

## Parts iD, Inc.

### Corporate Governance Guidelines

#### **I. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

The role of the Board of Directors (the “Board”) of Parts iD, Inc. (the “Company”) is to manage and direct the affairs of the Company in the Company’s best interests including the interest of the stockholders in the long-term health and overall success of the business. The Board delegates the day-to-day management of the Company to the Chief Executive Officer and other senior executives of the Company, and provides guidance to and oversight of management.

##### **The Role of the Board of Directors**

The Board generally fulfills its role (directly or by delegating certain responsibilities to its committees) by:

1. providing advice and counsel to the Chief Executive Officer and senior executives;
2. selecting, regularly evaluating, fixing the compensation of, and, where appropriate, replacing the Chief Executive Officer;
3. planning for Chief Executive Officer succession and guiding and overseeing management development;
4. providing oversight of Company performance to evaluate whether the business is being appropriately managed;
5. reviewing and approving strategic plans and providing guidance to management in formulating corporate strategy;
6. reviewing and approving the Company’s financial objectives and major corporate plans and actions (including material capital expenditures and transactions outside the ordinary course of business);
7. designing governance structures and practices to position the Board to fulfill its duties effectively and efficiently;
8. providing oversight of risk assessment and monitoring processes;
9. reviewing and approving major changes in accounting principles and practices;
10. providing oversight of internal and external audit processes, financial reporting, and disclosure controls and procedures;
11. overseeing compliance with applicable laws and regulations;
12. setting expectations about the tone and ethical culture of the Company, and reviewing management efforts to instill an appropriate tone and culture throughout the Company; and
13. performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

##### **Care, Candor and Avoidance of Conflicts**

The Company’s directors recognize their obligation individually and collectively to pay careful attention and to be properly informed. This requires regular attendance at, and preparation for, meetings of the Board and its committees including the advance review of circulated materials, and active participation in Board and committee discussions. The directors also recognize that

candor and avoidance (or in circumstances where conflicts are unavoidable or related person transactions are in the interests of the Company, the appropriate handling) of conflicts in fact and in perception are hallmarks of accountability owed to the Company and its stockholders. Directors have a personal obligation to disclose personal or business interests that involve an actual, potential or apparent conflict of interest to the Chairman of the Board prior to any Board decision related to the matter and, if in consultation with the Audit Committee and legal counsel it is determined that a conflict exists or the perception of a conflict is likely to be significant, the Audit Committee shall determine how to address, in accordance with the Company's Code of Ethics, any other applicable Company policies and any related disclosure obligations. Directors having a conflict, potential conflict or apparent conflict are expected to recuse themselves from the discussion and the vote related to the matter.

### **Integrity and Conduct**

Each director is expected to act with integrity and to adhere to the policies in the Company's Code of Ethics and all other applicable Company policies (including but not limited to these Corporate Governance Guidelines). Any waiver of the requirements of the Code of Ethics for any director must be approved by the Audit Committee.

### **Confidentiality**

Each director has an obligation to keep confidential all non-public information that he or she receives in connection with serving on the Board. Directors may not use such information for personal benefit or the benefit of persons or entities outside the Company nor may they disclose this information for any purpose without express permission. Confidential information includes, but is not limited to, information regarding the strategy, business, finances and operations of the Company (or any of the Company's suppliers, customers or other constituents), minutes, reports and materials of the Board and its committees, and other documents identified as confidential by the Company. The proceedings and deliberations of the Board and its committees are also confidential non-public information and are subject to strict protection.

## **II. BOARD INDEPENDENCE**

The Board has a majority of independent directors. In making independence determinations, the Board observes all applicable requirements, including the corporate governance listing standards established by the New York Stock Exchange (NYSE). In addition, to be considered independent under these Guidelines, the Board must determine under applicable NYSE listing standards that a director does not have any direct or indirect "material" relationship with the Company (either directly or as a partner, controlling shareholder or executive officer of an organization that has a material relationship with the Company). The Board will carefully consider all relevant facts and circumstances in making an independence determination. The Board has adopted guidelines for determining whether a director is independent which are set forth in the attached Annex A.

## **III. BOARD LEADERSHIP**

The Board has leadership in the form of a Chairman. The Board does not have a fixed policy regarding the separation of the offices of Chairman of the Board and Chief Executive Officer and believes that it should maintain the flexibility to select the Chairman of the Board and its leadership

structure, from time to time, based on the criteria that it deems in the best interests of the Company and its stockholders.

#### **IV. EXECUTIVE SESSIONS**

The non-management directors meet regularly without members of management present in executive session, no less frequently than one time per year, and as otherwise determined by such directors. If any of the non-management directors do not qualify as an “independent director” as set forth in Section II above, at least once a year an additional executive session is held, attended only by independent directors. The Audit Committee Chair, unless and until otherwise disclosed in the Company’s annual proxy statement, will chair such meetings. The name of the chair of such meetings will be disclosed in the Company’s annual proxy. The executive sessions have such agendas and procedures as are determined by the non-management and independent directors. Authority in such sessions to act on behalf of the Company or the Board on any matters requires an express delegation of authority by the Board.

#### **V. FORMAL EVALUATION OF THE CHIEF EXECUTIVE OFFICER**

The Board has delegated to the Compensation Committee the task of evaluating the Chief Executive Officer annually and reporting its recommendations to the Board. The Chairman of the Compensation Committee communicates the Board’s conclusions to the Chief Executive Officer. The evaluation is based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management, and other factors that the Board and Compensation Committee agree are appropriate in assessing the Chief Executive Officer’s performance. The evaluation is used in determining the Chief Executive Officer’s compensation.

#### **VI. MANAGEMENT DEVELOPMENT AND SUCCESSION PLANNING**

The Board periodically reviews management development and succession plans with respect to senior management positions, and engages the Chief Executive Officer in such discussions as appropriate. The Board considers from time to time as appropriate potential successors to the Chief Executive Officer in the event of his or her resignation, retirement or disability.

#### **VII. DIRECTOR NOMINATION, QUALIFICATION AND ELECTION**

##### **Selection of Board Nominees**

Each year, the Board proposes a slate of director nominees to stockholders for election at the Annual Meeting of Stockholders. Stockholders may also recommend candidates for election to the Board, as described below. The Board has delegated the process of screening potential director candidates to the Nominating and Corporate Governance Committee. The Board shall consult the Nominating and Corporate Governance Committee Charter for more detailed instructions on the nomination of directors.

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate criteria that directors are required to fulfill (including experience, qualifications, attributes, skills and other characteristics) in the context of the current

make-up of the Board and the needs of the Board given the circumstances of the Company. In identifying and screening director candidates, the Nominating and Corporate Governance Committee considers whether the candidates fulfill the criteria for directors approved by the Board, including integrity, objectivity, independence, sound judgment, leadership, courage and diversity of experience (for example, in relation to finance and accounting, international operations, strategy, risk management, technical expertise, policy-making, etc.).

The Nominating and Corporate Governance Committee values the input of stockholders in identifying director candidates. The Nominating and Corporate Governance Committee considers recommendations for Board candidates submitted by stockholders using substantially the same criteria it applies to recommendations from the Committee, directors and members of management. Stockholders may submit recommendations by providing the person's name and appropriate background and biographical information in writing to the Committee at 1 Corporate Dr Ste C, Cranbury, NJ 08512.

Invitations to serve as a nominee are extended by the Board itself via the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee.

#### **Term of Service: Director Renomination**

The Board believes that it must periodically refresh its membership to ensure that its composition remains appropriate given the Company's needs over time. The Board will be divided into two classes with only one class of directors being elected in each year and each class (except for those directors appointed prior to our first Annual Meeting of Stockholders) serving a two-year term. The Board may renominate a director, based on the recommendation of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee formally reviews the performance of each director in determining whether to renominate directors for election.

#### **Commitment and Limits on Other Activities**

Directors must be prepared to devote the time required to prepare for and attend Board meetings, and fulfill their responsibilities effectively. Directors are asked to advise the Chairman of the Board, the Chairman of the Nominating and Corporate Governance Committee and the Corporate Secretary in advance of accepting an invitation to serve on another board.

#### **Offer of Resignation upon a Job Change or Other Significant Events**

When a director's principal occupation or business association changes from the position such director held when originally invited to join the Board, the director shall submit to the Chairman of the Nominating and Corporate Governance Committee an offer to resign. The Committee shall review whether it would be appropriate for the director to continue serving on the Board and recommend to the Board whether, in light of the circumstances, the Board should accept the proposed resignation or request that the director continue to serve. Directors are also expected to inform the Chairman of the Nominating and Corporate Governance Committee of other events that could reasonably be perceived to be relevant to consideration about ongoing independence.

## **VIII. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

The Board has delegated to the Nominating and Corporate Governance Committee the task of designing, with Company management, an appropriate orientation program for new directors that includes background material, meetings with senior management and visits to Company facilities. The Committee also explores and makes available education and development opportunities for directors, from time to time.

In addition to education and development programs that are specifically tailored for the Board, all directors are encouraged to attend director development programs and conferences that relate to director duties or other corporate governance topics or to other topics relevant to the work of the Board. Each director will be reimbursed for the cost of one such program per year (and reasonable travel and hotel expenses associated with attending such program) selected from among a list pre-approved by the Nominating and Corporate Governance Committee, or upon advance approval by the Committee to be reimbursed for attending a program not on the list.

## **IX. BOARD AGENDA, MATERIALS, INFORMATION AND PRESENTATIONS**

The Chairman of the Board, with input from senior members of management, establishes the agenda for each Board meeting. A schedule of Board meetings and agenda topics to be discussed for the ensuing year is issued at the beginning of each year (to the degree these can be foreseen). Specific agenda items will be determined and the final agenda will be circulated to the Board in advance of each Board and committee meeting. Each director is encouraged to suggest to the Chairman of the Board item(s) for the agenda or additional information to be provided to directors.

Information and data that is important to the Board's understanding of the business is distributed in writing to the Board generally five to seven days before the Board meets, although this is not a strict standard so as to allow for unusual circumstances. Management is expected to provide material that is concise, yet appropriately detailed for the circumstances.

Presentations on specific subjects are forwarded to the directors in advance so that directors may prepare and Board meeting time may be used primarily for discussion rather than information exchange. However, it is recognized that there may be occasions when an important issue arises without time for written background materials to circulate or the subject matter is not appropriate for written materials, such that more presentation time will be required.

## **X. DIRECTOR ACCESS TO SENIOR MANAGERS AND INDEPENDENT ADVISERS**

The Board and its committees retain independent advisers to assist them in carrying out their activities when and as needed, and the Company provides adequate resources to compensate such advisers. Directors have complete access to senior management and to Board and committee advisers. Directors are expected to use good judgment to ensure that this contact is not distracting to the business operation of the Company, and that independent advisers are used efficiently.

The Board expects that certain senior managers will be invited to attend portions of Board meetings. Should the Chairman and Chief Executive Officer wish to suggest that a senior manager

attend on a regular basis, such suggestion is made to the Board for its concurrence. The Board encourages management to bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) have future potential such that management believes the Board should have greater exposure to the individual.

## **XI. BOARD COMMUNICATION WITH STOCKHOLDERS AND OTHERS, AND ANNUAL MEETING ATTENDANCE**

Management, and, in particular, the Chief Executive Officer, speaks for the Company with stockholders, investors, employees, customers, suppliers, the press and others. In circumstances when it is appropriate for the Board to communicate separately from the Company's management, the Chairman of the Board speaks for the Board, although there may be circumstances when another director, such as a committee chair, may be asked to participate and even lead the communication effort. Directors are expected to take special care in all communications concerning the Company, in light of strict confidentiality requirements and laws prohibiting insider trading, tipping and avoidance of selective disclosure.

The Board believes that effective communications with the Company's stockholders are important, and has established means for the Company's stockholders and other interested parties to contact the Board and its committees. Information regarding how to contact the Board and its committees is included below in Section XV and is posted on the Company's website.

In order to build constructive, informed relationships with stockholders, and encourage transparency and accountability, directors may be available to participate in discussions with stockholders from time to time, as appropriate.

It is a policy of the Board that all directors attend the Annual Meeting of Stockholders absent unusual circumstances. The Company discloses director attendance at the Annual Meeting in the Company's next proxy statement or on the Company's website.

## **XII. STANDING BOARD COMMITTEES**

The Board currently has three committees: Audit, Compensation and Nominating and Corporate Governance. Membership on such committees is limited to independent directors, subject to other regulations as the SEC and NYSE impose. Each committee has its own charter, which sets forth the responsibilities of each committee, the qualifications of its members and the procedures of the committee. Each committee will conduct a self-assessment annually. Subject to applicable regulations and listing rule requirements, the Board retains discretion to form new committees or disband current committees depending upon the circumstances.

The Nominating and Corporate Governance Committee recommends, after consultation with the Chairman of the Board and Chief Executive Officer, and with consideration of the views, experiences and characteristics of individual directors, the appointment of directors to various committees and the appointment of committee chairmen, for Board approval.

### **XIII. COMPENSATION MATTERS**

#### **Director Compensation**

The Compensation Committee recommends to the Board for approval general principles for determining the form and amount of director compensation and subject to such principles, evaluates annually the status of Board compensation in relation to comparable U.S. companies (in terms of size, business sector, etc.), reporting its findings and recommendations to the Board for approval.

#### **Recovery of Incentive Compensation**

In addition to any other remedy available to the Company, subject to applicable law, the Board may seek to recover incentive compensation paid or awarded to executive officers of the Company where such payment or award was predicated upon the achievement of certain financial results that were subsequently the subject of a material negative restatement of the Company's financial statements filed with the SEC and/or such financial results were the product of misconduct or fraudulent activity and a lower incentive payment would have been made to the executive officer based upon the restated financial results.

### **XIV. ANNUAL BOARD AND COMMITTEE PERFORMANCE EVALUATIONS**

The Board conducts an annual self-evaluation of its performance and the performance of its committees. The Nominating and Corporate Governance Committee recommends to the Board and its committees the methodology for such evaluations and oversees its execution.

### **XV. COMMUNICATING WITH THE BOARD**

Stockholders are invited to communicate to the Board or its committees by writing to: Secretary at 1 Corporate Dr Ste C, Cranbury, NJ 08512. In addition, interested parties may communicate with the Chairman of the Board or with the non-management and independent directors of the Company as a group by writing to: Chairman at 1 Corporate Dr Ste C, Cranbury, NJ 08512.

### **XVI. CORPORATE GOVERNANCE GUIDELINES**

The Nominating and Corporate Governance Committee reviews these Guidelines periodically and recommends amendments to the Board as necessary.

These Guidelines are posted on the Company's website.

These Corporate Governance Guidelines were adopted by the Board on November 8, 2017

## Annex A Independence Guidelines

The Board of Directors of Parts iD, Inc. shall adhere to the following standards promulgated by the New York Stock Exchange and the Securities and Exchange Commission when evaluating the independence of its directors.

**(a)(i)** No director qualifies as “independent” unless the Board of Directors affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company).

**(ii)** In addition, in affirmatively determining the independence of any director who will serve on the Compensation Committee of the Company’s Board of Directors, the Board of Directors must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to:

**(A)** the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and

**(B)** whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

Note: it is not possible to anticipate, or explicitly to provide for, all circumstances that might signal potential conflicts of interest, or that might bear on the materiality of a director’s relationship to the Company (references to the “Company” would include any parent or subsidiary in a consolidated group with the Company). Accordingly, it is best that when making “independence” determinations, the Board of Directors shall broadly consider all relevant facts and circumstances. In particular, when assessing the materiality of a director’s relationship with the Company, the Board should consider the issue not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. However, as the concern is independence from management, the New York Stock Exchange does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.

When considering the sources of a director’s compensation in determining his independence for purposes of Compensation Committee service, the Board should consider whether the director receives compensation from any person or entity that would impair his ability to make independent judgments about the Company’s executive compensation. Similarly, when considering any affiliate relationship a director has with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company, in determining his or her independence for purposes of Compensation Committee service, the Board should consider whether the affiliate relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair his ability to make independent judgments about the Company’s executive compensation.



**(b)** In addition, a director is not independent if:

**(i)** The director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer, of the Company.

Note: employment as an interim Chairman or CEO or other executive officer shall not disqualify a director from being considered independent following that employment.

**(ii)** The director has received, or has an immediate family member who has received, during any twelve month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

Note: compensation received by a director for former service as an interim Chairman or CEO or other executive officer need not be considered in determining independence under this test. Compensation received by an immediate family member for service as an employee of the Company (other than an executive officer) need not be considered in determining independence under this test.

**(iii)** (A) The director is a current partner or employee of a firm that is the Company's internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.

**(iv)** The director or an immediate family member is, or has been with the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.

**(v)** The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

Note: in applying the test in section (b)(v) above, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year of such other company. The look-back provision for this test applies solely to the financial relationship between the Company and the director or immediate family member's current employer; a Company need not consider former employment of the director or immediate family member.

Also note: contributions to tax exempt organizations shall not be considered payments for purposes of section (b)(v), provided however that the Company shall disclose either on or through its website or in its annual proxy statement, or if the Company does not file an annual proxy statement, in the Company's annual report on Form 10-K filed with the SEC, any such contributions made by the Company to any tax exempt organization in which any independent director serves as an executive

officer if, within the preceding three years, contributions in any single fiscal year from the Company to the organization exceeded the greater of \$1 million, or 2% of such tax exempt organization's consolidated gross revenues. If this disclosure is made on or through the Company's website, the Company must disclose that fact in its annual proxy statement or annual report, as applicable, and provide the website address. The Company's board is reminded of its obligations to consider the materiality of any such relationship in accordance with section (a) above.

An "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. When applying the look-back provisions in section (b), the Company need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

In addition, references to the "Company" include any parent or subsidiary in a consolidated group with the Company or such other company as is relevant to any determination under the independent standards set forth in this section (b).