

LKQ ITALIA BONDCO S.P.A.

INTERNAL DEALING PROCEUDURE

INTRODUCTION

This internal dealing procedure (hereinafter, the “**Procedure**”) regulates processes and rules of conduct concerning disclosure obligations related to the transactions on financial instruments issued by LKQ Italia Bondco S.p.A. (hereinafter, the “**Company**”) listed on the ExtraMOT multilateral trading facility managed by Borsa Italiana S.p.A. (hereinafter, the “**ExtraMOT**”).

This Procedure has been approved by the Board of Directors of the Company by way of resolution dated October 26, 2016, in order to comply with (i) the provisions on market abuse regulations set forth under the EU Regulation no. 596/2014 of the European Parliament and the Council on April 16, 2014, and by the related implementing regulations (hereinafter, the “**MAR**”), and (ii) the amendments to the Regulation of the ExtraMOT published by Borsa Italiana S.p.A. and following amendments and integrations (hereinafter, the “**ExtraMot Regulation**”) by notice no. 11990 of June 16, 2016.

This Procedure is effective starting from the date of its approval by the Board of Directors.

ART. 1

DEFINITIONS

1.1 Without prejudice to other definitions contained in this Procedure, the following terms shall have the meaning attributed to them below:

“**Board of Statutory Auditors**” shall mean the Board of Statutory Auditors of the Company in office from time to time.

“**Board of Directors**” shall mean the Board of Directors of the Company in office from time to time.

“**CEO**” shall mean each member of the Board of Directors in office from time to time, who have been granted by the Board of Directors with delegated powers pursuant to art. 2381, paragraph 2, of the Italian Civil Code.

“**Consob**” shall mean the National Commission for Companies and the Stock Exchange.

“**Closing Date**” shall mean the date of completion of the Transaction (as defined below) or the date on which: (i) the sale and purchase agreement or the agreement concerning the disposal of the financial instruments has been executed; (ii) the Financial Instruments has been assigned, even within the context of an equity transaction.

“**Financial Instruments**” shall mean any Company’s financial instruments which have been listed on the ExtraMOT.

“**Inside Information**” shall mean information of a precise nature, which has not been made public, relating, directly or indirectly, the Company or the Financial Instruments and which, if it were made public, would be likely to have a significant effect on the prices of those Financial Instruments or on the price of related derivative financial instruments. For the purposes of this definition:

- an information shall be deemed to be of a “*precise nature*” if it: (i) indicates a set of circumstances which exists, or may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur; and (ii) is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event referred to under point (i) above on the prices of the Financial Instruments or related derivative financial instruments;
- an information “*which, if it were made public, would be likely to have a significant effect on the prices of such Securities or of the related derivative financial instruments*” shall mean information which may be used by a reasonable investor as part of the basis of his/her investment decisions;

- in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, such future circumstances or future event, as well as the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or future event, may be deemed as information of a precise nature. In this context, an intermediate step in a protracted process shall be deemed to be as Inside Information if, by itself, it satisfies the above mentioned criteria of inside information;

“**Investor Relator**” shall mean the responsible for the investor relations of the Company.

“**Notification Model**” shall mean the template for notification and communication to the public as per the Annex to the Commission Implementing Regulation (EU) 2016/523 (“*Template for notification and public disclosure of transactions carried out by persons discharging managerial responsibilities and persons closely associated with them*”).

“**Person Closely Associated to the Relevant Person**”, with reference to the Relevant Person, shall mean one of the following categories:

- (a) a spouse who is not legally separated or the partner cohabitant *more uxorious*;
- (b) a dependant child, also of the spouse;
- (c) relatives and related of a Relevant Person who has shared the same household for at least one year on the date of the relevant Transaction;
- (d) a legal entity, trust or partnership, which managerial responsibilities are discharged by a person discharging managerial responsibilities or by a person referred to in letters (a), (b) or (c) above, which is directly or indirectly controlled by such person, which is set up for the benefit of such a person, or the economic interest of which are substantially equal to those of such person.

“**Related Financial Instruments**” shall mean the following financial instruments, including the financial instruments not admitted to trading or traded on a trading venue, or for which the request for the admission to trading in a trading venue has not been submitted:

- (a) financial instruments which grant the right to subscribe, purchase or sale the Financial Instruments;
- (b) derivative financial instruments of Financial Instruments;
- (c) the transferable securities in which the Financial Instruments may be converted or with which can be exchanged;
- (d) instruments issued or ensured by the issuer or the guarantor of the Financial Instruments and whose market price may significantly affect the price of the transferable securities and *vice versa*.

“**Relevant Person**” shall mean a person within the Company or any of its subsidiary who is:

- (a) a member of the administrative, management or supervisory body;
- (b) a senior executive who is not a member of the bodies referred to in letter (a) above, who has regular access to Inside Information relating directly or indirectly to the Company and power to adopt managerial decisions affecting the developments and business prospects of the Company.

“**SDIR**” shall mean the system for the dissemination of regulated information pursuant to Consob regulations.

“**Transaction**” shall mean, based on the relevant definition provided for under the MAR, any change in the number of the Financial Instruments held by a Relevant Person or a Person Closely Associated to the Relevant Person including:

- (i) the pledging or lending of the Financial Instruments;
- (ii) any transaction concerning the Financial Instruments carried out by those who order or perform transactions in their professional capacity, or by anyone else, on behalf of a Relevant Person or a Person Closely Associated to the Relevant Person, including where discretion is exercised by such person;
- (iii) any transactions made within the context of a life insurance policy, as defined in the Directive 2009/138/CE, where (a) the policyholder is a Relevant Person or a Person Closely Associated to the Relevant Person; (b) the investment risk is borne by the policyholder; (c) the Financial Instruments fall within the life insurance policy and the policyholder has the power or discretion to take investment decisions or to execute transactions in relation thereto;
- (iv) any other transaction subject to the notification pursuant to art. 10 of the Delegated Regulation (EU) 2016/522⁽¹⁾.

“TUF” shall mean the Legislative Decree of February 24, 1998, no. 58 and following amendments.

ART. 2

TRANSACTIONS SUBJECT TO DISCLOSURE OBLIGATIONS

- 2.1 The Company shall disclose to the public without delay (but not later than the third trading day following the Closing Date) - in a manner which enables fast access to such information on a non-discriminatory basis in accordance with the implementing technical standards referred to in Article 17, paragraph 10, letter a) of the MAR - the information about each Transaction carried out by a Relevant Person and/or by the Person Closely Associated to the Relevant Person, provided that the aggregate amount of the Transaction is at least equal to Euro 5,000.00 (or the different amount identified by the competent authority pursuant to the

⁽¹⁾ Pursuant to art. 10, paragraph 2, of the Delegated Regulation (EU) 2016/522, the transactions to be notified shall include the following:

- a) acquisition, disposal, short sale, subscription or exchange;
- b) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;
- c) entering into or exercise of equity swaps;
- d) transactions in or related to derivatives, including cash-settled transaction;
- e) entering into a contract for difference on a financial instrument of the concerned issuer or on emission allowances or auction products based thereon;
- f) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- g) subscription to a capital increase or debt instrument issuance;
- h) transactions in derivatives and financial instruments linked to a debt instrument of the concerned issuer, including credit default swaps;
- i) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- j) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
- k) gifts and donations made or received, and inheritance received;
- l) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- m) transactions executed in shares or units of investment funds, including alternative investment funds (AIFs) referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council [*i.e. Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directive 2003/41/EC and 2009/65/EC and regulations (EC) No. 1060/2009 and (EU) No. 1095/2010*], insofar as required by Article 19 of Regulation (EU) No 596/2014;
- n) transactions executed by manager of an AIF in which the person discharging managerial responsibilities or a person closely associated with such a person has invested, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- o) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a person discharging managerial responsibilities or a person closely associated with such a person;
- p) borrowing or lending of shares or debt instruments of the issuer or derivatives or other financial instruments linked thereto.

MAR) within the end of each calendar year. Such amount is calculated by adding the value of the Transactions carried out by each Relevant Person and/or by the Person Closely Associated to a Relevant Person from the beginning of the calendar year, it being understood that - once the above mentioned threshold of Euro 5,000.00 has been exceeded - each Relevant Person and/or each Person Closely Associated to the Relevant Person shall disclose the Transactions already carried out and any other Transactions subsequent to the exceeding of the above mentioned threshold, regardless of their respective amount.

- 2.2 The above mentioned notice shall include the following information:
- (a) the name of the Relevant Person and/or the Person Closely Associated to Relevant Person;
 - (b) the reason for the notification;
 - (c) the name of the relevant issuer;
 - (d) the description and the identifier of the Financial Instrument;
 - (e) the nature of the Transaction, indicating whether it is related to the exercise of share option programs;
 - (f) the Closing Date and the place of execution of the Transaction;
 - (g) the price, the volume and the category of Financial Instruments involved. In the case of a pledge, whose terms provide for its value to change, such change should be disclosed together with its value at the date of the pledge.

ART. 3

RULES OF CONDUCT

- 3.1 In order to enable the Company to fulfill the disclosure obligations referred to in art. 2 above, each Relevant Person (also on behalf of Persons Closely Associated to the Relevant Persons) shall report to the Investor Relator any Transaction within the trading day following the Closing Date, by providing all the information specified in art. 2.2 above in accordance with the Notification Model. Such notice shall be sent by e-mail to the Investor Relator.
- 3.2 In addition to the above, the Relevant Person (also on behalf of Persons Closely Associated to Relevant Persons) shall provide same information in the same terms to Consob at the certified e-mail address consob@pec.consob.it or to the e-mail protocollo@consob.it. Such notice shall indicate “**Office Market Information**” as the addressee and “**MAR Internal Dealing**” as the relevant subject.
- 3.3 Upon receipt of the notification referred to in art. 3.1 above, the Investor Relator prepares the communication to be disclosed to the public pursuant to art. 2 above. The text of such notification should be submitted to the Chairman of the Board of Directors and the CEO for final approval prior to its disclosure in accordance with paragraph 3.4 below.
- 3.4 No later than the term of art. 2 above, the Investor Relator shall disclose the information to the public in a manner which enables fast access and a complete, correct and timely assessment of the information by the public in accordance with the implementing technical standards set forth in art. 17, paragraph 10, letter a), of the MAR. A copy of such notice is also disclosed on the Company’s website in the Section related to “Investor Relations” within the opening of the trading day following the communication.
- 3.5 The Transactions carried out by the Relevant Persons shall not be disclosed elsewhere before they have been communicated in accordance with the procedure set forth under art. 3.4 above.
- 3.6 The communications concerning the Transactions must not be misleading, false or deceptive and must not omit anything which may affect the relevance of such information.

ART. 4

LIMITATION TO THE TRANSACTIONS CARRIED OUT BY RELEVANT PERSONS (“CLOSING PERIODS”)

- 4.1 A Relevant Person shall not to carry out any Transactions on its own account or on behalf of third parties, directly or indirectly, relating to the Financial Instruments or Related Instruments during a closed period of thirty calendar days before the announcement of an interim financial report or a year-end report which the Company is obliged to make public according to the laws and regulations from time to time in force.
- 4.2 The limitation referred to in the preceding paragraph does not apply in the following cases:
- (i) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulties (with adequate reasons thereunder) requiring the immediate sale of the Financial Instruments;
 - (ii) due to the characteristics of the trading involved for Transactions carried out under, or related to, an employee share (the so-called stock options plan) or a savings scheme, qualification or entitlement of Financial Instruments, or even transactions where the beneficial interest of the relevant security does not change.
- 4.3 In the circumstances referred to in Section 4.2 above, except as otherwise provided therein, the provisions of articles 7 and 8 of the Delegated Commission Regulation (EU) 2016/522² as well as any other applicable provisions of law and regulations currently in force shall apply.

ART. 5

SANCTIONS

- 5.1 Pursuant to the provisions of art. 182, paragraph 2-bis, of TUF, the provisions of artt. 184, 185, 187-bis and 187-ter shall apply to the financial instruments referred to in article 180, paragraph 1, lett. a), of TUF (*i.e.* to the Financial Instruments referred to in art. 1, paragraph 1, of TUF admitted to trading on an Italian multilateral trading system) and, therefore, also to the financial instruments admitted to trading on ExtraMOT.
- 5.2 In case of a violation of the provisions of this procedure, the Company will take legal actions against the relevant liable persons in accordance with the provisions set forth under the relevant employment agreement (in case of executives or employees) as well as under the

² Article 7 - Trading during a closed period

1. A person discharging managerial responsibilities within an issuer shall have the right to conduct trading during a closed period as defined under Article 19(11) of Regulation (EU) No 596/2014 provided that the following conditions are met:

(a) one of the circumstances referred to in Article 19, paragraph 12, of Regulation (EU) No 596/2014 is met;

(b) the person discharging managerial responsibilities is able to demonstrate that the particular transaction cannot be executed at another moment in time than during the closed period.

2. In the circumstances set out in Article 19, paragraph 12, of Regulation (EU) No 596/2014, prior to any trading during the closed period, a person discharging managerial responsibilities shall provide a reasoned written request to the issuer for obtaining the issuer's permission to proceed with immediate sale of shares of that issuer during a closed period. The written request shall describe the envisaged transaction and provide an explanation of why the sale of shares is the only reasonable alternative to obtain the necessary financing.

Article 8 - Exceptional circumstances

1. When deciding whether to grant permission to proceed with immediate sale of its shares during a closed period, an issuer shall make a case-by-case assessment of a written request referred to in Article 7(2) by the person discharging managerial responsibilities. The issuer shall have the right to permit the immediate sale of shares only when the circumstances for such transactions may be deemed exceptional.

2. Circumstances referred to in paragraph 1 shall be considered to be exceptional when they are extremely urgent, unforeseen and compelling and where their cause is external to the person discharging managerial responsibilities and the person discharging managerial responsibilities has no control over them.

3. When examining whether the circumstances described in the written request referred to in Article 7(2) are exceptional, the issuer shall take into account, among other indicators, whether and to the extent to which the person discharging managerial responsibilities:

(a) is at the moment of submitting its request facing a legally enforceable financial commitment or claim;

(b) has to fulfil or is in a situation entered into before the beginning of the closed period and requiring the payment of sum to a third party, including tax liability, and cannot reasonably satisfy a financial commitment or claim by means other than immediate sale of shares.

provisions of the Italian Civil Code, including claims of damage suffered by the Company as a result of the violation.

- 5.3 Please note that the violation of the provisions of this Procedure, even if it does not result in a behavior sanctioned by legal authorities or Borsa Italiana S.p.A., may lead a serious damage to the Company, also in terms of image.
- 5.4 When the violation has been committed by a director of the Company, such director shall not take part in the resolution concerning the application of sanctions. If the majority of the Board of Directors has been taken part in the violation, the Board of Statutory Auditors shall take the appropriate measures.
- 5.5 If the violation has been committed by an employee, this may be a disciplinary offense and, in the most serious cases, may lead to the dismissal.

ART. 6

AMENDMENTS TO THIS PROCEDURE

- 6.1 This Procedure and the related amendments shall be approved by the Board of Directors.
- 6.2 The Board of Directors shall assess, on an yearly basis, whether to revise and update this Procedure, by taking into account any possible amendments in the applicable provisions of law or regulation or requests from Borsa Italiana S.p.A. or Consob.

ART. 7

FINAL PROVISIONS

- 7.1 This Procedure shall be sent to all Relevant Persons in two originals.
- 7.2 Each Relevant Person must: (i) send back a signed copy of the statement under Annex A for the relevant acknowledgment of the content of this Procedure; (ii) comply with the provision contained herein; (iii) provide this Procedure to all Persons Closely Associated to the Relevant Person, by hands or e-mail, and to keep a copy of the relevant receipt in the form contained under Annex A; (iv) contact the Investor Relator if clarifications are needed with regard to this Procedure.

ANNEX A

ACCEPTANCE AND ACKNOWLEDGMENT OF THE INTERNAL DEALING PROCEDURE

The Undersigned _____,
resident in _____,
as _____,

having acknowledged to fall within the definition of [Relevant Person] or [Person Closely Associated to a Relevant Persons] pursuant to the Internal Dealing Procedure of LKQ Italia Bondco S.p.A. (the “**Internal Dealing Procedure**”) hereby:

- **DECLARES AND CERTIFIES** to have received a copy of the Internal Dealing Procedure, which content is hereby accepted in full and without reservation;
- **INDICATES** the following personal data for the purpose of the Internal Dealing Procedure:
e-mail:
phone:
- **AGREES** to disclose the relevant Transactions (as defined therein) subject to the terms and according to the conditions provided for in the Internal Dealing Procedure;
- **AUTHORIZES**, on his/her account and under his/her own responsibility, the Company to carry out the communications required by Borsa Italiana S.p.A. and disclosed the relevant contents to the public in accordance with the terms and conditions provided for in the Internal Dealing Procedure.

AUTHORIZES

pursuant to the Legislative Decree 196/2003, the Company to process his/her personal data contained in this form within the scope of the Internal Dealing Procedure and in accordance with the applicable provisions of law.

_____, on _____

SIGNATURE
