length basis, allocate all overhead expenses (including, without limitation, telephone and other utility charges) for items shared between the Seller and such LKQ Entity on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on a basis reasonably related to actual use;

(vi) at all times have a Board of Directors consisting of at least three members, at least one member of which is an Independent Director;

(vii) observe all corporate formalities as a distinct entity, and ensure that all corporate actions relating to (A) selection, maintenance or replacement of the Independent Director, (B) the dissolution or liquidation of the Seller or (C) the initiation of, participation in, acquiescence in or consent to any bankruptcy, insolvency, reorganization or similar proceeding involving the Seller, are duly authorized by unanimous vote of its Board of Directors (including the Independent Director);

(viii) maintain the Seller's books and records separate from those of any LKQ Entity and otherwise readily identifiable as its own assets rather than assets of any LKQ Entity;

(ix) prepare its financial statements separately from those of any LKQ Entity and insure that any consolidated financial statements of any LKQ Entity that include the Seller and that are filed with the Securities and Exchange Commission or any other governmental agency have notes clearly stating that the Seller is a separate corporate entity and that its assets will be available first and foremost to satisfy the claims of the creditors of the Seller;

(x) except as herein specifically otherwise provided, on and after October 1, 2012, maintain the funds or other assets of the Seller separate from, and not commingled with, those of any LKQ Entity and only maintain bank accounts or other depository accounts to which the Seller alone is the account party, into which the Seller alone makes deposits and from which the Seller alone (or the Servicer or the Administrative Agent hereunder) has the power to make withdrawals;

(xi) pay all of the Seller's operating expenses from the Seller's own assets (except for certain payments by a LKQ Entity or other Persons pursuant to allocation arrangements that comply with the requirements of this Section 7.1(i));

(xii) operate its business and activities such that: it does not engage in any business or activity of any kind, or enter into any transaction or indenture, mortgage, instrument, agreement, contract, lease or other undertaking, other than the transactions contemplated and authorized by this Agreement and the Receivables Sale Agreement ; and does not create, incur, guarantee, assume or suffer to exist any indebtedness or other liabilities, whether direct or contingent, other than (1) as a result of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (2) the incurrence of obligations under this Agreement, (3) the incurrence of obligations, as expressly contemplated in the Receivables Sale Agreement , to make payment to the Originators thereunder for the purchase of Receivables from the Originators under the

Receivables Sale Agreement , and (4) the incurrence of operating expenses in the ordinary course of business of the type otherwise contemplated by this Agreement;

(xiii) maintain its company charter in conformity with this Agreement, such that (A) it does not amend, restate, supplement or otherwise modify its Certificate of Formation or operating agreement in any respect that would materially impair its ability to comply with the terms or provisions of any of the Transaction Documents, including, without limitation, Section 7.1(i) of this Agreement; and (B) its operating agreement, at all times that this Agreement is in effect, provides for (1) not less than ten (10) days' prior written notice to the Administrative Agent and each Managing Agent of the replacement or appointment of any manager that is to serve as an Independent Director for purposes of this Agreement, (2) the condition precedent to giving effect to such replacement or appointment that the Seller certify that the designated Person satisfied the criteria set forth in the definition herein of "Independent Director" and (3) each Managing Agent's written acknowledgement that in its reasonable judgment the designated Person satisfies the criteria set forth in the definition herein of "Independent Director;"

(xiv) maintain the effectiveness of, and continue to perform under the Receivables Sale Agreement such that it does not amend, restate, supplement, cancel, terminate or otherwise modify the Receivables Sale Agreement or give any consent, waiver, directive or approval thereunder or waive any default, action, omission or breach under the Receivables Sale Agreement or otherwise grant any indulgence thereunder, without (in each case) the prior written consent of each Managing Agent;

(xv) maintain its company separateness such that it does not merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions, and except as otherwise contemplated herein) all or substantially all of its assets (whether now owned or hereafter acquired) to, or acquire all or substantially all of the assets of, any Person, nor at any time create, have, acquire, maintain or hold any interest in any Subsidiary;

(xvi) maintain at all times the Required Capital Amount (as defined in the Receivables Sale Agreement) and refrain from making any dividend, distribution, redemption of capital stock or payment of any subordinated indebtedness which would cause the Required Capital Amount to cease to be so maintained; and

(xvii) take such other actions as are necessary on its part to ensure that the facts and assumptions set forth in the opinion issued by Sheppard Mullin Richter & Hampton LLP, as counsel for the Seller, on September 28, 2012 and relating to substantive consolidation issues, and in the certificates accompanying such opinion, remain true and correct in all material respects at all times.

(j) Collections . Such Seller Party will cause (i) all Collections to be remitted to either a Lock-Box or a Collection Account, (ii) all proceeds from all Lock-Boxes to be directly deposited by a Collection Bank into a Collection Account and (iii) each Lock-Box and Collection Account to be subject at all times to a Collection Account Agreement that is in full force and effect. In the event any payments relating to Receivables Assets are remitted directly to the Seller or any Affiliate of the Seller, the Seller will remit (or will cause all such payments to be remitted) directly to a Collection Bank and deposited into a Collection Account within two (2) Business Days following receipt thereof, and, at all times prior to such remittance, the Seller will itself hold or, if applicable, will cause such payments to be held in trust for the exclusive benefit of the Administrative Agent,

the Managing Agents and the Purchasers. The Seller will maintain exclusive ownership, dominion and control (subject to the terms of this Agreement) of each Lock-Box and Collection Account and shall not grant the right to take dominion and control of any Lock-Box or Collection Account at a future time or upon the occurrence of a future event to any Person, except to the Administrative Agent as contemplated by this Agreement.

(k) Taxes. Such Seller Party will file all tax returns and reports required by law to be filed by it and will promptly pay all taxes and governmental charges at any time owing, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of such Seller Party. The Seller will pay when due any taxes payable in connection with the Purchased Receivables, exclusive of taxes on or measured by income or gross receipts of any Conduit, the Administrative Agent, any Managing Agent or any Financial Institution, except where the amount or validity of such taxes is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Seller.

(l) Insurance. The Seller will maintain in effect, or cause to be maintained in effect, at the Seller's own expense, such casualty and liability insurance as the Seller shall deem appropriate in its good faith business judgment.

(m) Payment to Originators. With respect to any Receivable purchased by the Seller from any Originator, such sale shall be effected under, and in strict compliance with the terms of, the applicable Sale Agreement, including, without limitation, the terms relating to the amount and timing of payments to be made to the applicable Originator in respect of the purchase price for such Receivable.

(n) Anti-Terrorism Laws; Anti-Corruption Laws and Sanctions. Servicer shall maintain and enforce policies and procedures that are designed in good faith and in a commercially reasonable manner to promote and achieve compliance, in the reasonable judgment of Servicer, by the Seller Party, each Originator and each of their respective Subsidiaries and their respective directors, officers, and employees with Anti-Terrorism Laws, Anti-Corruption Laws and applicable Sanctions, in each case giving due regard to the nature of such Person's business and activities.

(o) USA Patriot Act. Each Financial Institution that is subject to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " PATRIOT Act") hereby notifies the Seller that it is required to obtain, verify and record information that identifies the Seller , which information includes the name , address, tax identification number and other information that will allow the Administrative Agent to identify the Seller in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act. Promptly following any request therefor, the Seller shall deliver to the Administrative Agent all documentation and other information required by bank regulatory authorities requested by the Administrative Agent for purposes of compliance with applicable "know your customer" requirements under the PATRIOT Act, the Beneficial Ownership Rule or other applicable anti-money laundering laws, rules and regulations.

(p) Beneficial Ownership Rule. Promptly following any change that would result in a change to the status of the Seller as an excluded "Legal Entity Customer" under the Beneficial Ownership Rule, the Seller shall execute and deliver to the Administrative Agent a Certification of

Beneficial Owner(s) complying with the Beneficial Ownership Rule, in form and substance reasonably acceptable to the Administrative Agent.

Negative Covenants of the Seller Parties

. Until the date on which the Aggregate Unpaids have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, each of the Seller and the Servicer hereby covenants, as to itself, that:

(a) Name Change, Offices and Records . Such Seller Party will not (and will not permit any Originator to) change its name (within the meaning of Section 9-507(c) of any applicable enactment of the UCC) or its identity, corporate or company structure, jurisdiction of organization, or relocate its chief executive office or any office where Records are kept unless it shall have: (i) given the Administrative Agent and each Managing Agent at least thirty (30) days' prior written notice thereof, (ii) delivered to the Administrative Agent and each Managing Agent all financing statements, instruments and other documents requested by the Administrative Agent or any Managing Agent in connection with such change so that the Administrative Agent, for the benefit of itself, the Managing Agents and the Purchasers, continues to have a first priority, perfected ownership or security interest in the Receivables Assets, and (iii) in the case of a change of the jurisdiction of organization, delivered to the Administrative Agent and each Managing Agent an opinion of counsel in form and substance satisfactory to the Administrative Agent and each Managing Agent, as to such organization and the applicable Seller Party's or the applicable Originator's valid existence and good standing and the perfection and priority of the Administrative Agent's ownership or security interest in the Receivables Assets.

(b) Change in Payment Instructions to Obligors . Except as may be required by the Administrative Agent pursuant to Section 8.2(b) , such Seller Party will not add or terminate any bank as a Collection Bank, or make any change in the instructions to Obligors regarding payments to be made to any Lock-Box or Collection Account, unless the Administrative Agent and each Managing Agent shall have received, at least ten (10) days before the proposed effective date therefor, (i) written notice of such addition, termination or change and (ii) with respect to the addition of a Collection Bank or a Collection Account or Lock-Box, an executed Collection Account Agreement with respect to the new Collection Account or Lock-Box; provided , however , that the Servicer may make changes in instructions to Obligors regarding payments if such new instructions require such Obligor to make payments to another existing Collection Account.

(c) Modifications to Contracts, Invoices and Credit and Collection Policy . Such Seller Party will not, and will not permit any Originator to, amend, modify or otherwise make any change to the Credit and Collection Policy or any Contract or Invoice that could adversely affect the collectibility of the Receivables or decrease the credit quality of any newly created Receivables. Except as provided in Section 8.2(c) , the Servicer will not, and will not permit any Originator to, extend, amend or otherwise modify the terms of any Purchased Receivable or any Invoice related thereto other than in accordance with the Credit and Collection Policy without the prior written consent of each Managing Agent in compliance with the notification requirements in Section 7.1(a)(vii) .

(d) Sales, Liens . The Seller will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Purchased Receivable, or upon or with respect to any Contract or Invoice under which any Purchased Receivable arises, or any Lock-Box or Collection Account, or assign any right to receive

income with respect thereto (other than, in each case, the creation of the interests therein in favor of the Administrative Agent, the Managing Agents and the Purchasers provided for herein), and the Seller will defend the right, title and interest of the Administrative Agent, the Managing Agents and the Purchasers in, to and under any of the foregoing property, against all claims of third parties claiming through or under the Seller or any Originator. The Seller will not create or suffer to exist any mortgage, pledge, security interest, encumbrance, lien, charge or other similar arrangement on any of its inventory, the financing or lease of which gives rise to any Receivable.

(e) Net Receivables Balance . At no time prior to the Amortization Date shall the Seller permit the Net Receivables Balance to be less than an amount equal to the sum of (i) the Aggregate Capital plus (ii) the Aggregate Reserves.

(f) Termination Date Determination . The Seller will not designate the Termination Date (as defined in the Receivables Sale Agreement), or send any written notice to any Originator in respect thereof, without the prior written consent of the Administrative Agent and each Managing Agent, except with respect to the occurrence of such Termination Date arising pursuant to Section 6.2 of the Receivables Sale Agreement.

(g) Restricted Junior Payments . From and after the occurrence of any Amortization Event, the Seller will not make any Restricted Junior Payment if, after giving effect thereto, the Seller would fail to meet its obligations set forth in Section 7.1 (i) (xvi) or 7.2(e) .

(h) Anti-Terrorism Laws; Anti-Corruption Laws and Sanctions . Such Seller Party shall not (and will not permit any Originator to) use directly or indirectly, and each Seller Party shall procure that its Subsidiaries and its or their respective directors, officers and employees shall not use directly or indirectly, the proceeds of any purchase hereunder, (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Terrorism Laws or Anti-Corruption Laws, (B) for the purpose of funding or financing any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, in each case to the extent doing so would violate any Sanctions, or (C) in any other manner that would result in liability to any party hereto under any applicable Sanctions or the violation of any Sanctions by any such Person.

ARTICLE VIII

ADMINISTRATION AND COLLECTION

Designation of the Servicer

.

(a) The servicing, administration and collection of the Receivables shall be conducted by such Person (the " Servicer ") so designated from time to time in accordance with this Section 8.1 . LKQ is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms of this Agreement. At any time following the occurrence of an Amortization Event, the Administrative Agent may, and shall, at the direction of any Managing Agent, at any time upon at least five (5) Business Days' notice designate as the Servicer any Person to succeed LKQ or any successor Servicer.

(b) Without the prior written consent of the Administrative Agent, LKQ shall not be permitted to delegate any of its duties or responsibilities as the Servicer to any Person other

than (i) an Originator with respect to the Receivables originated by it, and (ii) with respect to certain Defaulted Receivables, outside collection agencies in accordance with its customary practices. None of the Originators shall be permitted to further delegate to any other Person. If at any time, in accordance with Section 8.1(a) , the Administrative Agent shall designate as the Servicer any Person other than LKQ, all duties and responsibilities theretofore delegated by LKQ to any Originator may, at the discretion of the Administrative Agent, and shall, at the direction of any Managing Agent, be terminated forthwith on notice given by the Administrative Agent to LKQ.

(c) Notwithstanding the foregoing subsection (b) , (i) The Servicer shall be and remain primarily liable to the Administrative Agent, the Managing Agents and the Purchasers for the full and prompt performance of all duties and responsibilities of the Servicer hereunder and (ii) the Administrative Agent, the Managing Agents and the Purchasers shall be entitled to deal exclusively with Person serving as Servicer in matters relating to the discharge by the Servicer of its duties and responsibilities hereunder. The Administrative Agent, the Managing Agents and the Purchasers shall not be required to give notice, demand or other communication to any Person other than the Servicer in order for communication to the Servicer and its sub-servicer or other delegate with respect thereto to be accomplished. LKQ, at all times that it is the Servicer, shall be responsible for providing any sub-servicer or other delegate of the Servicer with any notice given to the Servicer under this Agreement.

Duties of Servicer

. (a) The Servicer shall take or cause to be taken all such actions as may be necessary or advisable to collect each Receivable from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Credit and Collection Policy.

(b) The Servicer will instruct all Obligors to pay all Collections directly to a Lock-Box or Collection Account. The Servicer shall enter into a Collection Account Agreement substantially in the form of Exhibit VI (or such other form reasonably acceptable to the Administrative Agent) with each Collection Bank. The Seller and the Servicer shall not deposit or otherwise credit, on or after October 1, 2012, and shall not permit any other Person to deposit or otherwise credit to any Collection Account any cash or payment item other than Collections; provided, however, that it is acknowledged that, from time to time, there may be de-minimus amounts that are deposited in the Collection Account that are not Collections so long as (i) the Servicer, the Originator, and the Seller maintain books and records which clearly establish the amounts on deposit in such accounts that relate to Purchased Receivables and amounts that do not relate to Purchased Receivables (the " Unrelated Funds "), and the Seller will identify and remit the Unrelated Funds (or will cause all such Unrelated Funds to be identified and remitted) out of the Collection Account to the appropriate Person or account within two (2) Business Days following receipt thereof and (ii) the Unrelated Funds deposited in a Collection Account during any calendar month shall not exceed five percent (5.0%) of the aggregate monthly Collections on the Purchased Receivables. In the case of any remittances received in any Lock-Box or Collection Account that do not constitute Collections or other proceeds of the Purchased Receivables, including without limitation, the Unrelated Funds, the Servicer shall promptly remit such items to the owner of such remittances.

(c) The Servicer shall administer the Collections in accordance with the procedures described herein and in Article II . The Servicer shall set aside and hold in trust for the account of the Seller and the Purchasers their respective shares of the Collections of the Receivables Assets in accordance with Article II . The Servicer shall, upon the request of the Administrative Agent, segregate, in a manner acceptable to the Administrative Agent, all cash, checks and other

instruments received by it from time to time constituting Collections of the Receivables Assets from the general funds of the Servicer or the Seller prior to the remittance thereof in accordance with Article II . If the Servicer shall be required to segregate Collections of the Receivables Assets pursuant to the preceding sentence, the Servicer shall segregate and deposit with a bank designated by the Administrative Agent such allocable share of Collections of Receivables Assets set aside for the Purchasers on the first Business Day following receipt by the Servicer of such Collections, duly endorsed or with duly executed instruments of transfer.

(d) The Servicer may, in accordance with the Credit and Collection Policy, extend the maturity of any Purchased Receivable or adjust the Outstanding Balance of any Purchased Receivable as the Servicer determines to be appropriate to maximize Collections thereof; provided , however , that such extension or adjustment shall not alter the status of such Purchased Receivable as a Defaulted Receivable or limit the rights of the Administrative Agent, the Managing Agents or the Purchasers under this Agreement. Notwithstanding anything to the contrary contained herein, the Administrative Agent shall have the absolute and unlimited right to direct the Servicer to commence or settle any legal action with respect to any Receivables Asset or to foreclose upon or repossess any Related Security.

(e) The Servicer shall hold in trust for the Seller and the Purchasers all Records that (i) evidence or relate to the Purchased Receivables, the related Contracts, Invoices and Related Security or (ii) are otherwise necessary or desirable to collect the Purchased Receivables and shall, as soon as practicable upon demand of the Administrative Agent or any Managing Agent, deliver or make available to the Administrative Agent all such Records, at a place selected by the Administrative Agent. The Servicer shall, as soon as practicable following receipt thereof turn over to the Seller any cash collections or other cash proceeds received with respect to indebtedness owed to the Seller not constituting Purchased Receivables. The Servicer shall, from time to time at the request of any Purchaser, furnish to the Purchasers (promptly after any such request) a calculation of the amounts set aside for the Purchasers pursuant to Article II .

(f) Any payment by an Obligor in respect of any indebtedness owed by it to an Originator or the Seller shall, except as otherwise specified by such Obligor or otherwise required by contract or law and unless otherwise instructed by the Administrative Agent, be applied as a Collection of any Receivable of such Obligor (starting with the oldest such Receivable) to the extent of any amounts then due and payable thereunder before being applied to any other receivable or other obligation of such Obligor.

Collection Notices

. The Administrative Agent is authorized at any time after the occurrence of an Amortization Event, in accordance with the applicable Collection Account Agreements, to date and to deliver to the Collection Banks the Collection Notices. The Seller hereby transfers to the Administrative Agent for the benefit of the Purchasers, exclusive control of each Lock-Box and the Collection Accounts. In case any authorized signatory of the Seller whose signature appears on a Collection Account Agreement shall cease to have such authority before the delivery of such notice, such Collection Notice shall nevertheless be valid as if such authority had remained in force. The Seller hereby authorizes the Administrative Agent, and agrees that the Administrative Agent shall be entitled to, at any time after the occurrence of an Amortization Event, (i) endorse the Seller's name on checks and other instruments representing Collections of Receivables Assets, (ii) enforce the Receivables, the related Contracts, Invoices and the Related Security and (iii) take such action as shall be necessary or desirable to cause all cash, checks and other instruments constituting

Collections of Receivables Assets to come into the possession of the Administrative Agent rather than the Seller.

Responsibilities of the Seller

. Anything herein to the contrary notwithstanding, the exercise by the Administrative Agent, any Managing Agent or any Purchaser of its rights hereunder shall not release the Servicer, any Originator or the Seller from any of their duties or obligations with respect to any Receivables or under the related Contracts or Invoices. None of the Administrative Agent, the Managing Agents or the Purchasers shall have any obligation or liability with respect to any Receivables or related Contracts or Invoices, nor shall any of them be obligated to perform the obligations of the Seller.

Reports

. The Servicer shall prepare and forward to the Administrative Agent and each Managing Agent:

(i) (A) on the eighteenth (18th) calendar day of each month (or if such day is not a Business Day, on the next succeeding Business Day) (each such date, a " Monthly Reporting Date ") and at such times as the Administrative Agent or any Managing Agent shall request, a Monthly Report; and

(B) at such times as the Administrative Agent or any Managing Agent shall have reasonable cause to make such request, a Weekly Report covering the period from and including Monday of the preceding week to but excluding Monday of such week; and

(ii) at such times as the Administrative Agent or any Managing Agent shall request, a listing by Obligor of all Receivables together with an aging of such Receivables.

Servicing Fees

. In consideration of LKQ's agreement to act as the Servicer hereunder, the Purchasers hereby agree that, so long as LKQ shall continue to perform as the Servicer hereunder, LKQ shall be entitled to receive a fee (the " Servicing Fee ") on each Settlement Date, in arrears for the immediately preceding month, equal to the Servicing Fee Rate multiplied by the Net Receivables Balance during such period, as compensation for its servicing activities.

ARTICLE IX

AMORTIZATION EVENTS

Amortization Events

. The occurrence of any one or more of the following events shall constitute an Amortization Event:

(a) Any Seller Party shall fail (i) to make any payment or deposit required hereunder when due and such failure shall continue for two (2) consecutive Business Days, or (ii) to perform or observe any term, covenant or agreement hereunder or under any other Transaction Document (other than as referred to in clause (i) of this paragraph (a) or in Section 7.1(f)(ii)) and such failure shall continue for fifteen (15) consecutive Business Days.

(b) Any representation or warranty made by any Seller Party in this Agreement, any other Transaction Document or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect when made or deemed made or any certification or statement made by any Seller Party in connection with the foregoing shall prove to have been incorrect in any respect when made or deemed made.

(c) Failure of (A) the Seller to pay any Indebtedness when due; or (B) the Servicer, any Originator or any of their respective Subsidiaries (other than the Seller) to (i) pay any Indebtedness when due, which individually or together with other such Indebtedness as to which any such failures exists has an aggregate outstanding principal amount in excess of $50,000,000 (hereinafter, " Material Indebtedness "), or (ii) default in making any payment of any interest on any such Material Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Material Indebtedness was created, or (iii) default in the observance or performance of any other agreement or condition relating to any such Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Material Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or to become payable.

(d) (i) Any Seller Party, any Originator or any of their respective Subsidiaries shall generally not pay its debts as such debts become due or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors, (ii) any proceeding shall be instituted by or against any Seller Party, any Originator or any of their respective Subsidiaries seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property, or (iii) any Seller Party, any Originator or any of their respective Subsidiaries shall take any corporate, company or partnership action to authorize any of the actions set forth in clauses (i) or (ii) above in this subsection (d) .

(e) The aggregate Purchaser Interests of the Purchasers shall exceed 100% at the end of three (3) consecutive Business Days.

(f) As at the end of any calendar month:

(i) the average of the Default Ratios as at the end of such month and the two preceding months shall exceed 6.0%;

(ii) the average of the Dilution Ratios as at the end of such month and the two preceding months shall exceed 1.0%; or

(iii) the average of the Loss Ratios as at the end of such month and the two preceding months shall exceed 3.0%.

(g) A Change of Control shall occur.

(h) (i) One or more final judgments for the payment of money shall be entered against the Seller or (ii) one or more final judgments for the payment of money in an amount of

$50,000,000 or more individually or in the aggregate, shall be entered against the Servicer, any Originator or any of their respective Subsidiaries (other than the Seller) on claims not covered by insurance or as to which the insurance carrier has denied its responsibility, and such judgment shall continue unsatisfied and in effect for forty-five (45) consecutive days without a stay of execution.

(i) The Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Internal Revenue Code with regard to any of the assets of the Seller or the Originator and such lien shall not have been released within five (5) Business Days, or the Pension Benefit Guaranty Corporation shall, or shall indicate its intention to, file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Seller, the Originator or any Subsidiaries of the Originator.

(j) (i) The "Termination Date" under and as defined in the Receivables Sale Agreement shall occur under the Receivables Sale Agreement, (ii) the Seller or any Originator shall cease to perform any of their respective material obligations and undertakings under and pursuant to the Receivables Sale Agreement or shall fail to vigorously enforce the rights and remedies accorded under the Receivables Sale Agreement after the occurrence of such failure, or (iii) any Originator shall for any reason cease to have the legal capacity to transfer, or otherwise be incapable of transferring Receivables to the Seller under the Receivables Sale Agreement.

(k) This Agreement or the Receivables Sale Agreement shall terminate in whole or in part (except in accordance with its terms), or shall cease to be effective or to be the legally valid, binding and enforceable obligation of the Seller, the Servicer or any Originator to the extent a party thereto, or any Obligor shall directly or indirectly contest in any manner such effectiveness, validity, binding nature or enforceability, or the Administrative Agent for the benefit of the Managing Agents and the Purchasers shall cease to have a valid and perfected first priority ownership or security interest in the Receivables Assets and the Collection Accounts.

(l) Any Person shall be appointed as an Independent Director of the Seller without prior notice thereof having been given to the Administrative Agent and each Managing Agent in accordance with Section 7.1(b)(vi) or without the written acknowledgement by the Administrative Agent and each Managing Agent that such Person conforms, to the satisfaction of the Administrative Agent, with the criteria set forth in the definition herein of "Independent Director."

Remedies

. Upon the occurrence and during the continuation of an Amortization Event, the Administrative Agent may, or upon the direction of any Managing Agent shall, take any of the following actions: (i) replace the Person then acting as the Servicer, (ii) declare the Amortization Date to have occurred, whereupon the Amortization Date shall forthwith occur, without demand, protest or further notice of any kind, all of which are hereby expressly waived by each Seller Party; provided , however , that upon the occurrence of an Amortization Event described in Section 9.1(d) , or of an actual or deemed entry of an order for relief with respect to any Seller Party under the Federal Bankruptcy Code, the Amortization Date shall automatically occur, without demand, protest or any notice of any kind, all of which are hereby expressly waived by each Seller Party, (iii) to the fullest extent permitted by applicable law, declare that the Default Fee shall accrue with respect to any of the Aggregate Unpaids outstanding at such time, (iv) deliver the Collection Notices to the Collection Banks, and (v) notify Obligors of the Purchasers' interest in the Receivables Assets. The aforementioned rights and remedies shall be without limitation, and shall be in addition to all other rights and remedies of the Administrative Agent, the Managing Agents and the Purchasers otherwise

available under any other provision of this Agreement, by operation of law, at equity or otherwise, all of which are hereby expressly preserved, including, without limitation, all rights and remedies provided under the UCC, all of which rights shall be cumulative.

ARTICLE X

INDEMNIFICATION

Indemnities by The Seller Parties

. Without limiting any other rights that the Administrative Agent, any Managing Agents or any Purchaser may have hereunder or under applicable law, (A) the Seller hereby agrees to indemnify (and pay upon demand to) the Administrative Agent, each Managing Agent and each Purchaser and their respective assigns, officers, directors, agents and employees (each an " Indemnified Party ") from and against any and all damages, losses, claims, taxes, liabilities, costs, expenses and for all other amounts payable, including reasonable attorneys' fees (which attorneys may be employees of the Administrative Agent, such Managing Agent or Purchaser) and disbursements (all of the foregoing being collectively referred to as " Indemnified Amounts ") awarded against or incurred by any of them arising out of or as a result of this Agreement, any other Transaction Document or the acquisition, either directly or indirectly, by a Purchaser of an interest in the Receivables, and (B) the Servicer hereby agrees to indemnify (and pay upon demand to) each Indemnified Party for Indemnified Amounts awarded against or incurred by any of them arising out of its activities as the Servicer hereunder excluding, however, in all of the foregoing instances under the preceding clauses (A) and (B) :

(i) Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Indemnified Party seeking indemnification;

(ii) Indemnified Amounts to the extent the same includes losses in respect of Receivables that are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness of the related Obligor; or

(iii) taxes imposed by the United States, by the jurisdiction in which such Indemnified Party's principal executive office is located, or by any other jurisdiction where such Indemnified Party has established a taxable nexus other than in connection with the transactions contemplated by this Agreement, on or measured by the overall net income of such Indemnified Party to the extent that the computation of such taxes is consistent with the characterization for income tax purposes of the acquisition by the Purchasers of Purchaser Interests as either a purchase of assets or as a loan or loans by the Purchasers to the Seller secured by the Receivables, the Related Security, the Collection Accounts and the Collections, but not including any such taxes resulting from the adoption after the date hereof of any law or any amendment or change in the interpretation of any existing or future law that subjects such Indemnified Party to taxes that would not be imposed by any law or the interpretation thereof existing on the date hereof (except for changes in the rate of such taxes);

provided , however , that nothing contained in this sentence shall limit the liability of any Seller Party or limit the recourse of any Indemnified Party to any Seller Party for amounts otherwise specifically provided to be paid by such Seller Party under the terms of this Agreement. Without limiting the generality of the foregoing indemnification, the Seller and the Servicer shall indemnify the

Indemnified Parties for Indemnified Amounts (including, without limitation, losses in respect of uncollectible receivables, regardless of whether reimbursement therefor would constitute recourse to the Seller or the Servicer) relating to or resulting from:

(i) any representation or warranty made by any Seller Party or any Originator (or any officers of any such Person) under or in connection with this Agreement, any other Transaction Document or any other information or report delivered by any such Person pursuant hereto or thereto, which shall have been false or incorrect when made or deemed made;

(ii) the failure by the Seller, the Servicer or any Originator to comply with any applicable law, rule or regulation with respect to any Receivable, Contract or Invoice related thereto, or the nonconformity of any Receivable, Contract or Invoice included therein with any such applicable law, rule or regulation or any failure of any Originator to keep or perform any of its obligations, express or implied, with respect to any Contract or Invoice;

(iii) any failure of the Seller, the Servicer or any Originator to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or any other Transaction Document;

(iv) any products liability, personal injury or damage suit, or other similar claim arising out of or in connection with merchandise, insurance or services that are the subject of any Contract, Invoice or any Receivable;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy or other similar proceeding of the Obligor) of the Obligor to the payment of any Receivable (including, without limitation, a defense based on such Receivable or the related Invoice or Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms (other than as a result of bankruptcy or other similar proceeding), or any other claim resulting from the sale of the merchandise or service related to such Receivable or the furnishing or failure to furnish such merchandise or services;

(vi) the commingling of Collections of Receivables at any time with other funds;

(vii) any investigation, litigation or proceeding related to or arising from this Agreement or any other Transaction Document, the transactions contemplated hereby, the use of the proceeds of an Incremental Purchase or a Reinvestment, the ownership of the Purchaser Interests or any other investigation, litigation or proceeding relating to the Seller, the Servicer or any Originator in which any Indemnified Party becomes involved as a result of any of the transactions contemplated hereby;

(viii) any inability to litigate any claim against any Obligor in respect of any Receivable as a result of such Obligor being immune from civil and commercial law and suit on the grounds of sovereignty or otherwise from any legal action, suit or proceeding;

(ix) any Amortization Event described in Section 9.1(d) ;

(x) any failure of the Seller to acquire and maintain, subject to the rights of the Administrative Agent, Managing Agents, and Purchasers hereunder, legal and equitable title to, and ownership of any Purchased Receivable from the applicable Originator, free and clear of any Adverse Claim (other than as created hereunder); or any failure of the Seller to

give reasonably equivalent value to an Originator under the applicable Receivables Sale Agreement in consideration of the transfer by such Originator of any Purchased Receivable, or any attempt by any Person to void such transfer under statutory provisions or common law or equitable action;

(xi) any failure to vest and maintain vested in the Administrative Agent for the benefit of the Managing Agents and the Purchasers, or to transfer to the Administrative Agent for the benefit of the Managing Agents and the Purchasers, legal and equitable title to, and ownership of, a first priority perfected undivided interest ownership interest (to the extent of the Purchaser Interests contemplated hereunder) or security interest in the Receivables Assets, free and clear of any Adverse Claim (except as created by the Transaction Documents);

(xii) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws;

(xiii) any action or omission by any Seller Party which reduces or impairs the rights of the Administrative Agent, the Managing Agents or the Purchasers with respect to any Receivable or the value of any such Receivable;

(xiv) any attempt by any Person to void any Incremental Purchase or Reinvestment hereunder under statutory provisions or common law or equitable action; and

(xv) the failure of any Receivable included in the calculation of the Net Receivables Balance as an Eligible Receivable to be an Eligible Receivable at the time so included and calculated.

Increased Cost and Reduced Return

. (a) If any Regulatory Change (i) subjects any Purchaser or any Funding Source to any charge or withhold-ing on or with respect to any Funding Agreement or this Agreement or a Purchaser’s or Funding Source's obligations under a Funding Agreement or this Agreement, or on or with respect to the Receivables, or changes the basis of taxation of payments to any Purchaser or any Funding Source of any amounts payable under any Funding Agreement or this Agreement (except for changes in the rate of tax on the overall net income of a Purchaser or Funding Source or taxes excluded by Section 10.1) or (ii) imposes, modifies or deems applicable any reserve, assessment, fee, tax (except for taxes excluded by Section 10.1), insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or liabilities of a Funding Source or a Purchaser, or credit extended by a Funding Source or a Purchaser pursuant to a Funding Agreement or this Agreement or (iii) imposes any other condition the result of which is to increase the cost to a Funding Source or a Purchaser of performing its obligations under a Funding Agreement or this Agreement, or to reduce the rate of return on a Funding Source's or Purchaser’s capital as a consequence of its obligations under a Funding Agreement or this Agreement, or to reduce the amount of any sum received or receivable by a Funding Source or a Purchaser under a Funding Agreement or this Agreement, or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, the applicable Managing Agent shall notify the Seller of such Regulatory Change and upon demand by such Managing Agent, the Seller shall pay to such Managing Agent (for the benefit of the relevant Funding Source or Purchaser), such amounts charged to such Funding Source or Purchaser or such amounts to otherwise compensate such Funding Source or such Purchaser for such increased cost or such reduction; provided that

such Managing Agent shall provide the Seller with at least ten (10) Business Days' prior notice of any amounts payable under clause (iii) above. The term " Regulatory Change " shall mean (i) the adoption after the date hereof of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy) or any change therein after the date hereof, or (ii) any change after the date hereof in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency; provided that, for purposes of this definition, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, and (z) the United States bank regulatory rule titled Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Regulatory Capital; Impact of Modification to Generally Accepted Accounting Principles; Consolidation of Asset-Backed Commercial Paper Programs; and Other Related Issues , adopted on December 15, 2009 and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, shall in each case be deemed to be a "Regulatory Change", regardless of the date enacted, adopted, issued or implemented.

(b) A certificate of the applicable Purchaser or Funding Source setting forth in reasonable detail the amount or amounts payable to such Purchaser or Funding Source pursuant to paragraph (a) of this Section 10.2 and explaining the manner (including calculations) in which such amount was determined, shall be delivered to the Seller and shall be presumptive but rebuttable evidence.

Other Costs and Expenses

. Subject to the proviso in Section 7.1(d) , the Seller shall pay to the Administrative Agent, each Managing Agent, and each Purchaser on demand all costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Agreement, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation, the cost of such Person's auditors auditing the books, records and procedures of the Seller, rating agency fees, reasonable fees and out-of-pocket expenses of outside legal counsel for such Person with respect thereto and with respect to advising such Person as to their respective rights and remedies under this Agreement ; provided, however, that other than following the occurrence and during the continuation of an Amortization Event, with respect to any travel related costs, the Administrative Agent and each Managing Agent and Purchaser hereby agree to only incur such costs in compliance with the Seller's travel policy, as in effect and provided in writing to the Administrative Agent, each Managing Agent and Purchaser from time to time, and the Seller shall not be liable for any such costs not incurred in compliance with such travel policy . The Seller shall pay to the Administrative Agent and Managing Agents (for the account of the Administrative Agent or such Managing Agents and their related Purchasers, as applicable) on demand any and all reasonable costs and expenses of the Administrative Agent, the Managing Agents and the Purchasers , including reasonable outside counsel fees and expenses in connection with the enforcement of this Agreement and the other documents delivered hereunder and in connection with any restructuring or workout of this Agreement or such documents, or the administration of this Agreement following an Amortization Event.

ARTICLE XI

THE MANAGING AGENTS AND THE ADMINISTRATIVE AGENT

Authorization and Action

. Each Purchaser hereby (i) designates and appoints ~~BTMU~~ MUFG to act as its administrative agent hereunder and under each other Transaction Document, (ii) designates and appoints its related Managing Agent as its managing agent, and (iii) authorizes the Administrative Agent and such Managing Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Administrative Agent or the Managing Agent, as applicable, by the terms of this Agreement and the other Transaction Documents together with such powers as are reasonably incidental thereto. Neither the Administrative Agent nor any Managing Agent shall have any duties or responsibilities, except those expressly set forth herein or in any other Transaction Document, or any fiduciary relationship with any Purchaser, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Administrative Agent or any Managing Agent shall be read into this Agreement or any other Transaction Document or otherwise exist for the Administrative Agent or any Managing Agent. In performing its functions and duties hereunder and under the other Transaction Documents, the Administrative Agent and each Managing Agent shall act solely as agent for the Purchasers designating such agent and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for any Seller Party or any of such Seller Party's successors or assigns. Neither the Administrative Agent nor any Managing Agent shall be required to take any action that exposes such Person to personal liability or that is contrary to this Agreement, any other Transaction Document or applicable law. The appointment and authority of the Administrative Agent and the Managing Agents hereunder shall terminate upon the indefeasible payment in full of all Aggregate Unpaids. Each Purchaser hereby authorizes the Administrative Agent to execute each of the Collection Account Agreements on behalf of such Purchaser (the terms of which shall be binding on such Purchaser). Each Purchaser hereby authorizes its related Managing Agent to execute the Fee Letter on behalf of such Purchaser (the terms of which shall be binding on such Purchaser).

Delegation of Duties

. The Administrative Agent and the Managing Agents may execute any of their respective duties under this Agreement and each other Transaction Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor any Managing Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Exculpatory Provisions

. None of the Administrative Agent, the Managing Agents, or any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement or any other Transaction Document (except for its, their or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Purchasers for any recitals, statements, representations or warranties made by any Seller Party contained in this Agreement, any other Transaction Document or any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement, or any other Transaction Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any other Transaction Document or any other document furnished in connection herewith or therewith, or for any failure of any Seller

Party to perform its obligations hereunder or thereunder, or for the satisfaction of any condition specified in Article VI , or for the perfection, priority, condition, value or sufficiency of any collateral pledged in connection herewith. Neither the Administrative Agent nor any Managing Agent shall be under any obligation to any Purchaser to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Seller Parties. Neither the Administrative Agent nor any Managing Agent shall be deemed to have knowledge of any Amortization Event or Potential Amortization Event unless the Administrative Agent or such Managing Agent, as applicable has received notice from the Seller or a Purchaser. No Managing Agent shall have any responsibility hereunder to any Purchaser other than the Purchasers in its Purchaser Group.

Reliance by the Administrative Agent and the Managing Agents

. The Administrative Agent and the Managing Agents shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Seller), independent accountants and other experts selected by the Administrative Agent or any Managing Agent. Each of the Administrative Agent and each Managing Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the related Purchaser Group Conduit or the Required Financial Institutions or all of the Purchasers, as applicable, as it deems appropriate and it shall first be indemnified to its satisfaction by the Purchasers, provided that unless and until the Administrative Agent or such Managing Agent shall have received such advice, the Administrative Agent or such Managing Agent may take or refrain from taking any action, as the Administrative Agent or such Managing Agent shall deem advisable and in the best interests of the Purchasers. The Administrative Agent and the Managing Agents shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of its related Purchaser Group or the Required Financial Institutions or all of the Purchasers, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Purchasers.

Non-Reliance on the Administrative Agent, the Managing Agents and Other Purchasers

. Each Purchaser expressly acknowledges that none of the Administrative Agent, the Managing Agents, or any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent or any Managing Agent hereafter taken, including, without limitation, any review of the affairs of any Seller Party, shall be deemed to constitute any representation or warranty by the Administrative Agent or such Managing Agent. Each Purchaser represents and warrants to the Administrative Agent and the Managing Agents that it has and will, independently and without reliance upon the Administrative Agent, any Managing Agents or any other Purchaser and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Seller and made its own decision to enter into this Agreement, the other Transaction Documents and all other documents related hereto or thereto.

Reimbursement and Indemnification

. The Financial Institutions agree to reimburse and indemnify the Administrative Agent and the Financial Institutions in each Purchaser Group agree to reimburse and indemnify the Managing Agent for such Purchaser Group, and their respective officers, directors, employees, representatives and agents ratably according to their Pro Rata Shares, to the extent not paid or reimbursed by the Seller Parties (i) for any amounts for which the Administrative Agent or such Managing Agent, acting in its capacity as an Administrative Agent or a Managing Agent, is entitled to reimbursement by the Seller Parties hereunder and (ii) for any other expenses incurred by the Administrative Agent, in its capacity as Administrative Agent, or any Managing Agent, acting in its capacity as a Managing Agent and acting on behalf of its related Purchasers, in connection with the administration and enforcement of this Agreement and the other Transaction Documents.

Administrative Agent and Managing Agents in their Individual Capacity

. The Administrative Agent, each Managing Agent and each of their respective Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Seller or any Affiliate of the Seller as though it were not the Administrative Agent or a Managing Agent hereunder. With respect to the acquisition of Purchaser Interests pursuant to this Agreement, the Administrative Agent and each Managing Agent shall have the same rights and powers under this Agreement in its individual capacity as any Purchaser and may exercise the same as though it were not the Administrative Agent or a Managing Agent, and the terms " Financial Institution ," " Purchaser ," " Financial Institutions " and " Purchasers " shall include the Agent in its individual capacity, as applicable.

Successor Administrative Agent

. The Administrative Agent may, upon five days' notice to the Seller and the Purchasers, and the Administrative Agent will, upon the direction of all of the Purchasers (other than the Administrative Agent, in its individual capacity) resign as Administrative Agent. If the Administrative Agent shall resign, then the Required Financial Institutions during such five-day period shall appoint from among the Purchasers a successor administrative agent. If for any reason no successor Administrative Agent is appointed by the Required Financial Institutions during such five-day period, then effective upon the termination of such five-day period, the Managing Agents shall perform all of the duties of the Administrative Agent hereunder and under the other Transaction Documents with respect to its Purchaser Group and the Seller and the Servicer (as applicable) shall make all payments in respect of the Aggregate Unpaids that would otherwise be payable directly to the Administrative Agent directly to the applicable Managing Agents and for all purposes shall deal directly with the Managing Agents as they would the Administrative Agent. The Seller Parties shall have thirty (30) days after the appointment of a new Administrative Agent (or, if no successor Administrative Agent shall be appointed, thirty-five (35) days after the Administrative Agent's resignation), to transfer valid and perfected first priority ownership and security interests in the Receivables Assets and Collection Accounts to the successor Administrative Agent or Managing Agents, as the case may be, and during such period or until such interests are transferred if prior to the end of such period, the resigning Administrative Agent shall continue to hold such interests for the benefit of the Purchasers. After the effectiveness of any retiring Administrative Agent's resignation hereunder as Administrative Agent and the transfer of the interests or expiration of the period as described in the immediately preceding sentence, the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Documents and the provisions of this Article XI and Article X shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and under the other Transaction Documents.

Successor Managing Agent

. A Managing Agent may, upon five- days' notice to the Seller, the Administrative Agent and the Purchasers in its Purchaser Group, and a Managing Agent will, upon the direction of all of the Purchasers in such Managing Agent's Purchaser Group (other than such Managing Agent, in its individual capacity) resign as Managing Agent. If a Managing Agent shall resign, then the Financial Institutions in such Purchaser Group during such five-day period shall appoint from among such Financial Institutions a successor managing agent. If for any reason no successor Managing Agent is appointed by such Financial Institutions during such five-day period, then effective upon the termination of such five-day period, the Purchasers in such Purchaser Group shall perform all of the duties of the resigning Managing Agent hereunder and under the other Transaction Documents and the Seller and the Servicer and the Administrative Agent (as applicable) shall make all payments in respect of the Aggregate Unpaids that would otherwise be payable to the Managing Agents directly to the applicable Purchasers and for all purposes shall deal directly with such Purchasers as they would the Managing Agents. After the effectiveness of any retiring Managing Agent's resignation hereunder, the retiring Managing Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Documents and the provisions of this Article XI and Article X shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was a Managing Agent under this Agreement and under the other Transaction Documents.

ARTICLE XII

ASSIGNMENTS; PARTICIPATIONS

Assignments

(a) The Seller and each Financial Institution hereby agree and consent to the complete or partial assignment by a Conduit of all or any portion of its rights under, interest in, title to and obligations under this Agreement to (i) the Financial Institutions in such Conduit's Purchaser Group pursuant to a Liquidity Agreement or (ii) any other Eligible Assignee, and upon such assignment, such Conduit shall be released from its obligations so assigned. Further, the Seller and each Financial Institution hereby agree that any assignee of any Conduit of this Agreement or all or any of the Purchaser Interests of such Conduit shall have all of the rights and benefits under this Agreement as if the term "Conduit" explicitly referred to such party, and no such assignment shall in any way impair the rights and benefits of such Conduit hereunder. Neither the Seller nor the Servicer shall have the right to assign its rights or obligations under this Agreement.

(b) Any Financial Institution may at any time and from time to time assign to one or more Eligible Assignee (" Purchasing Financial Institutions ") all or any part of its rights and obligations under this Agreement pursuant to an assignment agreement, substantially in the form set forth in Exhibit VII hereto (the " Assignment Agreement ") executed by such Purchasing Financial Institution and such selling Financial Institution. The consent of the Conduits in such Financial Institution's Purchaser Group shall be required prior to the effectiveness of any such assignment. Each assignee of a Financial Institution must (i) have a short-term debt rating of A-1 or better by S&P and P-1 by Moody's and (ii) agree to deliver to the Administrative Agent and the related Managing Agent, promptly following any request therefor by the Managing Agent for its Purchaser Group or the affected Conduits, an enforceability opinion in form and substance satisfactory to such Managing Agent and such Conduit or Conduits. Upon delivery of the executed Assignment Agreement to the related Managing Agent and the Administrative Agent, such selling Financial Institution shall be released from its obligations hereunder to the extent of such assignment.

Thereafter the Purchasing Financial Institution shall for all purposes be a Financial Institution party to this Agreement and shall have all the rights and obligations of a Financial Institution under this Agreement to the same extent as if it were an original party hereto and no further consent or action by the Seller, the Purchasers, the Managing Agents or the Administrative Agent shall be required.

Participations

. Any Financial Institution may, in the ordinary course of its business, at any time sell to one or more Persons (each a " Participant ") participating interests in its Pro Rata Share of the Purchaser Interests of such Financial Institutions or any other interest of such Financial Institution hereunder. Notwithstanding any such sale by a Financial Institution of a participating interest to a Participant, such Financial Institution's rights and obligations under this Agreement shall remain unchanged, such Financial Institution shall remain solely responsible for the performance of its obligations hereunder, and the Conduits, the Managing Agents, the Administrative Agent and the Seller shall continue to deal solely and directly with such Financial Institution in connection with such Financial Institution's rights and obligations under this Agreement. Each Financial Institution agrees that any agreement between such Financial Institution and any such Participant in respect of such participating interest shall not restrict such Financial Institution's right to agree to any amendment, supplement, waiver or modification to this Agreement, except for any amendment, supplement, waiver or modification described in Section 13.1(b)(i) .

Additional Purchaser Groups

. Upon the Seller's request with approval of the Administrative Agent and each Managing Agent, an additional Purchaser Group may be added to this Agreement at any time by the execution and delivery of a Joinder Agreement by the members of such proposed additional Purchaser Group, the Seller, the Servicer, the Administrative Agent and each Managing Agent. Upon the effective date of such Joinder Agreement, (i) each Person specified therein as a "Conduit" shall become a party hereto as a Conduit, entitled to the rights and subject to the obligations of a Conduit hereunder, (ii) each Person specified therein as a "Financial Institution" shall become a party hereto as a Financial Institution, entitled to the rights and subject to the obligations of a Financial Institution hereunder, (iii) each Person specified therein as a "Managing Agent" shall become a party hereto as a Managing Agent, entitled to the rights and subject to the obligations of a Managing Agent hereunder and (iv) the Purchase Limit shall be increased by an amount equal to the aggregate Commitments of the Financial Institutions party to such Joinder Agreement.

Non-Renewing Financial Institutions

(a) Each Financial Institution hereby agrees to deliver written notice to the Managing Agent in its Purchaser Group not more than 30 Business Days and not less than 5 Business Days prior to the Liquidity Termination Date indicating whether such Financial Institution intends to renew its Commitment hereunder. If any Financial Institution fails to deliver such notice on or prior to the date that is 5 Business Days prior to the Liquidity Termination Date, such Financial Institution will be deemed to have declined to renew its Commitment (each Financial Institution which has declined or has been deemed to have declined to renew its Commitment hereunder, a " Non-Renewing Financial Institution "). The Managing Agent in such Financial Institution's Purchaser Group shall promptly notify the Conduits in the related Purchaser Group of each Non-Renewing Financial Institution and each such Conduit, in its sole discretion, may (i) to the extent of Commitment Availability, declare that such Non-Renewing Financial Institution's Commitment shall, to such extent, automatically terminate on a date specified by such Conduit on or before the Liquidity Termination Date or (ii) upon one (1) Business Day's notice to such Non-Renewing

Financial Institution assign to such Non-Renewing Financial Institution on a date specified by such Conduit its ratable share of the aggregate Purchaser Interests then held by the Conduit, subject to, and in accordance with, a Liquidity Agreement. The parties hereto expressly acknowledge that any declaration of the termination of any Commitment, any assignment pursuant to this Section 12.4 and the order of priority of any such termination or assignment among Non-Renewing Financial Institutions shall be made by the Conduits in the related Purchaser Group in their sole and absolute discretion.

(b) Upon any assignment to a Non-Renewing Financial Institution as provided in this Section 12.4 , any remaining Commitment of such Non-Renewing Financial Institution shall automatically terminate. Upon reduction to zero of the Capital of all of the Purchaser Interests of a Non-Renewing Financial Institution (after application of Collections thereto pursuant to Sections 2.2 and 2.4) all rights and obligations of such Non-Renewing Financial Institution hereunder shall be terminated and such Non-Renewing Financial Institution shall no longer be a "Financial Institution" hereunder; provided , however , that the provisions of Article X shall continue in effect for its benefit with respect to Purchaser Interests held by such Non-Renewing Financial Institution prior to its termination as a Financial Institution.

Section 12.5 Federal Reserve

. Notwithstanding any other provision of this Agreement to the contrary, any Financial Institution may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, any Purchaser Interest and any rights to payment of Capital and Yield) under this Agreement to secure obligations of such Financial Institution to a Federal Reserve Bank, without notice to or consent of the Seller, the Administrative Agent, the applicable Managing Agent or any other Person; provided that no such pledge or grant of a security interest shall release a Financial Institution from any of its obligations hereunder, or substitute any such pledgee or grantee for such Financial Institution as a party hereto.

ARTICLE XIII

MISCELLANEOUS

Waivers and Amendments

. No failure or delay on the part of the Administrative Agent, any Managing Agent or any Purchaser in exercising any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law. Any waiver of this Agreement shall be effective only in the specific instance and for the specific purpose for which given.

(a) No provision of this Agreement may be amended, supplemented, modified or waived except in writing in accordance with the provisions of this Section 13.1(b) . The Seller and the Administrative Agent (at the direction or with the consent of the Required Financial Institutions), may enter into written modifications or waivers of any provisions of this Agreement, provided , however , that no such modification or waiver shall:

(i) without the consent of each affected Purchaser, (A) extend the Liquidity Termination Date or the date of any payment or deposit of Collections by the Seller or the

Servicer, (B) reduce the rate or extend the time of payment of Yield (or any component thereof), (C) reduce any fee payable to any Managing Agent for the benefit of the Purchasers, (D) except pursuant to Article XII hereof, change the amount of the Capital of any Purchaser, any Financial Institution's Pro Rata Share (except pursuant to a Liquidity Agreement or Section 12.4) or any Financial Institution's Commitment, (E) amend, modify or waive any provision of the definition of Required Financial Institutions or this Section 13.1(b) , (F) consent to or permit the assignment or transfer by the Seller of any of its rights and obligations under this Agreement, (G) change the definition of " Eligible Receivable ," " Concentration Limit ," " Aggregate Reserve ," " Yield and Servicer Reserve ," " Loss and Dilution Reserve ," " Loss Percentage ," " Dilution Ratio ," " Default Ratio " or " Loss Ratio " or (H) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (G) above in a manner that would circumvent the intention of the restrictions set forth in such clauses;

(ii) without the written consent of the then Administrative Agent, amend, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of such Administrative Agent;

(iii) without the written consent of each Managing Agent, amend, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of such Managing Agent;

(iv) without the written consent of the Servicer, amend, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of the Servicer.

Notwithstanding the foregoing, (i) without the consent of the Financial Institutions, but with the consent of the Seller (such consent not to be unreasonably withheld or delayed) and at the request of the Managing Agent in such Financial Institution's Purchaser Group, the Administrative Agent may amend this Agreement solely to add additional Persons as Financial Institutions to a Purchaser Group hereunder, and (ii) the Administrative Agent, the Required Financial Institutions and the Conduits may enter into amendments to modify any of the terms or provisions of Article XI , Article XII , Section 13.13 or any other provision of this Agreement without the consent of the Seller or Servicer, provided that such amendment has no negative impact upon the Seller or Servicer. Any modification or waiver made in accordance with this Section 13.1 shall apply to each of the Purchasers equally and shall be binding upon the Seller, the Servicer, the Purchasers, the Managing Agents and the Administrative Agent. Each Managing Agent shall promptly notify each rating agency then rating the Commercial Paper of the Conduit in its related Purchaser Group of any material amendment to, or consent or waiver of, this Agreement.

Notices

. Except as provided in this Section 13.2 , all communications and notices provided for hereunder shall be in writing (including bank wire or electronic facsimile transmission or similar writing) and shall be given to the other parties hereto at their respective addresses or facsimile numbers set forth on the signature pages hereof or at such other address or facsimile number as such Person may hereafter specify for the purpose of notice to each of the other parties hereto. Each such notice or other communication shall be effective if given by facsimile, upon the receipt thereof, if given by mail, three (3) Business Days after the time such communication is deposited in the mail with first class postage prepaid or if given by any other means, when received at the address specified in this Section 13.2 . The Seller hereby authorizes the Administrative Agent and each Managing Agent to effect purchases based on telephonic notices made by any Person whom the

Administrative Agent or such Managing Agent, as the case may be, in good faith believes to be acting on behalf of the Seller. The Seller agrees to deliver promptly to the Administrative Agent or each applicable Managing Agent, as the case may be, a written confirmation of each telephonic notice signed by an authorized officer of the Seller; provided , however , the absence of such confirmation shall not affect the validity of such notice. If the written confirmation differs from the action taken by the Administrative Agent or such Managing Agent, the records of the Administrative Agent or such Managing Agent shall govern absent manifest error.

Ratable Payments

. If any Purchaser, whether by setoff or otherwise, has payment made to it with respect to any portion of the Aggregate Unpaids owing to such Purchaser (other than payments received pursuant to Section 10.2 or 10.3) in a greater proportion than that received by any other Purchaser entitled to receive a ratable share of such Aggregate Unpaids, such Purchaser agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of such Aggregate Unpaids held by the other Purchasers so that after such purchase each Purchaser will hold its ratable proportion of such Aggregate Unpaids; provided that if all or any portion of such excess amount is thereafter recovered from such Purchaser, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Protection of Ownership Interests of the Purchasers

(a) The Seller agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that may be necessary or desirable, or that the Administrative Agent or any Managing Agent may reasonably request, to perfect, protect or more fully evidence the sale and assignment of the Purchaser Interests, or to enable the Administrative Agent, the Managing Agents or the Purchasers to exercise and enforce their rights and remedies hereunder. At any time after the occurrence of an Amortization Event, the Administrative Agent may, or the Administrative Agent may direct the Seller or the Servicer to, notify the Obligors of Receivables Assets, at the Seller's expense, of the ownership or security interests of the Purchasers under this Agreement and may also direct that payments of all amounts due or that become due under any or all Receivables Assets be made directly to the Administrative Agent or its designee. The Seller or the Servicer (as applicable) shall, at any Purchaser's request, withhold the identity of such Purchaser in any such notification.

(b) If any Seller Party fails to perform any of its obligations hereunder, the Administrative Agent, any Managing Agent or any Purchaser may (but shall not be required to) perform, or cause performance of, such obligations, and the Administrative Agent's, such Managing Agent's or such Purchaser's costs and expenses incurred in connection therewith shall be payable by the Seller as provided in Section 10.3 . Each Seller Party irrevocably authorizes the Administrative Agent at any time and from time to time in the sole discretion of the Administrative Agent, and appoints the Administrative Agent as its attorney-in-fact, to act on behalf of such Seller Party to (i) execute on behalf of the Seller as debtor and to file financing statements necessary or desirable in the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Purchasers in the Receivables and (ii) file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Receivables as a financing statement in such offices as the Administrative Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Purchasers in the Receivables. This appointment is coupled with an interest and is irrevocable.

Confidentiality

. (a) Each of the Administrative Agent, the Managing Agents and the Purchasers agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) on a need to know basis to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (each of the foregoing being collectively referred to as " Representatives "; it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Transaction Document or any suit, action or proceeding relating to this Agreement or any other Transaction Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Seller, (h) by the Administrative Agent, any Managing Agent or any Conduit to any rating agency (including, without limitation, in compliance with Rule 17g-5 under the Securities Exchange Act of 1934), Commercial Paper dealer, or provider of a surety, guaranty or credit or liquidity enhancement to any Conduit or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Managing Agent or any Purchaser on a nonconfidential basis from a source other than the Company. For the purposes of this Section, " Information " means all information received from the Company relating to the Company and its Subsidiaries or their business, other than any such information (x) that is available to the Administrative Agent, any Managing Agent or any Purchaser on a nonconfidential basis prior to disclosure by the Company or (y) that is independently developed by the Administrative Agent, any Managing Agent or any Purchaser or any of their respective Representatives without reference to the Information. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised at least the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information

(b) EACH OF THE ADMINISTRATIVE AGENT, EACH MANAGING AGENT AND EACH PURCHASER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 13.5(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE SELLER PARTIES OR THEIR AFFILIATES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE SELLER PARTIES OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE SELLER PARTIES OR THEIR AFFILIATES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH OF THE ADMINISTRATIVE AGENT, EACH MANAGING AGENT AND EACH PURCHASER REPRESENTS TO THE SELLER PARTIES AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY

CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

Bankruptcy Petition

. The Seller, the Servicer, the Administrative Agent, each Managing Agent and each Purchaser hereby covenants and agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of a Conduit, it will not institute against, or join any other Person in instituting against, such Conduit any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

Limitation of Liability

. Except with respect to any claim arising out of the willful misconduct or gross negligence of any Conduit, the Administrative Agent, any Managing Agent or any Financial Institution, no claim may be made by any Seller Party or any other Person against any Conduit, the Administrative Agent, any Managing Agent or any Financial Institution or their respective Affiliates, directors, officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and each Seller Party hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

CHOICE OF LAW

. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK.

CONSENT TO JURISDICTION

. EACH SELLER PARTY HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN NEW YORK, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY SUCH PERSON PURSUANT TO THIS AGREEMENT AND EACH SELLER PARTY HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT, ANY MANAGING AGENT OR ANY PURCHASER TO BRING PROCEEDINGS AGAINST ANY SELLER PARTY IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY ANY SELLER PARTY AGAINST THE ADMINISTRATIVE AGENT, ANY MANAGING AGENT OR ANY PURCHASER OR ANY AFFILIATE OF THE ADMINISTRATIVE AGENT, ANY MANAGING AGENT OR ANY PURCHASER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR ANY

DOCUMENT EXECUTED BY SUCH SELLER PARTY PURSUANT TO THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK, NEW YORK.

WAIVER OF JURY TRIAL

. EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT, ANY DOCUMENT EXECUTED PURSUANT TO THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

Integration; Binding Effect; Survival of Terms

.

(a) This Agreement and each other Transaction Document contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns (including any trustee in bankruptcy). This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until terminated in accordance with its terms; provided , however , that the rights and remedies with respect to (i) any breach of any representation and warranty made by any Seller Party pursuant to Article V , (ii) the indemnification and payment provisions of Article X , and Sections 13.5 and 13.6 shall be continuing and shall survive any termination of this Agreement.

Counterparts; Severability; Section References

. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Unless otherwise expressly indicated, all references herein to “Article,” “Section,” “Schedule” or “Exhibit” shall mean articles and sections of, and schedules and exhibits to, this Agreement.

Agent Roles

. Each of the Financial Institutions acknowledges that any Person party hereto as the Administrative Agent or a Managing Agent may now or in the future act, (i) as administrative agent for the Conduits and Financial Institutions in its Purchaser Group (ii) as issuing and paying agent for the Commercial Paper issued by the related Conduit, (iii) to provide credit or liquidity enhancement for the timely payment for the Commercial Paper and (iv) to provide other services from time to time for the Conduits or Financial Institutions in its Purchaser Group (collectively, the “ Agent Roles ”). Without limiting the generality of this Section 13.13 , each Financial Institution

hereby acknowledges and consents to any and all Agent Roles and agrees that in connection with any Agent Role, a Managing Agent or the Administrative Agent, as applicable, may take, or refrain from taking, any action that it, in its discretion, deems appropriate, including, without limitation, in its role as Managing Agent for the Conduits in its Purchaser Group, and the giving of notice to the Administrative Agent of a mandatory purchase pursuant to a Liquidity Agreement.

Characterization

. (a) It is the intention of the parties hereto that each purchase hereunder shall constitute and be treated as an absolute and irrevocable sale, which purchase shall provide the Purchasers or the Administrative Agent for the benefit of the Purchasers, with the full benefits of ownership of the applicable Purchaser Interests. Except as specifically provided in this Agreement, each sale of Purchaser Interests hereunder is made without recourse to the Seller; provided , however , that (i) the Seller shall be liable to each Purchaser, each Managing Agent and the Administrative Agent for all representations, warranties, covenants and indemnities made by the Seller pursuant to the terms of this Agreement, and (ii) such sale does not constitute and is not intended to result in an assumption by any Purchaser, any Managing Agent or the Administrative Agent or any assignee thereof of any obligation of the Seller or any Originator or any other person arising in connection with the Receivables, the Related Security, or the related Contracts or Invoices, or any other obligations of the Seller or any Originator.

(b) In addition to any ownership interest which the Purchasers or the Administrative Agent may from time to time acquire pursuant hereto, the Seller hereby grants to the Administrative Agent for the ratable benefit of the Managing Agents and the Purchasers a valid security interest in all of the Seller's right, title and interest in, to and under the following assets, now existing or hereafter arising: (i) all Purchased Receivables, (ii) the Collections relating to Purchased Receivables, (iii) each Lock-Box, (iv) each Collection Account, (v) all Related Security, (vi) all other rights and payments relating to such Purchased Receivables, (vii) all of the Seller's rights, title, and interest in, to and under the Receivables Sale Agreement (including, without limitation, (a) all rights to indemnification arising thereunder and (b) all UCC financing statements filed pursuant thereto), (viii) all proceeds of any of the foregoing, and (ix) all other assets of the Seller in which the Purchasers or the Administrative Agent on behalf of the Managing Agents and the Purchasers has acquired, may hereafter acquire and/or purports to have acquired an interest hereunder to secure the prompt and complete payment of the Aggregate Unpaids, which security interest shall be prior to all other Adverse Claims thereto. The Administrative Agent, the Managing Agents and the Purchasers shall have, in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC and other applicable law, which rights and remedies shall be cumulative. The Seller hereby authorizes, within the meaning of 9-509 of any applicable enactment of the UCC, the Administrative Agent as secured party for the benefit of itself, the Managing Agents and of the Purchasers, (x) to file, without the signature of the Seller or any Originator, as debtors, the UCC financing statements contemplated herein and under the Receivables Sale Agreement and (y) to include, on any financing statement filed against the Seller, the collateral description: "all of the Debtor's personal property and other assets, whether now owned or existing or hereafter acquired or arising, and wheresoever located, together with all products and proceeds thereof, substitutions and replacements therefor, and additions and accessions thereto."

(c) If, notwithstanding the intention of the parties expressed above, any sale or transfer by the Seller hereunder shall be characterized as a secured loan and not a sale or such sale shall for any reason be ineffective or unenforceable (any of the foregoing being a

" Recharacterization "), then this Agreement shall be deemed to constitute a security agreement under the UCC and other applicable law. In the case of any Recharacterization, each of the Seller and the Administrative Agent, each Managing Agent and each Purchaser represents and warrants as to itself that each remittance of Collections by the Seller to the Administrative Agent, any Managing Agent or any Purchaser hereunder will have been (i) in payment of a debt incurred by the Seller in the ordinary course of business or financial affairs of the Seller, the Administrative Agent and each Purchaser and (ii) made in the ordinary course of business or financial affairs of the Seller, the Administrative Agent and each Purchaser.

(d) In connection with the Seller's transfer of its right, title and interest in, to and under the Receivables Sale Agreement , the Seller agrees that the Administrative Agent shall have the right to enforce the Seller's rights and remedies under the Receivables Sale Agreement , to receive all amounts payable thereunder or in connection therewith, to consent to amendments, modifications or waivers thereof, and to direct, instruct or request any action thereunder, but in each case without any obligation on the part of the Administrative Agent, any Managing Agent or any Purchaser or any of its or their respective Affiliates to perform any of the obligations of the Seller under the Receivables Sale Agreement . To the extent that the Seller enforces the Seller's rights and remedies under the Receivables Sale Agreement , from and after the occurrence of an Amortization Event, and during the continuance thereof, the Administrative Agent shall have the exclusive right to direct such enforcement by the Seller.

~~USA PATRIOT Act~~

~~. Each Financial Institution that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " Act ") hereby notifies the Seller Parties that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies each Seller Party , which information includes the name and address of the each Seller Party and other information that will allow such Committed Purchaser to identify each Seller Party in accordance with the Act.~~ [Reserved]

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Investor Information

. The Managing Agents will, promptly after the request therefor by the Seller (but no more frequently than once per month), provide the Seller with a copy of the current private placement memorandum for any related Conduit, together with the approximate outstanding amount of such Conduit's commercial paper as of a recent date.

Accounting Terms; GAAP

. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Seller notifies the Administrative Agent that the Seller requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Seller that the Required Financial Institutions request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other

provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Company or any Subsidiary at "fair value", as defined therein and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

LKQ RECEIVABLES FINANCE COMPANY, LLC, as Seller

By:
Name:
Title:

Address:

Attention:
Telephone:
Email:
Fax:

with a copy to:

LKQ CORPORATION, as Servicer

By:_____
Name:
Title:

Address:

Attention:

Telephone:

Email:
Fax:

VICTORY RECEIVABLES CORPORATION, as a Conduit

By:_____

Name:

Title:

Address: Victory Receivables Corporation
c/o Global Securitization Services, LLC
~~114 West 47th Street~~ 68 South Service Road , Suite ~~2310~~ 120
~~New York~~ Melville , NY ~~10036~~ 11747
Attention: ~~Frank B. Bilotta~~ Kevin Corrigan
Telephone:(212) 295- ~~2777~~ 2757
Facsimile: (212) 302-8767
Email: kcorrigan@gssnyc.com

with copy to:
~~The~~ MUFG Bank ~~of Tokyo-Mitsubishi UFJ~~ , Ltd.
~~1251~~ 1221 Avenue of the Americas
New York, NY 10020
Attention: Nicolas Mounier / Eric Williams ~~/ Devang Sodha~~
Telephone: (212) ~~782~~ 405 - ~~5980~~ 6776 / (212) ~~782-4910 / (212) 782-4253~~ 405-6654
Facsimile: (212) 782-6448
E-mail: securitization_reporting@us.mufg.jp
eric.williams@mufgsecurities.com
~~ewilliams@us.mufg.jp~~
~~dsodha@us.mufg.jp~~

~~THE~~ MUFG BANK ~~OF TOKYO-MITSUBISHI UFJ~~ , LTD.,
~~NEW YORK BRANCH,~~ as a Financial Institution

By:_____

Name:

Title:

Address: ~~1251~~ 1221 Avenue of the Americas
New York, NY 10020
Attention: Nicolas Mounier / Eric Williams ~~/ Devang Sodha~~
Telephone: (212) ~~782~~ 405 - ~~5980~~ 6776 / (212) ~~782-4910 / (212) 782-4253~~ 405-6654
Facsimile: (212) 782-6448
E-mail: securitization_reporting@us.mufg.jp
~~ewilliams@us.mufg.jp~~
~~dsodha@us.mufg.jp~~
eric.williams@mufgsecurities.com

~~THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,~~
~~NEW YORK BRANCH~~ MUFG BANK, LTD. , as Administrative Agent and as a Managing Agent

By:_____

Name:

Title:

For Purchase Notices:

Address: ~~The~~ MUFG Bank ~~of Tokyo-Mitsubishi UFJ, Ltd.~~ , LTD.
~~34 Exchange Place, Plaza III 5th Floor~~
~~Jersey City, NJ 07311~~
~~Attention:~~ ~~John Donoghue~~
~~Facsimile No.:~~ ~~(201) 369-2149~~
~~Email:~~ ~~securitization_reporting@us.mufg.jp~~
~~With a copy to:~~

~~Address:~~ ~~1251~~ 1221 Avenue of the Americas
New York, NY 10020
Attention: Nicolas Mounier / Eric Williams ~~/ Devang Sodha~~
Telephone: (212) ~~782~~ 405 - ~~5980~~ 6776 / (212) ~~782-4910 / (212) 782-4253~~ 405-6654
Facsimile: (212) 782-6448
E-mail: securitization_reporting@us.mufg.jp
eric.williams@mufgsecurities.com
~~ewilliams@us.mufg.jp~~
~~dsodha@us.mufg.jp~~

EXHIBIT I

DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

" Accrual for Rebates and Discounts " means accruals related to contractual or anticipated rebates and payment discount programs.

" Administrative Agent " has the meaning set forth in the preamble to this Agreement.

" Adverse Claim " means a lien, security interest, charge or encumbrance, or other right or claim in, of or on any Person's assets or properties in favor of any other Person.

" Affiliate " means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person or any Subsidiary of such Person. A Person shall be deemed to control another Person if the controlling Person owns 10% or more of any class of voting securities of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

" Aggregate Capital " means, on any date of determination, the aggregate amount of Capital of all Purchaser Interests outstanding on such date.

" Aggregate Reduction " has the meaning specified in Section 1.3 .

" Aggregate Reserves " means, on any date of determination, the sum of the Loss and Dilution Reserve and the Yield and Servicer Reserve.

" Aggregate Unpaids " means, at any time, an amount equal to the sum of Aggregate Capital and all other unpaid Obligations (whether due or accrued) at such time.

" Agreement " means this Receivables Purchase Agreement, as the same may be further amended, restated, supplemented or otherwise modified from time to time.

" Amortization Date " means the earliest to occur of (i) the day on which any of the conditions precedent set forth in Section 6.2 are not satisfied, (ii) the Business Day immediately prior to the occurrence of an Amortization Event set forth in Section 9.1(d) , (iii) the Business Day specified in a written notice from the Administrative Agent following the occurrence of any other Amortization Event, (iv) the Business Day specified in a written notice from the Administrative Agent following the failure of any Seller Party to perform or observe any term, covenant or agreement under Section 7.1(f)(ii) , and (v) the date which is five (5) Business Days after the Administrative Agent's receipt of written notice from the Seller that it wishes to terminate the facility evidenced by this Agreement.

" Amortization Event " has the meaning set forth in Article IX .

" Anti-Corruption Laws " means all laws, rules, and regulations of any jurisdiction applicable to the Seller Parties or their Subsidiaries from time to time concerning or relating to bribery or corruption, including, without limitation, the Foreign Corrupt Practices Act of 1977, as amended, and any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

" Anti-Terrorism Laws " shall mean any applicable law relating to money laundering or terrorism, including Executive Order 13224, the regulations promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the Bank Secrecy Act, the USA Patriot Act, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., the Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any executive orders or regulations promulgated thereunder.

" Assignment Agreement " has the meaning set forth in Section 12.1(b) .

" Authorized Officer " means, with respect to any Person, its president, corporate controller, treasurer or chief financial officer.

" Base Rate " means, for any day, a rate per annum equal the corporate base rate, prime rate or base rate of interest, as applicable, announced by the Administrative Agent from time to time, changing when and as such rate changes.

" BASEL Accord " means, the second accord adopted by the BASEL Committee on Banking Supervision (as defined below), to the extent and in the manner implemented as an applicable law, guideline or request (or any combination thereof) from any Governmental Authority (whether or not having the force of law), as such accord and any related law, guideline or request may be amended, supplemented, restated or otherwise modified, including, but not limited to, each similar and subsequent accord that may be adopted by the BASEL Committee on Banking Supervision (including, but not limited to, the proposed accord known as BASEL III) and all related laws, guidelines or requests implementing each such accord as may be adopted and amended or supplemented from time to time. As used herein, " BASEL Committee on Banking Supervision " means, the committee created in 1974 by the central bank governors of the Group of Ten nations. For purposes hereof "Group of Ten" shall mean the eleven countries of Belgium, Canada, France, Germany, Switzerland, the United States, Italy, Japan, the Netherlands, Sweden and the United Kingdom, which are commonly referred to as the "Group of Ten" or "G-10", and any successor thereto.

"Beneficial Ownership Rule" means 31 C.F.R. § 1010.230.

" Broken Funding Costs " means for any Purchaser Interest which: (i) has its Capital reduced without compliance by the Seller with the notice requirements hereunder or (ii) does not become subject to an Aggregate Reduction following the delivery of any Reduction Notice or (iii) is assigned under a Liquidity Agreement or terminated prior to the date on which it was originally scheduled to end; an amount equal to the excess, if any, of (A) the Yield (as applicable) that would have accrued during the remainder of the Settlement Period or the tranche periods for Commercial Paper determined by the related Managing Agent to relate to such Purchaser Interest (as applicable) subsequent to the date of such reduction, assignment or termination (or in respect of clause (ii) above, the date such Aggregate Reduction was designated to occur pursuant to the Reduction Notice) of the Capital of such Purchaser Interest if such reduction, assignment or termination had not occurred or such Reduction Notice had not been delivered, over (B) the sum of (x) to the extent all

or a portion of such Capital is allocated to another Purchaser Interest, the amount of Yield actually accrued during the remainder of such period on such Capital for the new Purchaser Interest, and (y) to the extent such Capital is not allocated to another Purchaser Interest, the income, if any, actually received during the remainder of such period by the holder of such Purchaser Interest from investing the portion of such Capital not so allocated. In the event that the amount referred to in subclause (B) exceeds the amount referred to in subclause (A) , the relevant Purchaser or Purchasers agree to pay to the Seller the amount of such excess. All Broken Funding Costs shall be due and payable hereunder upon demand.

~~" BTMU " has the meaning set forth in the preamble.~~

" Business Day " means any day on which banks are not authorized or required to close in New York, New York, and, if the applicable Business Day relates to any computation or payment to be made with respect to the LIBO Rate, any day on which dealings in dollar deposits are carried on in the London interbank market.

" Capital " of any Purchaser Interest means, at any time, (A) the Purchase Price of such Purchaser Interest, minus (B) the sum of the aggregate amount of Collections and other payments received by any Managing Agent, which, in each case, are applied to reduce such Capital in accordance with the terms and conditions of this Agreement; provided that such Capital shall be restored (in accordance with Section 2.6) in the amount of any Collections or other payments so received and applied if at any time the distribution of such Collections or payments are rescinded, returned or refunded for any reason.

" Change of Control " means (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d) 5 under the Exchange Act), directly or indirectly, of more than 30% of the outstanding common stock of the Company; (ii) LKQ shall cease to own, free and clear of all Adverse Claims, directly or indirectly, all of the outstanding partnership interests, membership interests, voting stock or other ownership interests, as applicable, in any Originator or (iii) Keystone shall cease to own directly, free and clear of all Adverse Claims (other than liens on the equity interests of Seller to secure the obligations of LKQ and its Subsidiaries under LKQ's senior credit facilities), all of the outstanding shares of voting stock of the Seller.

" Collection Account " means each concentration account, depositary account, lock-box account or similar account in which any Collections are collected or deposited and which is listed on Exhibit IV .

" Collection Account Agreement " means an agreement substantially in the form of Exhibit VI among an Originator (if the related Collection Account was in the name of such Originator prior to being transferred into the name of the Seller), the Seller, the Administrative Agent and a Collection Bank.

" Collection Bank " means, at any time, any of the banks holding one or more Collection Accounts.

" Collection Notice " means a notice, in substantially the form of Annex A to Exhibit VI , from the Administrative Agent to a Collection Bank.

" Collections " means, with respect to any Purchased Receivable, all cash collections and other cash proceeds in respect of such Receivable, including, without limitation, (i) all yield, Finance Charges or other related amounts accruing in respect thereof and all cash proceeds and insurance proceeds of Related Security with respect to such Receivable, (ii) all Deemed Collections and (iii) the proceeds of any sale of Designated Defaulted Receivables .

" Commercial Paper " means the promissory notes of a Conduit issued by such Conduit in the commercial paper market.

" Commitment " means, for each Financial Institution, the commitment of such Financial Institution to purchase Purchaser Interests hereunder from the Seller in an amount not to exceed (i) in the aggregate, the amount set forth opposite such Financial Institution's name on Schedule A to this Agreement, or in the case of a Financial Institution that becomes a party to this Agreement pursuant to an Assignment Agreement or a Joinder Agreement, as applicable, the amount set forth therein as such Financial Institution's "Commitment", in each case, as such amount may be modified in accordance with the terms hereof (including, without limitation, any termination of Commitments pursuant to Section 12.4 hereof) and (ii) with respect to any individual purchase hereunder, its Pro Rata Share of the Purchase Price therefor.

" Commitment Availability " means at any time the positive difference (if any) between (a) an amount equal to the aggregate amount of the Commitments at such time minus (b) the Aggregate Capital at such time.

" Concentration Limit " means, for any Obligor on any date, either (i) the highest Concentration Percentage set forth below based on the Short-Term Debt Ratings of such Obligor on such date, or (ii) such higher percentage (a " Special Concentration Percentage "), if any, as is otherwise agreed to by the Seller, the Managing Agents and the Administrative Agent and designated by the Administrative Agent in a writing delivered to the Seller, in each case multiplied by the aggregate Outstanding Balance of all Eligible Receivables of such Obligor on such date; provided , that in the case of an Obligor and its Affiliates, the Concentration Limit shall be calculated as if such Obligor and such Affiliates were a single Obligor; provided , further , that each applicable Managing Agent shall have received written confirmation from each of S&P and Moody's that the ratings of the commercial paper notes issued by any Conduit Purchaser in its Purchaser Group would not, as a result of any Special Concentration Percentage, be reduced or withdrawn; and provided further , that any Managing Agent may reduce or cancel any Special Concentration Percentage with respect to any Obligor upon three (3) Business Days' notice to the Seller.

At least A-1 by S&P and at least P-1 by Moody's	14.00%
At least A-2 by S&P and at least P-2 by Moody's	7.00%
At least A-3 by S&P and at least P-3 by Moody's	4.67%
Any other Short-Term Debt Rating or Unrated by either S&P or Moody's	3.50%

" Conduit " means, a Person identified as a "Conduit" on Schedule A and its respective successors and permitted assigns.

" Conduit Purchase Limit " means, for any Conduit, the maximum principal amount of the Purchaser Interests which may be purchased by such Conduit as set forth on Schedule A (or on the applicable schedule to the Assignment Agreement or Joinder Agreement pursuant to which such Conduit became a party hereto), subject to assignment pursuant to Section 12.1(a) , as such amount may be modified from time to time by notice from the related Managing Agent to the Seller and the Administrative Agent.

" Contingent Obligation " of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or application for a letter of credit.

" Contract " means, with respect to any Receivable, any and all instruments, agreements or other writings (other than the related Invoice) pursuant to which such Receivable arises or which evidences such Receivable.

" CP Costs " means, for each day, the sum of (i) discount or yield accrued on Pooled Commercial Paper on such day, plus (ii) any and all accrued commissions in respect of placement agents and Commercial Paper dealers, and issuing and paying agent fees incurred, in respect of such Pooled Commercial Paper for such day, plus (iii) other costs associated with funding small or odd-lot amounts with respect to all receivable purchase facilities which are directly or indirectly funded by Pooled Commercial Paper for such day, minus (iv) any accrual of income net of expenses received on such day from investment of collections received under all receivable purchase facilities directly or indirectly funded substantially with Pooled Commercial Paper, minus (v) any payment received on such day net of expenses in respect of Broken Funding Costs related to the prepayment of any Purchaser Interest of a Conduit pursuant to the terms of any receivable purchase facilities directly or indirectly funded substantially with Pooled Commercial Paper. In addition to the foregoing costs, if the Seller shall request any Incremental Purchase during any period of time determined by the Managing Agent in its sole discretion to result in incrementally higher Yield applicable to such Incremental Purchase, the Capital associated with any such Incremental Purchase shall, during such period, be deemed to be directly or indirectly funded by such Conduit in a special

pool (which may include capital associated with other receivable purchase facilities) for purposes of determining such additional Yield applicable only to such special pool and charged each day during such period against such Capital.

" CP Rate " means with respect to any Settlement Period and any Purchaser Interest funded by a Conduit if and to the extent such Conduit directly or indirectly funds the purchase or maintenance of its Purchaser Interest by the issuance of Commercial Paper during such Settlement Period, a per annum rate equal to a fraction, expressed as a percentage, (i) the numerator of which shall be equal to the sum of the CP Costs, determined on a pro rata basis, based upon the percentage share that the dollar amount of such Purchaser Interest represents in relation to all assets or investments associated with any assets held by such Conduit and directly or indirectly funded substantially with Pooled Commercial Paper, for each day during such Settlement Period (or portion thereof), and (ii) the denominator of which is the weighted daily average Capital of such Purchaser Interest during such Settlement Period; provided that if an Amortization Event shall have occurred and the Administrative Agent has exercised its rights pursuant to Section 9.2 , the CP Rate with respect to each Purchaser Interest shall mean a rate per annum equal to the Default Rate.

" Credit and Collection Policy " means the Seller's credit and collection policies and practices relating to Contracts, Invoices and Receivables existing on the date hereof and summarized in Exhibit VIII hereto, as modified from time to time in accordance with this Agreement.

" Credit Memo Reserve " means a reserve established based upon the estimated future credits related to stock, scrap, warranty and damage returns.

" Deemed Collections " means the aggregate of all amounts the Seller shall have been deemed to have received as a Collection of a Receivable. The Seller shall be deemed to have received a Collection in full of a Receivable if at any time (i) the Outstanding Balance of any such Receivable is either (x) reduced as a result of any defective or rejected goods or services, any discount or any adjustment or otherwise by the Seller or by the Servicer on the Seller's behalf (other than cash Collections on account of the Receivables) or (y) reduced or canceled as a result of a setoff in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction) or (ii) any of the representations or warranties in Article V are no longer true with respect to any Receivable.

" Default Fee " means with respect to any amount due and payable by the Seller in respect of any Aggregate Unpaids, an amount equal to the interest accruing on any such unpaid Aggregate Unpaids at a rate per annum equal to the Default Rate.

" Default Rate " means, for any day, a per annum rate equal to the sum of (i) 2.00% plus (ii) the Base Rate.

" Default Ratio " means, at any time, a percentage equal to (i) the aggregate Outstanding Balance of all Defaulted Receivables as of such day divided by (ii) the aggregate Outstanding Balance of all Receivables as of such day.

" Defaulted Receivable " means a Purchased Receivable: (i) as to which the Obligor thereof has taken any action, or suffered any event to occur, of the type described in Section 9.1(d) (as if references to the Seller Party therein refer to such Obligor); (ii) as to which any payment, or part thereof, remains unpaid for 91 days or more from the original due date for such payment; or (iii)

which, in accordance with the Credit and Collection Policy, should have been written off as uncollectible.

" Dilution Horizon Ratio " means, as of the last day of any calendar month, a percentage equal to (i) the Originator Sales during such calendar month divided by (ii) the Eligible Receivables Balance as of such date.

" Dilution Ratio " means, as of the last day of any calendar month, a percentage equal to (i) the aggregate amount of Dilutions which accrued during such calendar month, divided by (ii) the Originator Sales during such calendar month.

" Dilution Reserve Floor Percentage " means, as of the last day of any calendar month, a percentage equal to the following calculation:

ED x DHR

where:

DHR = the Dilution Horizon Ratio at such time.

ED = the Expected Dilution Ratio at such time.

" Dilution Spike Ratio " means, as of the last day of any calendar month, a percentage equal to the highest three-month average Dilution Ratio as of the last day of any of the twelve (12) months then most recently ended.

" Dilutions " means, at any time, the aggregate amount of reductions or cancellations described in clause (i) of the definition of "Deemed Collections".

" Discount Rate " means, the LIBO Rate or the Base Rate, as applicable, with respect to each Purchaser Interest of the Financial Institutions and any Purchaser Interest of a Conduit, an undivided interest in which has been assigned by such Conduit to a Financial Institution pursuant to a Liquidity Agreement, or funded subject to a LIBO Rate or Base Rate; provided , that if an Amortization Event shall have occurred and the Administrative Agent has exercised its rights pursuant to Section 9.2 , the Discount Rate shall mean a rate per annum equal to the Default Rate.

" Dynamic Dilution Reserve Percentage " means, as of the last day of any calendar month, a percentage equal to the following calculation:

[(SF x ED) + ((DS - ED) x DS / ED)] x DHR

where:

SF = the Stress Factor

DHR = the Dilution Horizon Ratio at such time.

DS = the Dilution Spike Ratio at such time.

ED = the Expected Dilution Ratio at such time.

" Dynamic Loss Reserve Percentage " means, as of the last day of any calendar month, a percentage equal to the following calculation:

SF x LS x LHR

where:

SF = the Stress Factor

LHR = the Loss Horizon Ratio at such time.

LS = the Loss Spike Ratio at such time.

" Eligible Assignee " means, (i) each Managing Agent or any of its Affiliates, (ii) if with respect to an assignment by a Conduit, any Person managed, administered or sponsored by any Managing Agent or any of its Affiliates, (iii) any financial or other institution providing liquidity to any Conduit pursuant to a Liquidity Agreement, or (iv) any other Person with the consent of the Seller (not to be unreasonably withheld or delayed).

" Eligible Receivable " means, at any time, a Receivable:

(i) the Obligor of which (a) (1) if a natural person, is a resident of the United States or (2) if a corporation or other business organization, is organized under the laws of the United States or any political subdivision thereof and has a place of business in the United States; (b) is not an Affiliate or material supplier of any of the parties hereto; and (c) is not a government or a governmental subdivision or agency,

(ii) the Obligor of which is not the Obligor of any Defaulted Receivables which in the aggregate constitute more than 25% of all Receivables of such Obligor,

(iii) which is not a Defaulted Receivable,

(iv) which (a) by its terms is due and payable within 120 days of the original billing date therefor, (b) has not had its payment terms extended and (c) has not had its original billing date changed for any portion thereof,

(v) which is an "account" or "payment intangible" within the meaning of Section 9-102 of the UCC of all applicable jurisdictions,

(vi) which arises under an Invoice which represents all or part of the sale price of merchandise, insurance and services within the meaning of the Investment Company Act of 1940, Section 3(c)5, as amended,

(vii) the purchase thereof would constitute a "current transaction" within the meaning of Section 3(a)(3) of the Securities Act of 1933, as amended,

(viii) which is denominated and payable only in United States dollars in the United States,

(ix) which arises under an Invoice which, together with such Receivable, is in full force and effect and constitutes the legal, valid and binding obligation of the related

Obligor enforceable against such Obligor in accordance with its terms subject to no offset, counterclaim or other defense,

(x) which arises under a Contract or Invoice which (a) either does not require the Obligor under such Contract or Invoice to consent to the transfer, sale or assignment of the rights and duties of the applicable Originator or any of its assignees under such Contract or Invoice or requires such consent and such consent has been obtained and (b) does not contain a confidentiality provision that purports to restrict the ability of any Purchaser to exercise its rights under this Agreement, including, without limitation, its right to review the Contract and Invoices,

(xi) which arises under an Invoice that contains an obligation to pay a specified sum of money, contingent only upon the sale of goods or the provision of services by the applicable Originator,

(xii) which, together with the Contract and Invoice related thereto, does not contravene any law, rule or regulation applicable thereto (including, without limitation, any law, rule and regulation relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no part of the Contract or Invoice related thereto is in violation of any such law, rule or regulation,

(xiii) which satisfies all applicable requirements of the Credit and Collection Policy,

(xiv) which was generated in the ordinary course of the applicable Originator's business,

(xv) which arises solely from the sale of goods or the provision of services to the related Obligor by the applicable Originator, and not by any other Person (in whole or in part),

(xvi) as to which the Administrative Agent has not notified the Seller that the Administrative Agent has determined, in its commercially reasonably discretion, that such Receivable or class of Receivables is not acceptable as an Eligible Receivable, including, without limitation, because such Receivable arises under a Contract or an Invoice that is not acceptable to the Administrative Agent,

(xvii) which (a) is not subject to any right of rescission, set-off, counterclaim, or any other defense (including defenses arising out of violations of usury laws) of the applicable Obligor or any of its Affiliates against the applicable Originator or any Affiliate of any Originator, (b) neither the Obligor thereon nor any of its Affiliates is owed a receivable by any Originator or any Affiliate of any Originator; provided, that only that portion of such Receivable subject to such contra balance shall not constitute an Eligible Receivables hereunder and (c) is not subject to any other Adverse Claim in favor of any Person (other than the Administrative Agent, any Managing Agent or any Purchaser pursuant to the terms of the Transaction Documents), and neither the Obligor thereon nor any of its Affiliates holds any right as against the applicable Originator to cause such Originator to repurchase the goods or merchandise the sale of which shall have given rise to such Receivable (except

with respect to sale discounts effected pursuant to the Contract or Invoice, or defective goods returned in accordance with the terms of the Contract or Invoice),

(xviii) as to which (a) the applicable Originator has satisfied and fully performed all obligations on its part with respect to such Receivable required to be fulfilled by it, (b) no further action is required to be performed by any Person with respect thereto other than payment thereon by the applicable Obligor and (c) no "bill and hold" arrangement applies, and

(xix) all right, title and interest to and in which has been validly transferred by the applicable Originator directly to the Seller under and in accordance with the applicable Receivables Sale Agreement, and the Seller has good and marketable title thereto free and clear of any Adverse Claim (other than the Administrative Agent, the Managing Agents or any Purchaser).

" Eligible Receivables Balance " means, at any time, the aggregate Outstanding Balance of all Eligible Receivables at such time in the Receivables Assets.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended from time to time.

" Excluded Receivable " means a Receivable described on Schedule D , as such schedule may be modified from time to time by the Seller with the consent of the Administrative Agent.

" Expected Dilution Ratio " means, as of any date, the average of the Dilution Ratios in respect of the twelve (12) immediately preceding months.

" Extended Payment Term Receivable " means a Receivable which by its terms is due and payable later than 60 days but within 120 days of the original billing date therefor.

" Facility Account " means the following account:

Account #: 310-051-428
Account Title: VRC
Maintained At: ~~The~~ MUFG Bank ~~of Tokyo-Mitsubishi UFJ~~ , Ltd.
ABA: 026-009-632
Reference: LKQ Corporation

" Facility Termination Date " means the earliest of (i) the Liquidity Termination Date and (ii) the Amortization Date.

" Federal Bankruptcy Code " means Title 11 of the United States Code entitled "Bankruptcy," as amended and any successor statute thereto.

" Federal Funds Effective Rate " means, for any period, a fluctuating interest rate per annum for each day during such period equal to (a) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York in the Composite Closing Quotations for U.S. Government Securities; or (b) if such rate is not so published for any day which is a Business Day, the average

of the quotations at approximately 11:30 a.m. (New York time) for such day on such transactions received by the Agent from three federal funds brokers of recognized standing selected by it.

" Fee Letter " means that certain amended and restated letter agreement dated as of the date hereof among the Seller, the Managing Agents and the Administrative Agent regarding certain fees payable to the Administrative Agent and the Managing Agents, as applicable, as the same may be further amended, restated, supplemented or otherwise modified from time to time.

" Finance Charges " means, with respect to a Receivable, any finance, interest, late payment charges or similar charges owing by an Obligor pursuant to the related Contract and Invoice.

" Financial Institutions " means, as to any Purchaser Group, each of the financial institutions listed on Schedule A as a "Financial Institution" for such Purchaser Group, together with its respective successors and permitted assigns .

" Funding Agreement " means this Agreement and any agreement or instrument executed by any Funding Source with or for the benefit of any Conduit, including any Liquidity Agreement.

" Funding Source " means (i) any Financial Institution or (ii) any insurance company, bank or other funding entity providing liquidity, credit enhancement or back-up purchase support or facilities to any Conduit.

" GAAP " means generally accepted accounting principles in effect in the United States of America.

" Group Purchase Limit " means , for each Purchaser Group, the amount set forth on Schedule A (or in the Joinder Agreement pursuant to which such Purchaser Group became party hereto), subject to assignment pursuant to Section 12.1 , as such amount may be reduced in accordance with Section 1.1(b) .

" Incremental Purchase " means a purchase of one or more Purchaser Interests which increases the total outstanding Aggregate Capital hereunder.

" Indebtedness " of any Person means such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) capitalized lease obligations, (vi) net liabilities under interest rate swap, exchange or cap agreements, (vii) Contingent Obligations and (viii) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA.

" Independent Director " shall mean a member of the Board of Managers of the Seller who (i) shall not have been at the time of such Person's appointment or at any time during the preceding five years, and shall not be as long as such Person is a manager of the Seller, (A) a director, officer, employee, partner, shareholder, member, manager or Affiliate of any of the following Persons (collectively, the " Independent Parties "): Servicer, Originator, or any of their respective Subsidiaries or Affiliates (other than Seller or any other single-purpose Affiliate of the Independent Parties), (B) a supplier to any of the Independent Parties, (C) a Person controlling or under common control with any partner, shareholder, member, manager, Affiliate or supplier of any of the Independent Parties,

or (D) a member of the immediate family of any director, officer, employee, partner, shareholder, member, manager, Affiliate or supplier of any of the Independent Parties; (ii) has prior experience as an independent director or manager for a corporation or limited liability company whose charter documents required the unanimous consent of all independent directors or managers thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (iii) has at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities.

" Information " has the meaning set forth in Section 13.5 .

" Invoice " means, with respect to any Receivable, an invoice in substantially the form of one of the form invoices set forth on Exhibit IX hereto or otherwise approved by the Administrative Agent in writing.

" LIBO Rate " means the rate per annum equal to the sum of (a) the rate appearing on a Bloomberg screen Bloomberg US2001M as of 11:00 a.m. (London time) two Business Days prior to the first day of the relevant Settlement Period, and having a maturity equal to one (1) month; provided that, (x) Bloomberg screen Bloomberg US2001M is not available to the Administrative Agent for any reason, the applicable LIBO Rate for the relevant Settlement Period shall instead be the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Settlement Period, and having a maturity equal to one (1) month, and (y) if no such rate is available to the Administrative Agent, the applicable LIBO Rate for the relevant Settlement Period shall instead be the rate determined by the Administrative Agent to be the rate at which ~~BTMU~~ MUFG offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Settlement Period, in the approximate amount to be funded at the LIBO Rate and having a maturity equal to one (1) month, divided by (b) one (1) minus the maximum aggregate reserve requirement (including all basic, supplemental, marginal or other reserves) which is imposed against the Administrative Agent in respect of Eurocurrency liabilities, as defined in Regulation D of the Board of Governors of the Federal Reserve System as in effect from time to time (expressed as a decimal), applicable to such Settlement Period. The LIBO Rate shall be rounded, if necessary, to the next higher 1/16 of 1.00%. Notwithstanding the foregoing, at no time shall the LIBO Rate be less than 0%.

" Liquidity Agreement " means an agreement entered into by a Conduit and the related Financial Institutions in its Purchaser Group in connection herewith for the purpose of providing liquidity with respect to the Capital funded by such Conduit under this Agreement.

" Liquidity Termination Date " means November 8, ~~2019~~ 2021 .

" LKQ " means LKQ Corporation, a Delaware corporation, together with its successors and permitted assigns.

" LKQ Entity " has the meaning set forth in Section 7.1(i) .

" Lock-Box " means each locked postal box with respect to which a bank who has executed a Collection Account Agreement has been granted exclusive access for the purpose of retrieving and processing payments made on the Purchased Receivables and which is listed on Exhibit IV .

" Loss Horizon Ratio " means, as of the last day of any calendar month, a percentage equal to (i) the sum of the Originator Sales during such calendar month and the preceding 2 calendar months, divided by (ii) the Eligible Receivables Balance as of such date.

" Loss Ratio " means, as at the last day of any calendar month, a percentage equal to (i) the sum of (A) the aggregate Outstanding Balance of all Receivables greater than 60 days past due and less than 91 days past due as of such day plus (B) the aggregate Outstanding Balance of all Receivables that became Defaulted Receivables during such month and which have remained unpaid for less than 91 days from the original invoice date, divided by (ii) the Originator Sales during the month ended three (3) months prior to such month.

" Loss and Dilution Reserve " means, on any date, an amount equal to the product of (a) the greater of (i) sum of (A) the Loss Reserve Floor Percentage plus (B) Dilution Reserve Floor Percentage and (ii) the sum of (x) the Dynamic Loss Reserve Percentage plus (y) the Dynamic Dilution Reserve Percentage; multiplied by (b) the Net Receivables Balance on such date.

" Loss Reserve Floor Percentage " means 14.0%.

" Loss Spike Ratio " means, as of the last day of any calendar month, a percentage equal to the highest three-month average Loss Ratio as of the last day of any of the twelve (12) months then most recently ended.

" Managing Agent " means, as to any Conduit or Financial Institution, the Person listed on Schedule A as the "Managing Agent" for such Purchasers, together with its respective successors and permitted assigns.

" Material Adverse Effect " means a material adverse effect on (i) the financial condition or operations of any Seller Party or LKQ and its Subsidiaries taken as a whole, (ii) the ability of any Seller Party or any LKQ Entity to perform its obligations under any Transaction Document, (iii) the legality, validity or enforceability of this Agreement or any other Transaction Document, (iv) any Purchaser's interest in the Receivables generally or in any significant portion of the Receivables, the Related Security or the Collections with respect thereto, or (v) the collectibility of the Receivables generally or of any material portion of the Receivables.

" Monthly Report " means a report, in substantially the form of Exhibit X hereto (appropriately completed), furnished by the Servicer to the Administrative Agent and each Managing Agent pursuant to Section 8.5 .

" Monthly Reporting Date " has the meaning set forth in Section 8.5(a) .

" Moody's " means Moody's Investors Service and its successors.

"MUFG " has the meaning set forth in the preamble.

" Net Receivables Balance " means, at any time, the Eligible Receivables Balance at such time reduced by (i) the aggregate amount by which the Outstanding Balance of all Eligible Receivables of each Obligor and its Affiliates exceeds the Concentration Limit for such Obligor,

(ii) the aggregate amount by which the Outstanding Balance of Extended Payment Term Receivables (after giving effect to the reduction in clause (i) above) exceeds 2.00% of the Outstanding Balance of all Eligible Receivables, (iii) the Credit Memo Reserve times 1.25 and (iv) the Accrual for Rebates and Discounts at such time.

" Non-Renewing Financial Institution " has the meaning set forth in Section 12.4 .

" Obligations " shall have the meaning set forth in Section 2.1 .

" Obligor " means a Person obligated to make payments pursuant to a Contract and/or Invoice.

" Originator " means each of Keystone Automotive Industries, Inc., Greenleaf Auto Recyclers, LLC, and any other wholly-owned domestic Subsidiary of LKQ which becomes an Originator pursuant to Section 8.11 of the Receivables Sale Agreement with the consent of the Administrative Agent and each Managing Agent, in each case, in their capacities as the sellers under the Receivables Sale Agreement.

" Originator Sales " means, in respect of any period, aggregate sales by the Originators that shall have given rise to Receivables in accordance with GAAP.

" Outstanding Balance " of any Receivable at any time means the then outstanding principal balance thereof.

" Participant " has the meaning set forth in Section 12.2 .

"PATRIOT Act" has the meaning specified in Section 7.1(o).

" Person " means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

" Pooled Commercial Paper " means Commercial Paper notes of a Conduit subject to any particular pooling arrangement by such Conduit, but excluding Commercial Paper issued by such Conduit for a tenor and in an amount specifically requested by any Person in connection with any agreement effected by such Conduit (or by any other Person that funds a purchase of assets or the making of any loan or other financial accommodation directly or indirectly with the proceeds of Commercial Paper issued by such Conduit).

" Portfolio Turnover " means, as of the last day of any calendar month, (i) the aggregate Outstanding Balance of all Receivables as of such day divided by (ii) the Originator's aggregate Collections during such calendar month multiplied by (iii) the number of days in such calendar month.

" Potential Amortization Event " means an event which, with the passage of time or the giving of notice, or both, would constitute an Amortization Event.

" Proposed Reduction Date " has the meaning set forth in Section 1.3 .

" Pro Rata Share " means, as the context requires:

(i) for each Purchaser Group, as among all Purchaser Groups, the ratio at such time (expressed as a percentage) of the aggregate Commitments of the Financial Institutions in such Purchaser Group to the aggregate Commitments of all Financial Institutions; and

(ii) for each Financial Institution as among all Financial Institutions within such Purchaser Group, the ratio at such time (expressed as a percentage) of the Commitment of such Financial Institution to the aggregate Commitment of all Financial Institutions within such Purchaser Group; and

(iii) with respect to the allocation of any payment or distribution hereunder, for each Purchaser, the ratio at such time (expressed as a percentage) of the aggregate Capital in respect of the Purchaser Interests held by such Purchaser to the Aggregate Capital in respect of the Purchaser Interests held by all Purchasers.

" Purchase Allocation " has the meaning set forth in Section 1.2 .

" Purchase Limit " means $ ~~100,000,000~~ 110,000,000 , as such amount may be increased in accordance herewith.

" Purchase Notice " has the meaning set forth in Section 1.2 .

" Purchase Price " means, with respect to any Incremental Purchase of a Purchaser Interest, the amount paid to the Seller for such Purchaser Interest which shall not exceed the least of (i) the amount requested by the Seller in the applicable Purchase Notice, (ii) the unused portion of the Purchase Limit on the applicable purchase date, and (iii) the excess, if any, of (a) the Net Receivables Balance (less the Aggregate Reserves) on the applicable purchase date over (b) the aggregate outstanding amount of Aggregate Capital, determined as of the date of the most recent Monthly Report, taking into account such proposed Incremental Purchase.

" Purchased Receivable " has the meaning set forth in Section 7.1(h) .

" Purchaser Group " means a Conduit, its related Financial Institutions and their related Managing Agent.

" Purchaser Interest " means, at any time, an undivided percentage ownership interest (computed as set forth below) associated with a designated amount of Capital, selected pursuant to the terms and conditions hereof in (i) each Purchased Receivable, (ii) all Related Security with respect to each such Purchased Receivable and (iii) all Collections with respect to, and other proceeds of, each such Purchased Receivable. Each such undivided percentage shall equal:

$$\frac{C}{NRB - AR}$$

where:

AR	=	the Aggregate Reserves.
C	=	the Capital of such Purchaser Interest.
NRB	=	the Net Receivables Balance.

Such undivided percentage ownership interest shall be initially computed on its date of purchase. Thereafter, until the Amortization Date, each Purchaser Interest shall be automatically recomputed (or deemed to be recomputed) on each day prior to the Amortization Date. The variable percentage represented by any Purchaser Interest as computed (or deemed recomputed) as of the close of the Business Day immediately preceding the Amortization Date shall remain constant at all times thereafter.

" Purchasers " means any Conduit or Financial Institution, as applicable.

" Purchasing Financial Institution " has the meaning set forth in Section 12.1(b) .

" Receivable " means all indebtedness and other obligations owed to the Seller or the applicable Originator (at the time it arises, and before giving effect to any transfer or conveyance under the applicable Receivables Sale Agreement or hereunder) or in which the Seller or the applicable Originator has a security interest or other interest, including, without limitation, any indebtedness, obligation or interest constituting an account, chattel paper, instrument or general intangible, arising in connection with the sale of goods or the rendering of services by the applicable Originator and further includes, without limitation, the obligation to pay any Finance Charges with respect thereto. The term " Receivable " shall not include any Excluded Receivable. Indebtedness and other rights and obligations arising from any one transaction, including, without limitation, indebtedness and other rights and obligations represented by an individual Invoice, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction; provided further , that any indebtedness, rights or obligations from any one transaction referred to in the immediately preceding sentence shall be a Receivable regardless of whether the account debtor, the Seller or the applicable Originator treats such indebtedness, rights or obligations as a separate payment obligation.

" Receivables Assets " means the Receivables, the Related Security, and the Collections constituting Purchased Receivables.

" Receivables Sale Agreement " means that certain Receivables Sale Agreement, dated as of September 28, 2012, among the Originators and the Seller, as the same may be amended, restated, supplemented or otherwise modified from time to time.

" Records " means, with respect to any Receivable, all Contracts, Invoices and other documents, books, records and other information (including, without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) relating to such Receivable, any Related Security therefor and the related Obligor.

" Reduction Notice " has the meaning set forth in Section 1.3 .

" Regulatory Change " has the meaning set forth in Section 10.2 .

" Reinvestment " has the meaning set forth in Section 2.2 .

" Related Security " means, with respect to any Purchased Receivable:

(i) all of the Seller's and the applicable Originator's interest in the inventory and goods (including returned or repossessed inventory or goods), if any, the sale, financing

or lease of which by the applicable Originator gave rise to such Receivable, and all insurance contracts with respect thereto,

(ii) all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Receivable,

(iii) all guaranties, letters of credit, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise,

(iv) all service contracts and other contracts and agreements associated with such Receivable,

(v) all Records (other than Contracts) related to such Receivable and all rights (with respect to enforcement or otherwise) under the Contracts related to such Receivable,

(vi) all of the Seller's right, title and interest in, to and under the applicable Sale Agreement in respect of such Receivable, and

(vii) all proceeds of any of the foregoing.

"Replacement Rate" has the meaning specified in Section 4.4(a).

" Representative " has the meaning set forth in Section 13.5 .

" Required Financial Institutions " means, at any time, Financial Institutions with Commitments in excess of 50% of the Purchase Limit at such time.

" Restricted Junior Payment " means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of capital stock of the Seller now or hereafter outstanding, except a dividend payable solely in shares of that class of stock or in any junior class of stock of the Seller, (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of capital stock of the Seller now or hereafter outstanding, (iii) any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to the Subordinated Loans (as defined in the Receivables Sale Agreement), (iv) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of capital stock of the Seller now or hereafter outstanding, and (v) any payment of management fees by the Seller (except for reasonable management fees to the Originators or their respective Affiliates in reimbursement of actual management services performed).

" S&P " means Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc., and its successors.

" Sanctioned Country " means, at any time, a country or territory which is the subject or target of any Sanctions.

" Sanctioned Person " means, at any time, (a) any Person currently the subject or the target of any Sanctions, including any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, and (b) any Person controlled by any such Person.

" Sanctions " means economic, financial or other sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or other relevant sanctions authority, including the U.S. and Canada.

" Seller " has the meaning set forth in the preamble to this Agreement.

" Seller Parties " has the meaning set forth in the preamble to this Agreement.

" Servicer " means at any time the Person (which may be the Administrative Agent) then authorized pursuant to Article VIII to service, administer and collect Receivables.

" Servicing Fee " has the meaning set forth in Section 8.6 .

" Servicing Fee Rate " means, so long as LKQ is acting as Servicer, a rate per annum equal to 1.0%, or, with respect to any successor servicer, such other rate per annum as may be agreed to by the Administrative Agent and such successor servicer.

" Settlement Date " means the third calendar day following each Monthly Reporting Date, (or such other day as agreed to by the Seller and the Administrative Agent in writing), of, if such date is not a Business Day, the next succeeding Business Day.

" Settlement Period " means each calendar month.

" Short-Term Debt Rating " means, for any Person, the rating by S&P or Moody's of such Person's short-term public senior unsecured non-credit-enhanced debt.

" Stress Factor " means, at any time, 2.0.

" Subsidiary " of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, association, limited liability company, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Seller.

" Termination Date " has the meaning set forth in Section 2.3 .

" Termination Percentage " has the meaning set forth in Section 2.3 .

"Third Amendment Effective Date" means December 20, 2018.

" Transaction Documents " means, collectively, this Agreement, each Purchase Notice, the Receivables Sale Agreement , each Collection Account Agreement, the Fee Letter, the Subordinated

Notes (as defined in the Receivables Sale Agreement), and all other instruments, documents and agreements executed and delivered in connection herewith.

" Transaction Parties " means, collectively, the Seller Parties and each Originator.

" UCC " means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

" Volcker Rule " means Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

" Weekly Report " means a report, in substantially the form of Exhibit XVIII hereto (appropriately completed), furnished by the Servicer to the Administrative Agent and each Managing Agent pursuant to Section 8.5 .

" Yield " means (i) for each respective Settlement Period relating to Purchaser Interests of a Financial Institution , including any Purchaser Interest or undivided interests in a Purchaser Interest assigned to such Financial Institution, or funded subject to a LIBO Rate or Base Rate pursuant to a Liquidity Agreement, an amount equal to the product of the applicable Discount Rate for each Purchaser Interest multiplied by the Capital of such Purchaser Interest for each day elapsed during such Settlement Period, annualized on a 360 day basis (or a 365 or 366 day basis, as applicable, in the case of the Base Rate) and (ii) for each respective Settlement Period relating to Purchaser Interests of a Conduit, other than a Purchaser Interest which, or an undivided interest in which, has been assigned by such Conduit to a Financial Institution pursuant to a Liquidity Agreement, an amount equal to the product of the CP Rate multiplied by the Capital of such Purchaser Interest for each day elapsed during such Settlement Period, amortized on a 360-day basis.

" Yield and Servicer Reserve " means, on any date, an amount equal to the Yield and Servicer Reserve Percentage, multiplied by the Net Receivables Balance on such date.

" Yield and Servicer Reserve Percentage " means, as of the last day of any calendar month, a percentage equal to the following calculation:

$$[(DR / 360) + (SFR / 360)] \times 1.5 \times PT$$

where:

DR = the Default Rate

SFR = the Servicing Fee Rate

PT = the Portfolio Turnover at such time

All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

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Description: LKQ - Conformed Copy of Receivables Purchase Agreement to include Amendment No. 2	
Modified DMS: iw://SIDLEYDMS/ACTIVE/236567777/7	
Description: LKQ - Conformed Copy of Receivables Purchase Agreement to include Amendment No. 3	
Changes:	
Add	84
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Format changes	0
Total Changes:	185

Exhibit 10.40

DATED 2 JANUARY 2019

(1) **EURO CAR PARTS LIMITED**

(2) **LKQ CORPORATION**

(3) **SUKHPAL SINGH AHLUWALIA**

SETTLEMENT AGREEMENT

without prejudice and subject to contract

K&L Gates LLP
One New Change London EC4M 9AF
Tel: +44 (0)20 7648 9000
Fax: +44 (0)20 7648 9001
Ref: PXC/3710256.00361

THIS AGREEMENT is made on the 2nd day of January 2019

BETWEEN:

(1) **Euro Car Parts Limited** , company number 02680212, whose registered office is at T2, Birch Coppice Business Park, Danny Morson Way, Dordon, Tamworth, England, B78 1SE (the **"Company"**);

(2) **LKQ Corporation,** a company incorporated in the state of Delaware, USA, whose principal place of business is 500 West Madison Street, Suite 2800, Chicago, Illinois 60661, USA (" **LKQ** "); and

(3) **Sukhpal Singh Ahluwalia** of 89 Winnington Road, London N2 0TT (the **"Employee"**)

WHEREAS:-

(A) The Employee is employed by the Company pursuant to the terms of the Contract of Employment.

(B) The Employee's employment will terminate on the Termination Date.

(C) The Company, LKQ and the Employee have agreed the terms set out in this Agreement in settlement of the Claims and all and any other claims which the Employee has or may have against the Company or any Associated Companies or against any employees or officers of any such company arising out of or in connection with or as a consequence of the Employee's employment or its termination (save in relation to any claims for personal injury and accrued pension rights).

(D) The Company is entering into this Agreement on its own behalf and as agent for any Associated Company.

DEFINITIONS

In this Agreement the following words and expressions shall have the following meanings:

"Act" means the Companies Act 2006;

"Associated Company" means:

(a) any Holding Company of the Company; or
(b) any Subsidiary of any such Holding Company; or
(c) any body corporate (within the meaning of Section 1173 of the Act):
(i) of which any one or more of the Company and any bodies corporate within paragraph (a), (b) or (c) of this definition beneficially owns (directly or indirectly) at least 25% in

nominal value of any class of equity share capital (within the meaning of Section 548 of the Act) carrying the right to vote in all circumstances at general meetings; or

(ii) which is directly or indirectly controlled by the Company; or

(iii) which directly or indirectly controls the Company; or

(iv) which is directly or indirectly controlled by a third party who also directly or indirectly controls the Company; or

(v) of which the Company or an Associated Company is a partner

and shall include, without limitation, LKQ and Keystone Automotive Operations (India) Pvt. Ltd.

"Claims" means those allegations and/or potential claims referred to in Clause 5.1 below;

"Contract of Employment" means the contract of employment between the Company and the Employee dated 7 September 2017;

"HMRC" means Her Majesty's Revenue and Customs;

"Qualified Lawyer" means Melanie Lane, CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London, EC4N 6AF;

"Subsidiary" and **"Holding Company"** have the respective meanings given to them by Section 1159 of the Act and any reference to the Subsidiary or Subsidiaries or Holding Company is (unless inconsistent with the context) intended to be a reference to the Subsidiary or Subsidiaries or Holding Company respectively of the Company in question at the relevant time;

"Termination Date" is the date of this Agreement; and

"Termination Payment" means the sum of £843,055.56 representing a payment in lieu of the salary, directors fees and guaranteed bonus which the Employee would have received had the Contract of Employment continued up to the expiry date of 7 September 2020.

THE COMPANY AND THE EMPLOYEE have agreed as follows:

1. PAYMENTS

1.1. The Employee's employment will terminate on the Termination Date. The Company shall pay the Termination Payment in equal monthly instalments of £41,666.67 from the Termination Date up to and including 31 August 2020, with a further payment of £9,722.22 to be paid in respect of the period 1 September 2020 to 7 September 2020, with payment to be made on the Company’s usual payroll dates,

on condition that the Employee abides by the provisions of Clause 17 of the Contract of Employment, as amended by Clause 1.2 of this Agreement. The Termination Payment will be subject to deductions for income tax and national insurance contributions.

1.2. The Company shall make a further payment of £100 (less deductions for income tax and national insurance contributions) to the Employee in consideration of the Employee's agreement to a variation to clause 17 of the Contract of Employment such that the Restrictive Covenants specified therein shall continue to apply to the Employee up to and including 7 September 2020 (but not thereafter), such variation to take effect on the date of this Agreement.

1.3. The Employee will receive his salary and other contractual benefits up to the Termination Date on the usual basis, subject to the normal deductions for income tax and national insurance. The Employee shall also be paid his 2018 guaranteed bonus in February 2019, subject to the usual deductions for income tax and national insurance contributions.

1.4. The Company will pay to the Employee, on the next usual payroll date following the Termination Date, the sum of £7,615.38 less deductions for income tax and national insurance in respect of the Employee's accrued but untaken holiday as at the Termination Date (6 days).

1.5. The Company shall promptly reimburse the Employee for all business expenses properly and reasonably incurred by him up to the Termination Date, subject to his compliance with the Company's rules and procedures relating to expenses and the production of satisfactory VAT receipts.

1.6. Subject to Clause 5.9, the Company will, without any admission of liability whatsoever and on behalf of the Associated Companies, pay to the Employee the Termination Payment as compensation for the termination of his employment and for loss of office and in full and final settlement of the Claims and all other claims which the Employee has or may have (whether now or at any time in the future) against the Company or any Associated Company arising out of his employment or the termination thereof.

1.7. The Company and the Employee agree to use reasonable endeavours in good faith to agree a valuation of Digraph Transport Supplies Limited ("Digraph") and to effect a sale of one party's shares in Digraph to the other party by no later than 31 March 2019.

2. TAX LIABILITIES

The Employee shall be responsible for all tax liabilities and employee national insurance contributions which are due in respect of the Termination Payment and any benefits provided to the Employee under this Agreement (other than for any tax or national insurance contributions deducted by the Company at source) (the **"Tax Liabilities"**) and the Employee shall indemnify the Company and hold the Company harmless against all Tax Liabilities in respect of which the Company is obliged to account to HMRC

pursuant to the PAYE Regulations at any time and all costs, claims, expenses or proceedings, penalties and interest incurred by the Company which arise out of or in connection with any obligation to pay (or deduct) such Tax Liabilities (save for any costs, claims, expenses or proceedings, penalties and interest arising from the delay or default of the Company, including a failure by the Company to apply PAYE to the Termination Payment). Before making any payment to HMRC or other relevant authority in relation to any demand for Tax Liabilities and upon receipt of any such demand, the Company shall inform the Employee of the situation and afford him a reasonable opportunity to make representations to HMRC or other relevant authority at his own expense (provided that nothing in this Clause shall prevent the Company from complying with its legal obligations with regard to HMRC or other competent body).

3. COMPANY PROPERTY

The Employee will, on or before 8 January 2019, return all documents and correspondence, business equipment or any other property whatsoever belonging to or relating to the business of the Company or any Associated Company including any company fuel card, credit or charge cards, personal computer, laptop, mobile telephone, computer peripherals, software, client lists, employee details, financial or business information, trading history or other confidential or non-confidential information (including, without limitation, any passwords which the Employee has for locked files or systems) howsoever stored which the Employee has or has had in his possession or under his control (together, **"Company Property"**). The Employee's obligations under this Clause shall be deemed to include a return of all copies, drafts, reproductions, notes, extracts, or summaries (howsoever made) of such Company Property and/or an irretrievable deletion of any copies, drafts, reproductions, notes, extracts, or summaries (howsoever made) of Company Property stored on any computer or storage media or otherwise in any electronic form outside of the premises of the Company. The Employee shall, if requested by the Company, confirm in writing his compliance with his obligations under this Clause. The Employee warrants that he has not made or retained copies of or extracts from documents or any notes of or information relating to the business of the Company or any Associated Company, nor will he do so.

4. CONFIDENTIALITY

4.1. The Employee, LKQ and the Company agree to keep the existence and terms of this Agreement and the circumstances concerning the termination of the Employee's employment and those giving rise to, connected with or concerning the Claims confidential, save where such disclosure is to HMRC, required by law, to give effect to the terms of this Agreement or (where necessary or appropriate) to:

a. the Employee’s spouse, civil partner or partner, immediate family or legal or professional advisers, provided that they agree to keep the information confidential; or

b. the Employee’s insurer for the purposes of processing a claim for loss of employment; or

c. the Employee's recruitment consultant or prospective employer to the extent necessary to discuss his employment history; or

d. the Company's insurers, legal or professional advisers.

4.2. The Employee undertakes not to make or cause to be made (directly or indirectly):

a. any derogatory or disparaging statement about the Company, any Associated Company or any of its or their officers, employees or shareholders; or

b. any comment to the press or other media or any other public statement concerning his employment with the Company, or its termination, save where such comment is consistent with the provisions of Schedule 1, without the prior written consent of the Company such consent not to be unreasonably refused.

4.3. The Company and LKQ shall use their reasonable endeavours to procure that none of their senior management teams makes or causes to be made (directly or indirectly):

a. any derogatory or disparaging statement about the Employee; or

b. any comment to the press or other media or any other public statement concerning his employment with the Company, or its termination, save where such comment is consistent with the provisions of Schedule 1, without the prior written consent of the Employee such consent not to be unreasonably refused.

4.4. The Employee acknowledges that he continues to be bound by clause 13 (Confidentiality), clause 14 (Intellectual Property), clause 17 (Restrictive Covenants) (as varied by this Agreement) and clause 24 (Litigation Assistance) of the Contract of Employment both before and after the Termination Date.

5. SETTLEMENT AND WAIVER

5.1. The parties acknowledge that as a consequence of the circumstances leading up to the termination of the Employee's employment, in a letter from the Qualified Lawyer to the Company, dated 19 December 2018, the Employee alleged that he could potentially be entitled to claim constructive and/or unfair dismissal pursuant to section 111 of the Employment Rights Act 1996 **.** However, the Company denies all liability in connection with the same.

5.2. The terms contained in this Agreement are in full and final settlement of the Claims and the Employee represents to the Company that he accepts and he does hereby accept the terms of this Agreement in full and final settlement of the Claims.

5.3. Without prejudice to Clauses 5.1 and 5.2, the Employee further represents to the Company that he accepts and he does hereby accept the terms of this Agreement in full and final settlement of any other claims that he has or may have against the Company or any Associated Company relating to his employment, the termination of his employment or any other matter associated with his employment or the termination of his employment including (without limitation) any action that might be commenced before an Employment Tribunal or Court of law in respect of any and all of the following claims:

a. any common law claims, including any claim for breach of contract or tort;

b. unfair or constructive dismissal under the Employment Rights Act 1996;

c. unlawful deductions from wages under the Employment Rights Act 1996;

d. a statutory redundancy payment under the Employment Rights Act 1996;

e. any other claim under the Employment Rights Act 1996;

f. any claim which arises under the:

i. Equal Pay Act 1970;

ii. Sex Discrimination Act 1975;

iii. Race Relations Act 1976;

iv. Trade Union & Labour Relations (Consolidation) Act 1992 (as amended);

v. Disability Discrimination Act 1995;

vi. Protection from Harassment Act 1997;

vii. Working Time Regulations 1998;

viii. National Minimum Wage Act 1998;

ix. Public Interest Disclosure Act 1998;

x. Human Rights Act 1998;

xi. Data Protection Act 1998;

xii. Employment Relations Act 1999;

xiii. Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000;

xiv. Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002;

xv. Employment Act 2002;

xvi. Employment Equality (Religion or Belief) Regulations 2003;

xvii. Employment Equality (Sexual Orientation) Regulations 2003;

xviii. Employment Act 2002 (Dispute Resolution) Regulations 2004;

xix. Transfer of Undertakings (Protection of Employment) Regulations 2006;

xx. Work and Families Act 2006 (and any regulations made thereunder);

xxi. Employment Equality (Age) Regulations 2006;

xxii. Equality Act 2010; and

g. any other statutory claims or for breach of statutory duties.

5.4. The Employee warrants and further represents that the claims referred to at Clause 5.3 are all of the claims that have been contemplated by the Employee. The Employee further warrants that he has raised with the Qualified Lawyer all facts and issues relevant to his employment and its termination which could give rise to a statutory complaint.

5.5. For the purposes of Clause 5.3, "claims" shall include any claim or right of action arising from a subsequent retrospective change or clarification of the law. The Employee acknowledges that he agrees to the terms of Clause 5.3 notwithstanding that he acknowledges that he may be mistaken as to the facts and/or the law concerning any potential claim or right of action.

5.6. Any claims in respect of any pension rights or pension benefits which have accrued to the Employee up to the Termination Date and any future claims for personal injury of which the Employee is currently unaware are excluded from this Agreement. The Employee warrants that as at the date of this Agreement, he is not aware of any such pension or personal injury claim against the Company or any Associated Company or of any claim which would fall outside of the scope of Clause 5.3.

5.7. The Employee hereby agrees that, except for sums and benefits referred to in this Agreement, no other sums or benefits are due to him from the Company or any Associated Company and without limitation to the generality of the foregoing, he expressly waives any right or claim that he has or may have to any benefit or award programme or grant of equity interest, or to any other benefit, payment or award he may have received had his employment not terminated including, without limitation, any bonus, commission, notice or payment in lieu of notice.

5.8. The Employee acknowledges that the settlement of each of the claims set out in Clauses 5.1 and 5.3 is and shall be construed as separate and severable (including in relation to each of the types of claim covered by the definition of "claims" in Clause 5.5) and in the event of the settlement of any such claim being determined as being void for any reason, such invalidity shall not affect or impair the validity of the settlement of the other claims.

5.9. As a condition of payment of the Termination Payment, the Employee warrants that he has not at any time committed a breach of the Contract of Employment which would entitle the Company to terminate his employment without notice.

5.10. The Employee warrants that there has been no "improper behaviour" within the meaning of section 111A of the Employment Rights Act 1996 by the Company or any Associated Companies or any of its/their respective independent consultants, contractors, officers or employees in relation to any settlement offer or this Agreement and in particular but without limitation that there has been no undue pressure placed on the Employee to sign this Agreement.

5.11. The Employee confirms that he enters into the warranties in Clauses 5.4, 5.6, 5.9 and 5.10 above having taken advice from the Qualified Lawyer on the statutory claims and prospective entitlement to bring statutory proceedings which he has or may have against the Company, or any Associated Company, its or their employees, officers or shareholders.

5.12. The Employee acknowledges that the Company has agreed these terms in reliance on the warranties and representations set out above. In the event that, notwithstanding the provisions of this Agreement, the Employee brings any claims or proceedings, (whether statutory or otherwise), relating to his employment with the Company or any Associated Company, or the termination thereof, against the Company, any Associated Company, its or their employees, officers or shareholders, (whether in an Employment Tribunal, the High Court, a County Court or otherwise), (excluding claims to enforce the provisions of this Agreement or relating to any claim for personal injury or pension rights or pension benefits which have accrued to the Employee up to the Termination Date), the Employee agrees that he will forfeit any unpaid instalments of the Termination Payment and that he will repay to the Company on demand and in full by way of liquidated damages an amount equal to the lesser of:

a. the amount claimed by the Employee in the proceedings (or the maximum amount of compensation which could be awarded in respect of those proceedings); and

b. any paid instalments of the Termination Payment.

This sum shall be recoverable as a debt, together with all costs, including legal costs, reasonably incurred by the Company in recovering the sum and/or in relation to any claims or proceedings so brought by the Employee and together with interest thereon for the period commencing on the date the sum was paid to the Employee and ending on the date the Company receives repayment of such monies in full, such interest to be calculated at the prevailing National Westminster Bank Base Rate published on the date the said sum was paid to the Employee.

5.13. The Employee agrees that any grievance or appeal that may have been raised by him to the Company shall be deemed to have been withdrawn by the Employee on the date of this Agreement. The Employee agrees not to submit any grievances or appeal to the Company in relation to his employment or its termination. The Employee further agrees that any grievances or appeals he may have in relation to his employment or its termination and all claims that may arise from or in relation to such grievances and/or appeal shall be settled conclusively by the terms of this Agreement.

5.14. The Employee agrees that he will not make any subject access requests to the Company or any Associated Company other than in respect of any matters which he is not aware of at the date of signing this Agreement. The Employee agrees that he relinquishes and agrees not to pursue any current subject access request(s) outstanding at the date he signs this Agreement and that all such requests shall be deemed to have been withdrawn by him at the date he signs this Agreement.

5.15. To the extent permitted by the Act, the Company hereby waives any claims against the Employee of which it is aware or ought reasonably to be aware as at the date of this Agreement, arising out of or relating to his employment or the termination of his employment.

5.16. The Employee shall continue to be eligible for cover under the Company's Directors & Officers insurance policy (providing cover in respect of the Employee's directorships of the Company and any Associated Company), subject to the terms of the relevant policy from time to time in force, for a period of six years from the Termination Date when such cover, and the Employee's entitlement to it, shall cease.

6. STATUTORY PROVISIONS ON SETTLEMENT AGREEMENTS

6.1. The Employee represents and warrants that he:

a. has received independent legal advice from the Qualified Lawyer as to the terms and effect of this Agreement and, in particular, its effect on the Employee's ability to pursue his rights before an Employment Tribunal; and

b. is advised by the Qualified Lawyer that there is, and was in force at the time the Employee received the advice referred to above, insurance under a policy of professional indemnity insurance covering the risk of a claim by the Employee in respect of loss arising in consequence of that advice.

6.2. The Employee agrees to provide a copy of the Solicitor's Certificate attached to this Agreement, signed by the Qualified Lawyer, to the Company on the date of this Agreement.

6.3. The Company and the Employee agree and acknowledge that this Agreement satisfies the conditions for regulating compromise agreements and settlement agreements under Section 203(3) Employment Rights Act 1996 (as amended), Section 77(4A) Sex Discrimination Act 1975 (as amended), Section 72(4A) Race Relations Act 1976, Section 17C(2) Disability Discrimination Act 1995, Section 288 Trade Union & Labour Relations (Consolidation) Act 1992 (as amended), Section 49(4) National Minimum Wage Act 1998, Regulation 35(2) Working Time Regulations 1998, Regulation 9 Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, Regulation 10 Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002, Schedule 4 paragraph 2(2) Employment Equality (Religion or Belief) Regulations 2003, Schedule 4 paragraph 2(2) Employment Equality (Sexual Orientation) Regulations 2003, regulation 40(4) of the Information and Consultation of Employees Regulations 2004, Schedule 5 paragraph 2(2) Employment Equality (Age) Regulations 2006, Regulation 18 Transfer of Undertakings (Protection of Employment) Regulations 2006, paragraph 13 of the Schedule to the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006, regulation 62 of the Companies (Cross-Border Mergers) Regulations 2007 and section 58 of the Pensions Act 2008, and Section 147 Equality Act 2010.

7. ANNOUNCEMENT

7.1. The Company shall make an internal announcement on the date of this Agreement in the form attached at Schedule 1 to this Agreement.

7.2. LKQ shall make an external announcement on the date of this Agreement in the form attached at Schedule 2 to this Agreement.

8. RESIGNATION FROM DIRECTORSHIPS

The Employee will resign from all offices which he holds in the Company and any Associated Company on the Termination Date and the Employee undertakes to sign and return a copy of the letter which

appears at Schedule 3 to this Agreement. The Employee acknowledges that his resignation is the result of the mutual agreement of the parties, and not any specific disagreement between him and LKQ Corporation.

9. WHOLE AGREEMENT

The parties to this Agreement agree and acknowledge that this Agreement sets out the entire agreement between them and supersedes all previous discussions between them and their advisers and all statements, representations, terms and conditions, warranties, guarantees, proposals, communications and understandings (if any) whenever given and whether orally or in writing, all of which are hereby treated as terminated by mutual consent.

10. COUNTERPARTS

10.1. This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

10.2. Transmission of the executed signature page of a counterpart of this deed email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

11. GOVERNING LAW ETC

11.1. This Agreement shall be governed by and construed in accordance with the laws of England and the English courts shall have exclusive jurisdiction for all purposes connected with this Agreement.

11.2. This Agreement is "without prejudice" until it is signed by all the signatories indicated below at which point it will become open and binding.

12. THIRD PARTIES

The Contracts (Rights of Third Parties) Act 1999 shall apply to this Agreement to the extent (but no more) than set out in this clause. Any third party shall be entitled to enforce the benefits conferred on it by Clauses 1, 3, 4, 5 and 8 of this Agreement. The consent of a third party shall not be required for the variation or termination of this Agreement, even if that variation or termination affects the benefits conferred on any third party.

IN WITNESS whereof this document has been executed as a deed and is delivered and takes effect on the date first above written.

SIGNED AS A DEED
by **Euro Car Parts Limited**
acting by:

Signature of Director /s/ John Quinn

Print name of Director John Quinn

in the presence of:

Witness:

Signature /s/ Alison Gould

Name Alison Gould

Address

Occupation Chief Investment Officer

SIGNED AS A DEED

by **LKQ Corporation**

acting by:

Signature of Director /s/ Dominick Zarcone

Print name of Director Dominick Zarcone

in the presence of:

Witness:

Signature /s/ Mary P Zarcone

Name Mary P Zarcone

Address

Occupation Retired Teacher

SIGNED AS A DEED /s/ Sukhpal Sing Ahluwalia

by **Sukhpal Singh Ahluwalia**

in the presence of:

Witness:

Signature /s/ Arpana Mangrola

Name Arpana Mangrola

Address

Occupation Director

SOLICITOR'S CERTIFICATE

I, Melanie Lane, confirm that I am a solicitor of the Senior Courts of England and Wales who holds a practising certificate and that I have given independent legal advice to Sukhpal Singh Ahluwalia as to the terms and effects of this Agreement and, in particular, its effect on Sukhpal Singh Ahluwalia's ability to pursue a complaint before an Employment Tribunal. I further confirm that there was in force at the time of the advice given in this Agreement cover under a policy of professional indemnity insurance for the risk of any claim by Sukhpal Singh Ahluwalia in respect of loss arising in consequence of my advice to him.

Signed /s/ Melanie Lane

Melanie Lane

Dated: 31 December 2018

SCHEDULE 1

Internal announcement

To: Euro Car Parts Team
From: Joe Holsten - Chairman of the Board, LKQ Corporation
Nick Zarcone - President and CEO, LKQ Corporation

Subject: Sukhpal Singh Ahluwalia Update

Sukhpal Singh Ahluwalia, born in Uganda, was forced to flee his home country for a new life in Britain in 1972. Then he went to work and almost 40 years ago at the young age of 18, Sukhpal founded what would eventually become Euro Car Parts. In 1979 with a small bank loan, Sukhpal raised £5,000 and set up a motor parts shop in Willesden, North West London. Euro Car Parts expanded by 25%-35% in the early years, and eventually became the leading aftermarket supplier of parts, paints and equipment for all makes of cars to garages and collision repair shops. Along the way, many innovations in the fields of logistics, world sourcing, IT systems integration, staff motivation, marketing and CRM have supported the continued growth of the business. By 2008, Euro Car Parts had opened its 61 st branch and closed the year with about £145 million in revenue.

A few years later Sukhpal was ready for a change and in October 2011 he sold Euro Car Parts to LKQ Corporation. At the time, ECP had 89 branches and approximately £275 million in revenue. Sukhpal remained active in the business and continued to serve as CEO until 2014. He then became Executive Chairman of ECP and a member of the LKQ Board of Directors. Since the transaction with LKQ in 2011, ECP's growth has accelerated, ending 2018 with more than a four-fold increase in revenue to more than £1.2 billion delivered through more than 300 locations across the United Kingdom and the Republic of Ireland. Under Sukhpal's leadership, in 2017, Euro Car Parts opened an additional 778,000 square foot National Distribution Centre near Tamworth, Staffordshire. The result of an £80 million investment in the West Midlands, it is one of the largest car parts distribution facilities in the world and one of the largest automated warehouses in Europe.

In addition to his roles with ECP, LKQ and many civic and charitable organizations, several years ago Sukhpal, along with his 3 sons, founded the investment firm Dominvs Group to manage his family's assets and it now has divisions specialising in hospitality, residential and commercial property, property development and private equity. Today, with an increasing amount of Sukhpal's time and energy focused on the activities of Dominvs, he has decided, with a heavy heart, it is time for another change. Therefore, effective January 2, 2019, Sukhpal is stepping away from his roles as Executive Chairman of ECP and Director of LKQ Corporation.

While his amazing 40-year journey has come to a close, Sukhpal's accomplishments with ECP will forever carry on. Please join us in congratulating Sukhpal on his incredible career in the car parts industry and extending our very best wishes for the continued success of Dominvs.

SCHEDULE 2

External announcement

LKQ Corporation Announces Director Resignation

Chicago, IL (January 2, 2019) - LKQ Corporation (Nasdaq: LKQ) announced Sukhpal Singh Ahluwalia has resigned from his positions as a Director of LKQ Corporation and as Executive Chairman of its Euro Car Parts (ECP) subsidiary in the United Kingdom, effective today.

Sukhpal founded a company forty years ago that eventually became Euro Car Parts, which has grown to be the leading distributor of aftermarket automotive parts in the UK. Sukhpal sold ECP to LKQ in late 2011 and stayed on as CEO until 2014 when he became Executive Chairman. Over the past several years Sukhpal and his three sons have developed a substantial property business in the United Kingdom, where more recently he has focused most of his time and energy.

Dominick Zarcone, President and Chief Executive Officer of LKQ Corporation, stated, “Sukhpal has been a key partner with LKQ over the past seven years as we have quadrupled the size of our business in the U.K., and he has served as a valued LKQ board member. While we will miss his insights, we respect his desire to spend all his time focused on the family property business and wish him nothing but the best in those endeavours.”

Sukhpal Singh commented, “ECP has been my life’s work and there will always be a bit of the company in me. I have enjoyed my relationship with LKQ but the time has come for a change so I can devote my full abilities to building the property business with my sons. I am confident in the strategy LKQ has for its European segment and for the next level of growth and operational excellence at ECP.”

Joseph M. Holsten, Chairman of the Board of LKQ stated, “All of us at LKQ thank Sukhpal for everything he has done to build ECP over the years and extend our best wishes for much continued success.”

About LKQ Corporation

LKQ Corporation (www.lkqcorp.com) is a leading provider of alternative and specialty parts to repair and accessorize automobiles and other vehicles. LKQ has operations in North America, Europe and Taiwan. LKQ offers its customers a broad range of replacement systems, components, equipment and parts to repair and accessorize automobiles, trucks, and recreational and performance vehicles.

Media Contacts:

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Director, Corporate Communications & Government Affairs
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SCHEDULE 3

Letter resigning from Directorships/Other Offices

The Board of Directors
Euro Car Parts Limited
T2, Birch Coppice Business Park,
Danny Morson Way,
Dordon,
Tamworth,
England, B78 1SE

2 January 2019

Dear Sirs

Resignation from directorships and other offices

I write to confirm my resignation, with immediate effect from the date of this letter, from all directorships and other offices which I hold with Euro Car Parts Limited and any Associated Company (as defined in the Settlement Agreement entered into between me and Euro Car Parts Limited dated 2 January 2019). My resignation is the result of the mutual agreement of the parties, and not any specific disagreement between me and LKQ Corporation.

I instruct and irrevocably authorise you, as my agent, to convey and effect such resignations to each of the relevant companies, by sending a copy of this letter to the respective Boards of Directors.

I further confirm that I have no cause of action against the Company or any Associated Companies or its or their respective officers or employees, and hereby waive all and any such claims against it or them, arising from or connected with the above resignation.

Yours faithfully

/s/ Sukhpal Singh Ahluwalia

Sukhpal Singh Ahluwalia

Exhibit 21.1

LIST OF SUBSIDIARIES OF LKQ CORPORATION (as of December 31, 2018)

Subsidiary	Jurisdiction	Assumed Names
U.S. Enitites		
A&A Auto Parts Stores, Inc.	Pennsylvania	
AeroVision Aircraft Services, LLC	Michigan	
AeroVision Engine Services, LLC	Michigan	
AeroVision International, LLC	Michigan	
AIM Recycling Florida, LLC (50.01% stake)	Delaware	AIM Recycling West Palm; AIM Recycling Medley; AIM Recycling Davie
Akron Airport Properties, Inc.	Ohio	
American Recycling International, Inc.	California	Pick A Part Auto Dismantling
A-Reliable Auto Parts & Wreckers, Inc.	Illinois	LKQ Self Service Auto Parts-Rockford; LKQ Heavy Duty Truck ARSCO; LKQ Heavy Duty Truck Core; LKQ Pick Your Part Rockford
Arrow Speed Acquisition LLC	Delaware	
Automotive Calibration & Technology Services, LLC	Delaware	
AutoTech Fund I L.P. (8.25% stake)	Delaware	
AVI Sales and Leasing Services, LLC	Michigan	
AVI Inventory Services, LLC	Michigan	AeroVision Component Services
Ecology Recycling Services, LLC (33.33% stake)	California	
DriverFx.com, Inc.	Delaware	
Global Powertrain Systems, LLC	Delaware	
KAIR IL, LLC	Illinois	
KAO Logistics, Inc	Pennsylvania	
KAO Warehouse, Inc.	Delaware	
Keystone Automotive Industries, Inc.	California	Transwheel, Coast to Coast International; LKQ of Cleveland; Keystone Automotive-San Francisco Bay Area; Chrome Enhancements
Keystone Automotive Operations, Inc.	Pennsylvania	
Keystone Automotive Operations of Canada, Inc.	Delaware	
KPGW Canadian Holdco, LLC	Delaware	
Lakefront Capital Holdings, LLC	California	
LKQ 1st Choice Auto Parts, LLC	Oklahoma	
LKQ 250 Auto, Inc.	Ohio	
LKQ All Models Corp.	Arizona	Wholesale Auto Recyclers; Cars ‘n More; LKQ of Arizona
LKQ Apex Auto Parts, Inc.	Oklahoma	LKQ Self Service Auto Parts - Oklahoma City
LKQ Auto Parts of Central California, Inc.	California	LKQ Valley Truck Parts; LKQ Specialized Auto Parts; LKQ ACME Truck Parts; All Engine Distributing
LKQ Auto Parts of Memphis, Inc.	Arkansas	LKQ of Tennessee; LKQ Preferred
LKQ Auto Parts of North Texas, Inc.	Delaware	
LKQ Auto Parts of North Texas, L.P.	Delaware	LKQ Auto Parts of Central Texas; LKQ Self Service Auto Parts-Austin
LKQ Auto Parts of Utah, LLC	Utah	
LKQ Best Automotive Corp.	Delaware	LKQ Auto Parts of South Texas; A-1 Auto Salvage Pick & Pull; The Engine & Transmission Store; LKQ Automotive Core Services; LKQ International Sales; LKQ of El Paso

Subsidiary	Jurisdiction	Assumed Names
LKQ Brad's Auto & Truck Parts, Inc.	Oregon	
LKQ Broadway Auto Parts, Inc.	New York	LKQ Buffalo; LKQ Self Service Auto Parts-Buffalo
LKQ Corporation	Delaware	
LKQ Delaware LLP	Delaware	
LKQ Foster Auto Parts Salem, Inc.	Oregon	Foster Auto Parts Salem
LKQ Foster Auto Parts, Inc.	Oregon	LKQ U-Pull-It Auto Wrecking; U-Pull-It Auto Wrecking; LKQ Barger Auto Parts; LKQ KC Truck Parts-Inland Empire; LKQ KC Truck Parts-Western Washington; LKQ KC Truck Parts-Montana; LKQ Wholesale Truck Parts; LKQ of Eastern Idaho
LKQ Great Lakes Corp.	Indiana	LKQ Star Auto Parts; LKQ Chicago; LKQ Self Service Auto Parts-Milwaukee
LKQ Heavy Truck-Texas Best Diesel, L.P.	Texas	LKQ Fleet Solutions
LKQ Hunts Point Auto Parts Corp.	New York	Partsland USA; LKQ Auto Parts of Eastern Pennsylvania; LKQ Auto Parts
LKQ Investments, Inc.	Delaware	
LKQ Lakenor Auto & Truck Salvage, Inc.	California	LKQ of Southern California; LKQ of Las Vegas; LKQ Parts Outlet-Los Angeles
LKQ Metro, Inc.	Illinois	
LKQ Mid-America Auto Parts, Inc.	Kansas	Mabry Auto Salvage; LKQ of Oklahoma City; LKQ of NW Arkansas; LKQ Heavy Duty Truck-Kansas; LKQ Four States
LKQ Midwest Auto Parts Corp.	Nebraska	Midwest Foreign Auto; LKQ Midwest Auto; LKQ Auto Parts of Lincoln
LKQ Minnesota, Inc.	Minnesota	LKQ Albert Lea
LKQ of Indiana, Inc.	Indiana	LKQ Self Service Auto Parts-South Bend; LKQ Kentuckiana
LKQ of Michigan, Inc.	Michigan	
LKQ of Nevada, Inc.	Nevada	
LKQ Northeast, Inc.	Delaware	LKQ Thruway Auto Parts; LKQ Venice Auto Parts; LKQ Triple Nickel Trucks
LKQ Pick Your Part Southeast, LLC	Delaware	LKQ Self Service Auto Parts-Orlando; LKQ Pick Your Part
LKQ Receivables Finance Company, LLC	Delaware	
LKQ Self Service Auto Parts-Holland, Inc.	Michigan	LKQ Pick Your Part
LKQ Self Service Auto Parts-Kalamazoo, Inc.	Michigan	LKQ Self Service Auto Parts-Grand Rapids; LKQ Pick Your Part
LKQ Self Service Auto Parts-Tulsa, Inc.	Oklahoma	LKQ Pick Your Part
LKQ Smart Parts, Inc.	Delaware	LKQ Viking Auto Salvage
LKQ Southeast, Inc.	Delaware	LKQ Fort Myers; LKQ Heavy Truck-Tampa; LKQ Pick Your Part; LKQ Gulf Coast; LKQ Plunks Truck Parts & Equipment - West Monroe; LKQ of Carolina; LKQ Richmond; LKQ East Carolina; LKQ Self Service East NC ; LKQ Self Service Auto Parts-Charlotte; LKQ Pick Your Part; LKQ Heavy Duty Truck Charlotte
LKQ Southwick LLC	Massachusetts	
LKQ Taiwan Holding Company	Illinois	
LKQ Tire & Recycling, Inc.	Delaware	
LKQ Trading Company	Delaware	
LKQ TriplettASAP, Inc.	Ohio	LKQ Heavy Truck-Goody's; LKQ Pittsburgh; LKQ Pick Your Part; Cockrell's Auto Parts

Subsidiary	Jurisdiction	Assumed Names
LKQ West Michigan Auto Parts, Inc.	Michigan	
MSN145056, LLC	Michigan	
North American ATK Corporation	California	
PGW Auto Glass, LLC	Delaware	
Pick-Your-Part Auto Wrecking	California	LKQ Pick A Part-San Bernardino; LKQ Midnight Auto & Truck Recyclers; LKQ Pick A Part-Hesperia; LKQ Desert High Truck & Auto Recyclers; LKQ Pick A Part-Riverside; LKQ Hillside Truck & Auto Recyclers; LKQ Pick Your Part Chicago Heights
Potomac German Auto, Inc.	Maryland	LKQ Norfolk; LKQ Heavy Truck-Maryland
Pull-N-Save Auto Parts, LLC	Colorado	LKQ Pull-N-Save Auto Parts of Aurora LLC; LKQ of Colorado; LKQ Self Service Auto Parts-Denver; LKQ Western Truck Parts
Redding Auto Center, Inc.	California	LKQ Auto Parts of Northern California; LKQ Reno; LKQ Specialized Parts Planet; LKQ ACME Truck Parts; LKQ Auto Sales of Rancho Cordova
Rydell Motor Company, LLC (1% stake)	Iowa	
Scrap Processors, LLC	Illinois	
U-Pull-It, Inc.	Illinois	LKQ PickYour Part Blue Island
U-Pull-It, North, LLC	Illinois	LKQ Pick Your Part
Warn Industries, Inc.	Delaware	

Subsidiary	Jurisdiction	Assumed Names
Foreign Entities		
1323352 Alberta ULC	Alberta	
1323410 Alberta ULC	Alberta	
2015 Automaterialen B.V.	Netherlands	
Abbiussi BVBA	Belgium	
Ageres B.V.	Netherlands	
Alconed B.V. (subsidary of Intermotor B.V.)	Netherlands	
Alfa Paints BVBA	Belgium	
Alfa Paints B.V. (subsidiary of Alfa Paints BVBA)	Netherlands	
Andrew Page 1917 Limited	England & Wales	
Annex-Technik GmbH (subsidary of PV Automotive GmbH)	Germany	
AP Logistics Belgie NV	Belgium	
AP Logistics B.V.	Netherlands	
Aquafax Limited	England & Wales	
Arleigh Group Limited	England & Wales	
Arleigh International Limited	England & Wales	
A.S.A.P. Supplies Limited	England & Wales	
Asia Aftermarket Holding GmbH (50% stake)	Germany	
ATR International AG (2% stake; 26% subsidary of Auto-Teile-Ring)	Germany	
Autoteileland AL GmbH (subsidary of PV Automotive GmbH)	Germany	
Auto-Teile-Ring-GmbH (47.5% stake)	Germany	
Atracco AB	Sweden	
Atracco AS	Norway	
Atracco Auto AB	Sweden	
Atracco Group AB	Sweden	
Auto Electra Naaldwijk B.V.	Netherlands	
Auto Kelly a.s.	Czech Republic	
Auto Kelly Bulgaria EOOD	Bulgaria	
Auto Kelly Slovakia s.r.o.	Slovakia	
Automotive Academy B.V.	Netherlands	
Automotive Data Services Limited	England & Wales	
Auto-Onderdelen Centrale Middelburg B.V.	Netherlands	
Auto-Sport Willy SA	Belgium	
Autostop Leuven NV	Belgium	
Autoparts Prosec BV	Netherlands	
Autoparts Prosec NV	Belgium	
Autoteile Supermarkt GmbH (59% subsidiary of Neimke Holding)	Germany	
Auto Wessel B.V.	Netherlands	

Subsidiary	Jurisdiction	Assumed Names
Auto Wessel Naarden B.V.	Netherlands	
AVC Tyre Recycling Ltd. (33.33% stake)	England & Wales	
Belgian Carparts Corporation CVBA	Belgium	
Bildemontering i Helsingborg AB	Sweden	
Blue Moose Holdings Ltd.	England & Wales	
BRUNN GmbH (subsidary of PV Automotive GmbH)	Germany	
B.S.F. Distribution SPRL	Belgium	
BVG Hold SPRL	Belgium	
Car Parts 4 Less Limited	England & Wales	
Car Systems B.V.	Netherlands	
Cartal Rijsbergen Automotive B.V.	Netherlands	
Centrauto-Pieces SPRL	Belgium	
Centro Ricambi Rhiag S.r.l.	Italy	
Commercial Parts UK Holdco Limited (25% stake)	England & Wales	
Cruiser B.V.	Netherlands	
DCM Tools NV	Belgium	
De Bruyn Professional Coatings NV	Belgium	
De Maesschalck H N.V.	Belgium	
Digraph Transport Supplies Limited (subsidiary of Commercial Parts UK Holdco Limited)	England & Wales	
Distribuidora Hermanos Copher Internacional, SA	Guatemala	
ECP France SAS	France	
ELIT CZ, Spol s.r.o.	Czech Republic	
Elit Group Ltd.	Switzerland	
ELIT Polska sp.z.o.o.	Poland	
ELIT Slovakia s.r.o.	Slovakia	
ELIT Ukraine LLC	Ukraine	
Era S.r.l.	Italy	
Euro Car Parts Ireland Limited	Ireland	
Euro Car Parts Limited	England & Wales	
Euro Car Parts Nordic AB	Sweden	
Euro Car Parts (Northern Ireland) Limited	Northern Ireland	
Euro Garage Solutions Ltd	England & Wales	
Fastighetsaktiebolaget Pistolvagen 4	Sweden	
GDR NV	Belgium	
GHS Automotive B.V.	Netherlands	
Harrems Tools B.V.	Netherlands	
Harrems Tools N.V.	Belgium	
Hartsant Crash Repair Bvba	Belgium	
Havam Automotive B.V.	Netherlands	
Heijl Automotive B.V.	Netherlands	

Subsidiary	Jurisdiction	Assumed Names
Henrard SA	Belgium	
Heuts Beheer B.V.	Netherlands	
Heuts DHZ B.V.	Netherlands	
Heuts Handel B.V.	Netherlands	
Heuts Tilburg B.V.	Netherlands	
HF Services B.V.	Netherlands	
HF Services BVBA	Belgium	
I4B Sp.z.o.o. (51.2% subsidary of Optimal AG & Co. KG)	Poland	
In2-Connect Platform Limited	England & Wales	
In2 Developments Limited	England & Wales	
In2 Management Group Limited	England & Wales	
International Engines Ltd. (subsidary of Intermotor B.V.)	England & Wales	
Intermotor B.V. (50% stake)	Netherlands	
IPAR Industrial Partners B.V.	Netherlands	
inSiamo Scarl (24.54% stake)	Italy	
J. Elmer s.r.o.	Czech Republic	
Karstorp Bildemontering AB	Sweden	
Keystone Automotive de Mexico, Sociedad de Responsabilidad Limitada de Capital Variable	Mexico	
Keystone Automotive Industries ON, Inc.	Canada (Federal)	
Klaus Autozubehor Grosshandel GmbH (30% stake)	Germany	
Kuhne Nederland B.V.	Netherlands	
Láng Kft.	Hungary	
LKQ Belgium BVBA	Belgium	
LKQ Canada Auto Parts Inc.	Canada (Federal)	
LKQ Euro Limited	Ireland	
LKQ Euro Limited	England & Wales	
LKQ European Holdings B.V.	Netherlands	
LKQ European Services B.V.	Netherlands	
LKQ German Holdings GmbH	Germany	
LKQ India Private Limited	India	
LKQ Italia S.r.l.	Italy	
LKQ Italia Bondco S.p.A.	Italy	
LKQ Netherlands B.V.	Netherlands	
LKQ Ontario LP	Ontario	
Lubus GmbH (subsidary of PV Automotive GmbH)	Germany	
Marine Mart Limited	England & Wales	
Markesdemo AB (7.04% stake)	Sweden	
Matorit Data AB	Sweden	
Mekonomen AB (26.5% stake)	Sweden	

Subsidiary	Jurisdiction	Assumed Names
Messmer GmbH	Germany	
Midland Chandlers Limited	England & Wales	
Mirela Investments, S.L.U.	Spain	
Milano Distribuzione 2 S.r.l.	Italy	
Motorparts S.r.l.	Italy	
MotorXchange S.A.R.L. (subsidary of Intermotor B.V.)	France	
M.P.M. Export B.V.	Netherlands	
M.P.M. International Oil Company B.V.	Netherlands	
MTS Marken Technik Service GmbH & Co. KG (2.57% subsidary of PV Automotive GmbH)	Germany	
MTS Marken Technik Service Verwaltungs GmbH (subsidary of MTS Marken Technik Service GmbH & Co. KG)	Germany	
Neimke AT GmbH & Co. KG (subsidiary of Neimke GmbH & Co. KG)	Austria	
Neimke AT Verwaltungs GmbH (subsidiary of Neimke GmbH & Co. KG)	Austria	
Neimke Geschaftsfuhrungs-und Verwaltungs GmbH (74% stake)	Germany	
Neimke GmbH & Co. KG (74% stake)	Germany	
Neimke Holding GmbH (subsidiary of Neimke GmbH & Co. KG)	Germany	
Nipparts B.V.	Netherlands	
Nipparts Deutschland GmbH	Germany	
Nova Leisure Limited	England & Wales	
NPR Auto Trading Limited	Ireland	
NTP/Stag Canada Inc.	Canada (Federal)	
Obdo Forvaltning AB	Sweden	
Orebro Bildemontering AB	Sweden	
Optimal AG & Co. KG (57.5% stake)	Germany	
Optimal Asia Ltd. (60% subsidary of Optimal AG & Co. KG)	Hong Kong	
Optimal Benelux Bvba (60.75% subsidary of Optimal AG & Co. KG)	Belgium	
Optimal France S.a.r.l. (subsidary of Optimal AG & Co. KG)	France	
Optimal Istanbul Yedek Parca Otomotiv Sanayi Ve Ticaret A.S. (76% subsidary of Optimal AG & Co. KG)	Turkey	
Optimal Otomotiv Dis Ticaret A.S. (subsidary of Optimal AG & Co. KG)	Turkey	
Optimal Polska Sp.z.o.o. (51% subsidary of Optimal AG & Co. KG)	Poland	
Optimalrecambio Cia Ltda. (51% subsidary of Optimal Recambios S.L)	Ecuador	
Optimal Recambios S.L. (26.4% subsidary of Optimal AG & Co. KG)	Spain	
Optimal UK Distribution Limited (80% subsidary of Optimal AG & Co. KG)	England & Wales	
Optimal Verwaltungs AG (subsidary of Optimal AG & Co. KG)	Germany	
Pala Holding, B.V.	Netherlands	
Partslife GmbH (2.27% subsidary of PV Automotive GmbH)	Germany	
PGW Auto Glass, ULC	Nova Scotia	
Pika Autoteile GmbH	Germany	
Primaparts Automaterialen B.V.	Netherlands	
Prosec Carparts BVBA	Belgium	
PV Automotive GmbH (66.67% stake)	Germany	

Subsidiary	Jurisdiction	Assumed Names
PVG Hold SPRL	Belgium	
PV Technik GmbH (subsidary of PV Automotive GmbH)	Germany	
Q-Parts24 GmbH & Co. KG (51% subsidary of Optimal AG & Co. KG)	Germany	
Q-Parts24 Verwaltstungs GmbH (subsidary of Q-Parts24 GmbH & Co. KG)	Germany	
Recopart AB	Sweden	
Rhiag Group Ltd.	Switzerland	
Rhiag-Inter Auto Parts Italia S.r.l.	Italy	
Rhiag Services Slovakia s.r.o.	Slovakia	
Rhino BidCo S.r.l.	Italy	
Rijsbergen CarTAL Beheer B.V.	Netherlands	
Rox Auto SA	Belgium	
Sator Central Services B.V.	Netherlands	
Sator Holding B.V.	Netherlands	
Sator Project B.V.	Netherlands	
S.C. ELIT Romania S.r.l.	Romania	
Schaftenaar B.V.	Netherlands	
Signalen AB	Sweden	
SiM Impex d.o.o.	Bosnia and Herzegovina	
Spectrum Verf B.V.	Netherlands	
Stahlgruber Beteilligungsgesellschaft mbH	Germany	
Stahlgruber Communication Center GmbH (80% stake)	Germany	
Stahlgruber d.o.o.	Croatia	
Stahlgruber S.r.l.	Italy	
Stahlgruber Gesellschaft m.b.H.	Austria	
Stahlgruber GmbH	Germany	
Stahlgruber Holding GmbH	Germany	
Stahlgruber Immobilien Verwaltungs GmbH	Germany	
Stahlgruber Immobilien GmbH & Co. KG	Germany	

Subsidiary	Jurisdiction	Assumed Names
Stahlgruber Logistikzentrum Grundstucks-Verwaltungs GmbH	Germany	
Stahlgruber Logistikzentrum Grundstucks-Verwaltungs GmbH & Co. oHG	Germany	
Stahlgruber trgovina d.o.o. (51% stake)	Croatia	
Stahlgruber trgovina d.o.o.	Slovenia	
Starmann Sp.z.o.o. Kolobrzeg (51% subsidary of Optimal AG & Co. KG)	Poland	
Sztarman Ukraine Sp.z.o.o. (67% subsidary of Starmann Sp.z.o.o. Kolobrzeg)	Ukraine	
Thomassons.nu Grupp AB	Sweden	
Tielman Automaterialen B.V.	Netherlands	
Topocar SPRL	Belgium	
Troms Bildelsenter AS	Norway	
Upplands Bildemontering AB	Sweden	
Valla Bildemontering AB	Sweden	
Vanesch Verf Belgie B.V.	Belgium	
Vanesch Verf Groep B.V.	Netherlands	
Vanesch Verf Nederland B.V.	Netherlands	
Van Heck & Co. B.V.	Netherlands	
Van Heck Interpieces N.V.	Belgium	
Van Heck Interpieces France S.A.S.	France	
Van Heck Vastgoed B.V.	Netherlands	
Vaxjo Lackcenter AB	Sweden	
VEAM B.V.	Netherlands	
VEGE Benelux B.V. (subsidary of Intermotor B.V.)	Netherlands	
VEGECOM S.A.R.L. (subsidary of Intermotor B.V.)	Tunisia	
Vége de Mexico S.A. de C.V.	Mexico	
VEGE France S.a.S. (subsidary of Intermotor B.V.)	France	
VEGE Italia S.r.l. (subsidary of Intermotor B.V.)	Italy	
VEGE Moteurs S.A. (subsidary of Intermotor B.V.)	Tunisia	

Subsidiary	Jurisdiction	Assumed Names
Vege-Motodis S.A. de C.V.	Mexico	
VEGE-Motoren GmbH (subsidary of Intermotor B.V.)	Germany	
Vege-Motoren Iberica S.L. (subsidary of Intermotor B.V.)	Spain	
VEGE Motorer Norden AB (subsidary of Intermotor B.V.)	Sweden	
Verfhandel Willy Pijnenborg B.V.	Netherlands	
Widells Bilplat Eftr AB	Sweden	
WJCM de Mexico, Sociedad de Responsabilidad Limitada de Capital Variable	Mexico	

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-110149, 333-128151, and 333-174450 on Form S-8, Registration Statement No. 333-226148 on Form S-3, and Registration Statement Nos. 333-193585, 333-133911 and 333-160395 on Form S-4 of our reports dated March 1, 2019 , relating to the consolidated financial statements and financial statement schedule of LKQ Corporation and subsidiaries, and the effectiveness of LKQ Corporation and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of LKQ Corporation for the year ended December 31, 2018 .

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
March 1, 2019

Exhibit 31.1

CERTIFICATION

I, Dominick Zarcone, certify that:

1. I have reviewed this annual report on Form 10-K of LKQ Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 1, 2019

/s/ DOMINICK ZARCONE

Dominick Zarcone

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Varun Laroyia, certify that:

1. I have reviewed this annual report on Form 10-K of LKQ Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 1, 2019

/ S / VARUN LAROYIA

Varun Laroyia

Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of LKQ Corporation (the "Company") on Form 10-K for the fiscal year ended December 31, 2018 , as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, as President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 1, 2019

/ S / DOMINICK ZARCONE

Dominick Zarcone

President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of LKQ Corporation (the "Company") on Form 10-K for the fiscal year ended December 31, 2018 , as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, as Executive Vice President and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 1, 2019

/ S / VARUN LAROYIA

Varun Laroyia

Executive Vice President and Chief Financial Officer