



CarParts.com, Inc.
Corporate Governance Guidelines

Adopted as of November 16, 2021

The Board of Directors (“Board”) of CarParts.com, Inc. (“Company”) has prepared these Corporate Governance Guidelines (“Guidelines”) to assist Board members in their oversight of the Company’s management in conducting the business of the Company. These Guidelines are intended to provide a flexible framework for the governance of the Company and not a set of legally binding obligations. The Guidelines should be read in light of applicable law, regulations, stock market rules, and the Company’s ByLaws and Certificate of Incorporation, as amended, and other governance documents, including the charters of the committees of the Board.

1. The Role of the Board and its Relationship to Company Management

The Board of Directors is responsible for overseeing management’s operation of the Company’s business in accordance with its strategic direction and business objectives. The Chief Executive Officer is responsible for conducting the business of the Company through the Company’s executive officers, managers and employees, identifying its strategic goals and objectives and key operational metrics, and identifying and managing the known, material risks which could affect the Company’s operating and financial performance. In its oversight of Company management, the Board has a duty to exercise sound business judgment in a manner designed to serve the best interests of the Company and its stakeholders. The Board approves policies and processes proposed by management intended to ensure compliance with applicable laws, regulations and ethical standards and sound operation of the Company’s business. The Board, directly or through its various committees, is charged with the following responsibilities:

- Selecting the Chief Executive Officer and approving the hiring of other executive officers, taking into consideration their technical skills, experience, leadership abilities, overall fit within the Company’s workplace culture, and their ability to contribute to the Company’s current and anticipated needs;
- Annually reviewing and approving the Company’s strategic plan, operating targets, goals, financial objectives and periodically evaluating whether the business is being effectively managed in accordance therewith;
- Providing oversight of the Company’s risk identification, assessment and mitigation process and approving and overseeing the implementation of policies designed to protect the assets of the Company, as more fully described below;
- Evaluating the performance of the Board, the Chief Executive Officer and other executive officers, and approving their compensation;
- Annually reviewing the succession plans for the Company’s Chief Executive Officer, and other executive officers and key employees;
- Approving processes to ensure that financial statements are timely filed with the Securities and Exchange Commission, that the Company is being operated in compliance with Company policy, legal and regulatory requirements; and
- Advising the Chief Executive Officer and other executive officers in the discharge of their duties in operating the Company and implementing its strategic plan.

Access to Management and Outside Advisors

The Board shall have free access to senior executives and Company records and may request meetings with any executive or employee of the Company and its external advisors, consultants, legal counsel and independent auditors. The Board and its committees may retain in their reasonable discretion and at the Company’s expense, independent advisors to guide them in their oversight of Company management.

2. Composition of the Board and Requirements for Service

The Company's ByLaws and Certificate of Incorporation provide that the Board shall consist of three (3) to nine (9) members. A majority of the members of the Board shall qualify as independent, as defined by the standards adopted by the Nasdaq Stock Market ("Nasdaq Rules"). The Board should be composed of a diverse mix of individuals with complementary skills, background, and experience relevant to the Company's business. The Company recognizes that extensive business experience and intimate working knowledge of the Company's business operations contribute to a directors' ability to effectively oversee management in its operation of the Company. Directors are therefore eligible to serve on the Board as long as they remain competent to fulfill their duties to the Company and stakeholders and the Company does not impose a mandatory retirement age or impose term limits on a director's eligibility to serve. A director's ability to continue serving on the Board may be affected by other factors, as discussed below.

Independence of Directors

Except as otherwise permitted by the applicable Nasdaq Rules, the Board shall consist of a majority of directors whom the Board has determined have no material relationship with the Company and who are otherwise "independent directors" under the Nasdaq Rules. The Board makes an affirmative determination regarding the independence of each director annually. Each independent director is expected to notify the Chairman of the Board as soon as practicable, of any event, situation or condition that may affect his or her independence.

Multiple Directorships

The Company values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a director's time and availability and may present conflicts or legal issues. Directors who also serve as CEO's or in equivalent positions should not serve on more than two boards of public companies in addition to the Company's Board; and, other directors should not serve on more than four other boards of public companies in addition to the Company's Board. Any exceptions to the foregoing limits must be approved by the Board. Directors should advise the Chairman of the Board in advance of accepting an invitation to serve on another board.

Resignation or Refusal to Stand for Re-Election

If a director wishes to express an intention to resign from the Board or an intention not to stand for re-election to the Board, the director shall express such intention by sending advance written notice to the Company's Chairman of the Board.

Changes to Principal Occupation

If a director experiences a material change in his or her principal occupation or otherwise experiences personal circumstances that could limit his or her ability to effectively discharge his or her duties to the Company, the concerned director shall offer to submit a letter of resignation and the remainder of the Board shall deliberate outside the presence of such director, whether it is in the best interests of the Company and stakeholders to accept such resignation.

Conflicts of Interest and Resolution and Reporting

Directors shall promptly inform the chair of the Nominating and Corporate Governance Committee of any actual or potential conflict of interest to which such director may become subject. Directors are required to resign if an irresolvable conflict arises. Deliberations affecting the personal, business or professional interests of a director shall occur outside the presence of the concerned director.

3. Board and Committee Meetings

The number of Board and committee meetings per year is at the discretion of the Board. The Chairman of the Board is responsible for approving Board meeting agendas and the chair of each committee is responsible for approving his or her committee's meeting agenda. Other directors are encouraged to propose matters to be included on the agenda

as they deem appropriate. At least once per year the Board will meet with Company management and review the Company's long term strategic plan and discuss significant financial, accounting, and risk management issues relevant to the business of the Company. Meetings shall be scheduled sufficiently in advance to ensure maximum participation. During Board meetings, time will be reserved for independent directors to meet in executive session, outside the presence of management and non-independent directors. Directors are expected to attend at least 75% of Board meetings and committee meetings of which they are members and to devote sufficient time and resources to perform their duties effectively and in the best interests of stakeholders. Directors will be provided sufficient information in advance of Board and committee meetings to enable them to meaningfully participate in and contribute to meeting discussions. Directors are expected to thoroughly review all relevant materials in advance of Board and committee meetings. All meetings and deliberations of the Board and its committees shall be confidential. Each director must maintain confidentiality of information throughout and after service as director. If any disclosure is mandated by law, directors must inform the Board of their actions. Reasonable travel expenses incurred in the course of attending Board of Director and Committee meetings will be reimbursed by the Company. Travel expenses incurred by Directors in connection with matters other than the attendance of Board or Committee meetings shall be determined to be reimbursable by the Chairman of the Board in advance of a Director's incursion of the expenses.

4. Board Committees

The Board has established three standing committees composed entirely of independent directors: the Nominating and Corporate Governance Committee, the Compensation Committee, and the Audit Committee. All standing committees will operate and function pursuant to a written charter.

5. Director Compensation and Related Policies

Director Compensation

The Board will determine, based upon the recommendation of the Compensation Committee, the compensation and benefit programs for non-management directors. The amount of compensation should be reasonable and designed to ensure non-employee directors remain independent.

Director Stock Ownership Guidelines

The Board has established stock ownership guidelines in order to align the interests of directors with those of the Company's stakeholders. The guidelines require that directors within four (4) years of joining the Board own and maintain a minimum of 2 times the amount of the independent director annual restricted stock unit grant. To avoid fluctuating ownership requirements, once a director has satisfied the ownership guidelines, they will be considered to have satisfied the requirements as long as the shares used to meet the underlying requirements are retained.

Executive Compensation Clawback Policy

The Company has adopted an Executive Compensation Clawback Policy pursuant to which executive officers will be required to return incentive compensation paid to them if the financial results upon which the awards were based are materially restated and such executive officer engaged in fraud or intentional illegal conduct which materially contributed to the need for such restatement (a "Material Financial Restatement"). Under the Executive Compensation Clawback Policy, the Company can require reimbursement of all or a portion of any bonus, incentive payment, equity-based compensation (including performance-vesting restricted stock awards, time-vesting restricted stock awards and stock options), or other compensation to the extent that it is paid, earned or vests less than three years prior to the date the Company publicly discloses the need for the applicable Material Financial Restatement. To the extent that final rules are adopted under the Dodd-Frank act that require additional clawback provisions to apply to the compensation of the Company's executive officers, the Company will amend the policy accordingly.

Policy on Stock Hedging and Pledging

All directors and executive officers are prohibited from engaging in short-term or speculative transactions involving Company securities, such as publicly traded options, short sales, puts and calls, and hedging transactions, or pledging Company stock on margin, without Board approval.

Loans to Directors or Executive Officers

The Company may not, directly or indirectly, extend personal loans or lines of credit to any of the Company's directors or executive officers.

6. Stockholder Communications to the Board

The Board believes it is the responsibility of management to speak on behalf of the Company to stakeholders, press and other outside parties. Directors may occasionally meet or communicate with these parties at the request of management. Nonetheless, under certain circumstances communications directly with the Board may be appropriate. Stakeholders may send written communications directly to the attention of the Board, any committee of the Board or any individual Board member, care of our Corporate Secretary at 2050 W. 190th Street, Suite 400, Torrance, California 90504. Communications will be forwarded to directors if they relate to appropriate and substantive corporate or Board matters. Communications that are of a commercial or frivolous nature, or otherwise inappropriate for the Board's consideration will not be forwarded to the Board.

7. Director Orientation and Continuing Education

The Nominating and Corporate Governance Committee in concert with the Chief Executive Officer shall prepare Company orientation for new directors and shall periodically provide materials or briefing sessions for all directors on subjects that would assist them in discharging their duties and responsibilities. Directors are encouraged to take advantage of any other available educational opportunities that would further their understanding of the Company's business and enhance their performance on the Board, including free or low-cost local trainings when available. The Company will reimburse a director for reasonable costs incurred in connection with such educational opportunities, subject to prior approval from the Chairman of the Board.

8. Code of Ethics and Business Conduct

The Board of Directors has adopted a Code of Ethics and Business Conduct which applies to all directors, senior executives and employees. The full text of the Company's Code of Ethics and Business Conduct is available on the Investor Relations section of the Company's website, www.carparts.com, and can be directly accessed at <https://www.carparts.com/investor/corporate-governance>.

9. CEO Evaluation; Succession Planning and Leadership Development

The Board should conduct an annual review of the Chief Executive Officer's performance. The evaluation should be based on objective criteria including performance of the business and accomplishment of long-term strategic objectives. The Nominating and Corporate Governance Committee should annually review with the Chief Executive Officer the Company's plan for succession to the offices of the Company's Chief Executive Officer and other key officers and employees and related leadership development plans and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to these positions. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

10. Board and Committee Assessments

The Board and each Committee will conduct an annual evaluation to determine whether it is functioning effectively. The chair of each committee, and the Chairman of the Board in the case of the Board, will receive feedback from all committee members and directors, as applicable, and report annually to the Board with an assessment.

11. Review of Governance Guidelines

The Nominating and Corporate Governance Committee will review and assess the adequacy of these Guidelines at least annually and recommend any proposed changes to the Board for approval.