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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported):

April 11, 2018 (April 9, 2018)

Lawson Products, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-10546
(Commission
File Number)

36-2229304
(IRS Employer
Identification Number)

8770 W. Bryn Mawr Ave., Suite 900, Chicago, Illinois
(Address of Principal Executive Offices)

60631
(Zip Code)

Registrant's telephone number, including area code: (773) 304-5050

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Securities Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Securities Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Securities Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensation Arrangements of Certain Officers.

On August 14, 2017, Lawson Products, Inc., an Illinois corporation (the “Company”), a wholly-owned subsidiary of Lawson Products, Inc., a Delaware corporation (the “Registrant”), entered into an Employment Agreement (the “Employment Agreement”) with Michael G. DeCata, President and Chief Executive Officer (the “Executive”). Also on August 14, 2017, and in accordance with the Employment Agreement, the Registrant entered into an Award Agreement (the “2017 Award Agreement”) with the Executive pursuant to which the Registrant awarded the Executive (i) 41,000 stock performance rights (the “2017 SPRs”) under the Registrant’s Amended Stock Performance Plan (as Amended and Restated Effective January 24, 2017) (the “SPR Plan”), (ii) 40,000 nonqualified stock options (the “2017 Options”) under the Registrant’s 2009 Equity Compensation Plan (as Amended and Restated Effective May 13, 2014) (the “Equity Plan”), (iii) a target award of 57,934 market stock units (the “2017 MSUs”) under the Equity Plan and (iv) a restricted award of 29,083 stock units (the “2017 RSAs”) under the Equity Plan. The 2017 Award Agreement contemplated that the number of 2017 MSUs that would vest would be based upon share price attainment determined by the trailing 60 trading day weighted average closing price of the Registrant’s common stock on December 31, 2019 (the “Average Closing Stock Price”), with the Executive vesting in (x) 50% of the 2017 MSUs if the Average Closing Stock Price is \$24.50, (y) 100% of the 2017 MSUs if the Average Closing Stock Price is \$27.50 and (z) 150% of the 2017 MSUs if the Average Closing Stock Price is \$32.00. The Executive would be entitled to receive one share of the Registrant’s common stock for each vested 2017 MSU. The 2017 Award Agreement contemplated that the 2017 RSAs would vest in full on the third anniversary of the grant date, or August 14, 2020, with one share of the Registrant’s common stock to be issued for each vested 2017 RSA. On January 13, 2017, unrelated to the Employment Agreement, the Registrant granted the Executive a restricted stock award pursuant to the Equity Plan of 2,000 shares of common stock that would vest in full on December 31, 2019 (the “2017 Restricted Stock Award”).

Section 8.0 of the Equity Plan as in effect at the time of the 2017 awards placed an annual limitation of 40,000 shares of common stock with respect to equity awards to participants other than nonemployee directors and an annual limitation of 20,000 shares of common stock with respect to equity awards to nonemployee directors. The aggregate number of shares of common stock associated with the 2017 Options, the 2017 MSUs, the 2017 RSAs and the 2017 Restricted Stock Award exceeded the 40,000 share limitation applicable to Mr. DeCata.

On April 9, 2018, the Board of Directors of the Registrant approved an amendment of the Equity Plan (the “Equity Plan Amendment”) pursuant to which the annual grant limitation applicable to participants other than nonemployee directors was raised from 40,000 shares to 125,000 shares. No other provision of the Equity Plan was amended. A copy of the Equity Plan Amendment is attached hereto as Exhibit 10.1 and is hereby incorporated by reference.

In order to address any applicable non-compliance with the Equity Plan, on April 11, 2018 the Registrant and Mr. DeCata entered into (i) an amendment of the 2017 Award Agreement (the “2017 Award Agreement Amendment”) to cancel the grant of the 2017 MSUs and the 2017 RSAs and (ii) an Amended and Restated Restricted Stock Award Agreement (the “Amended and Restated Restricted Stock Award Agreement”) pursuant to which the 2017 Restricted Stock Award was canceled and the Registrant made a restricted stock award to the Executive pursuant to the Equity Plan, as amended, of 2,000 shares of common stock that would vest in full on December 31, 2019. The 2017 Options continue to be outstanding in accordance with their terms pursuant to the 2017 Award Agreement, as amended. The 2017 SPRs were granted in accordance with the provisions of SPR Plan and continue to be outstanding in accordance with their terms pursuant to the 2017 Award Agreement, as amended. Copies of the 2017 Award Agreement Amendment and the Amended and Restated Restricted Stock Award Agreement are attached hereto as Exhibit 10.2 and Exhibit 10.3, respectively, and are hereby incorporated by reference.

On April 11, 2018, following the adoption of the Equity Plan Amendment, the Registrant and the Executive entered into an Award Agreement (the “2018 Award Agreement”) with respect to, (i) a target award of 57,934 market stock units (the “2018 MSUs”) under the Equity Plan, as amended, and (ii) a restricted award of 29,083 stock units (the “2018 RSAs”) under the Equity Plan, as amended. The number of 2018 MSUs that shall vest is based upon share price attainment determined by the Average Closing Stock Price, as defined above and using the December 31, 2019 measurement date contemplated by the 2017 MSUs, with the Executive vesting in (x) 50% of the 2018 MSUs if the Average Closing Stock Price is \$24.50, (y) 100% of the 2018 MSUs if the Average Closing Stock Price is \$27.50 and (z) 150% of the 2018 MSUs if the Average Closing Stock Price is \$32.00. The Executive shall be entitled to receive one share of the Registrant’s common stock for each vested 2018 MSU. The 2018 RSAs will vest in full on August 14, 2020, with one share of the Registrant’s common stock to be issued for each vested 2018 RSA. The 2018 MSUs and the 2018 RSAs are intended to replicate the benefits to the Executive contemplated by the 2017 MSUs and 2017 RSAs, respectively. A copy of the 2018 Award Agreement is attached hereto as Exhibit 10.4 and is hereby incorporated by reference.

In connection with the foregoing, on April 11, 2018, the Company and the Executive entered into an amendment of the Employment Agreement (the “Employment Agreement Amendment”) to make changes to the equity award structure set forth in the Employment Agreement to be consistent with the 2017 Award Agreement Amendment and the 2018 Award Agreement. A copy of the Employment Agreement Amendment is attached hereto as Exhibit 10.5 and is hereby incorporated by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Amendment No. 1 to the Amended and Restated Lawson Products, Inc. 2009 Equity Compensation Plan.</u>
10.2	<u>Amendment No. 1 dated as of April 11, 2018 to Award Agreement dated as of August 14, 2017 by and between Lawson Products, Inc. and Michael G. DeCata.</u>
10.3	<u>Amended and Restated Restricted Stock Award Agreement dated as of April 11, 2018 by and between Lawson Products, Inc. and Michael G. DeCata.</u>
10.4	<u>Award Agreement dated as of April 11, 2018 by and between Lawson Products, Inc. and Michael G. DeCata.</u>
10.5	<u>Amendment No. 1 dated as of April 11, 2018 to Employment Agreement dated as of August 14, 2017 by and between Lawson Products, Inc. and Michael G. DeCata.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LAWSON PRODUCTS, INC.

Date: April 11, 2018

By: /s/ Neil E. Jenkins

Neil E. Jenkins

Executive Vice President, Secretary and General Counsel

**AMENDMENT NO. 1 TO THE AMENDED AND RESTATED
LAWSON PRODUCTS, INC. 2009 EQUITY COMPENSATION PLAN**

This Amendment No. 1 to the Lawson Products, Inc. 2009 Equity Compensation Plan (as Amended and Restated Effective May 13, 2014) (the "Plan") is made effective as of the 9th day of April 2018.

Section 8.0 of the Plan is amended and restated to read in its entirety as follows:

"8.0 Maximum Individual Awards

The maximum aggregate number of shares of Common Stock that may be granted in any calendar year with respect to Awards under the Plan to any single Participant (the "Grant Limitation") shall be: (a) 125,000 to any Participant other than a Nonemployee Director, and (b) 20,000 to any Participant who is a Nonemployee Director. In the event of any adjustment under Section 7.2 to the number of shares that may be issued under the Plan, the Grant Limitation shall be proportionately adjusted."

**AMENDMENT NO. 1 TO
AWARD AGREEMENT**

This Amendment No. 1 (the “Amendment”) to that certain Award Agreement by and between Lawson Products, Inc., a Delaware corporation (the “Company”) and Michael G. DeCata (the “Executive”), dated as of August 14, 2017, (the “Agreement”) is made and entered into as of April 11, 2018 (the “Amendment Effective Date”).

As of the Amendment Effective Date, the parties to the Agreement, for good and valuable consideration, the receipt of which is hereby acknowledged, agree to the following changes to the Agreement.

1. The grants of the MSUs and RSAs provided for in Sections 1(c) and 1(d) of the Agreement are cancelled, and references to the MSUs and RSAs throughout the Agreement are null and void.
2. The remainder of the Agreement shall remain in full force and effect.

[SIGNATURE LINES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

EXECUTIVE:

/s/ Michael G. DeCata

Michael G. DeCata

LAWSON PRODUCTS, INC.

By: /s/ Neil E. Jenkins

Neil E. Jenkins

Executive Vice President, General Counsel and Secretary

LAWSON PRODUCTS, INC.

AMENDED AND RESTATED RESTRICTED STOCK AWARD AGREEMENT

This Amended and Restated Restricted Stock Award Agreement (the "Agreement") is entered into as of April 11, 2018 (the "Award Date") between Lawson Products, Inc. (the "Company") and Michael G. DeCata (the "Participant"). Any term capitalized but not defined in this Agreement shall have the meaning set forth in the Lawson Products, Inc. 2009 Equity Compensation Plan, as amended and restated effective May 13, 2014, and as further amended April 9, 2018 (the "Plan").

WHEREAS, the Company and Executive desire to amend and restate that certain Restricted Stock Award Agreement dated as of January 13, 2017 (the "Original Grant Date"), between the Company and Participant (the "Prior Agreement"), in order to reflect the cancellation of the 2,000 restricted shares of Common Stock granted under the Prior Agreement as of the Original Grant Date (the "Prior Grant") and the new grant of restricted shares set forth herein.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

WHEREAS, the Plan allows for the grant of a Stock Award to Employees of the Company as approved by the Committee. In exercise of its discretion under the Plan, the Committee has determined that the Participant should receive a Stock Award under the Plan and, accordingly, the Company and the Participant hereby agree as follows:

1. *Cancellation of Prior Grant.* The Prior Grant is cancelled and neither the Company nor any Subsidiary shall have any further obligations to the Participant with respect to such forfeited restricted shares.
2. *Grant.* The Company hereby grants to the Participant a Stock Award (the "Award") of 2,000 shares of Common Stock, subject to the restrictions set forth in this Agreement (the "Restricted Shares"). The Award shall be subject to the terms and conditions of the Plan and this Agreement.
3. *No Rights as Stockholder.* With respect to the Restricted Shares subject to this Award, the Participant will have all of the rights of a holder of shares of Common Stock, including the right to receive dividends and to vote the shares of Common Stock; provided, however, that any cash or shares of Common Stock distributed as a dividend or otherwise with respect to any Restricted Shares as to which the restrictions have not yet lapsed, shall be subject to the same restrictions as such Restricted Share under Section 4 and held or restricted.
4. *Vesting.* Subject to the Participant's continued Service with the Company through such dates, the Restricted Shares evidenced by this Agreement shall, except as otherwise provided in this Agreement, vest in full on, and not until, December 31, 2019 (the "Vesting Date"). Upon vesting, the Restricted Shares shall no longer be subject to the transfer restrictions pursuant to Section 9 hereof or cancellation pursuant to Section 5 hereof. Notwithstanding the foregoing, the Award shall become 100% vested on the date a Change in Control of the Company is consummated.

5. *Effect of Termination of Service.*

(a) If the Participant's Service is terminated by the Company without Cause, the Participant shall vest in the number of Restricted Shares that would have vested had the Participant continued to provide Services to the Company through the Vesting Date multiplied by a fraction, the numerator of which shall be the number of days between the Original Award Date and the date the Participant's Service was terminated and the denominator of which shall be 717. Any unvested portion of the Award shall be forfeited as of the effective date of the termination of Service and neither the Company nor any Subsidiary shall have any further obligations to the Participant under this Agreement with respect to such forfeited Restricted Shares.

(b) If for any reason other than as described in subsection (a) above, the Participant terminates Service with the Company and its Subsidiaries before the Vesting Date, the unvested portion of the Restricted Shares shall be forfeited as of the effective date of the termination of Service. Neither the Company nor any Subsidiary shall have any further obligations to the Participant under this Agreement with respect to such forfeited Restricted Shares.

6. *Issuance.* The Restricted Shares shall be issued by the Company and shall be registered in the Participant's name on the stock transfer books of the Company promptly after the date hereof in book-entry form, subject to the Company's directions at all times prior to the date the Restricted Shares vest. As a condition to the receipt of the Restricted Shares, the Participant shall at the request of the Company deliver to the Company one or more stock powers, duly endorsed in blank, relating to the Restricted Shares. The Committee may cause a legend or legends to be put on any stock certificate relating to the Restricted Shares to make appropriate reference to such restrictions as the Committee may deem advisable under the Plan or as may be required by the rules, regulations, and other requirements of the Securities and Exchange Commission, any exchange that lists the Restricted Shares, and any applicable federal or state laws.

7. *Post-Vest Holding Requirement.* Notwithstanding anything in the Equity Plan or this Agreement to the contrary, the Participant is required to hold (and not transfer or otherwise dispose of) one-hundred percent (100%) of the Restricted Shares that vest and convert to shares of Common Stock, net of taxes ("Net Shares"), until two (2) years after December 31, 2019 (the conversion date with respect to such Net Shares); provided, that this requirement shall lapse in the event of the Participant's death, Disability or a Change in Control.

8. *No Right to Continued Service.* Nothing in the Plan or this Agreement shall be construed as creating any right in the Participant to continued Service, or as altering or amending the existing terms and conditions of the Participant's Service.

9. *Nontransferability.* The Restricted Shares are not transferable except to the Participant's beneficiary upon the death of the Participant.

10. *Administration.* The Committee administers the Plan. The Participant's rights under this Agreement are expressly subject to the terms and conditions of the Plan and to any guidelines the Committee adopts from time to time. The Participant hereby acknowledges receipt of a copy of the Plan.

11. *Interpretation.* Any interpretation by the Committee of the terms and conditions of the Plan and this Agreement shall be final. This Agreement shall be governed by and construed under the laws of the State of Illinois, determined without regard to its conflicts of law rules, except as such laws are preempted by applicable federal law. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective. The jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), this Agreement shall be exclusively in the courts in the State of Illinois, County of Cook, including the Federal Courts located therein (should Federal jurisdiction exist).

12. *Sole Agreement.* This Award is in all respects subject to the provisions set forth in the Plan to the same extent and with the same effect as if set forth fully herein. In the event that the terms of this Award conflict with the terms of the Plan, the Plan shall control. This Agreement is the entire agreement between the parties to it, and any and all prior oral and written representations are merged in this Agreement. This Agreement may be amended only by written agreement between the Participant and the Company.

13. *Electronic Delivery.* The Company may, in its sole discretion, decide to deliver any documents related to the Award by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

14. *Restrictive Covenants.* In consideration of the receipt of this Award, the Participant agrees to the terms of the restrictive covenants set forth in Exhibit A to this Agreement.

15. *Withholding Tax.* Vesting and settlement of the Restricted Shares shall be subject to the Participant satisfying any applicable federal, state, local, and foreign tax withholding obligations. The Company or any Subsidiary may withhold shares of Common Stock from all amounts payable to the Participant in connection with the Restricted Shares to satisfy any applicable taxes required by law.

16. *Compensation Recovery Policy.* Notwithstanding any provision in the Plan or in this Agreement to the contrary, the Award will be subject to recovery under the Company's Compensation Recovery Policy as may be in effect from time to time, including, without limitation, the provisions of any such policy required by Section 10D of the Exchange Act and any applicable rules or regulations issued by the U.S. Securities and Exchange Commission or any national securities exchange or national securities association on which the Common Stock may be traded.

17. *Counterparts.* The parties may execute this Agreement in one or more counterparts, all of which together shall constitute but one Agreement.

IN WITNESS WHEREOF, the Company and the Participant have duly executed this Agreement as of the day and year first above written.

Participant

By: /s/ Michael G. DeCata
Michael G. McCata

Lawson Products, Inc.

By: /s/ Neil E. Jenkins
Neil E. Jenkins
Its: Executive Vice President, Secretary and General Counsel

Exhibit A

Restrictive Covenants

1. Restrictive Covenants. Participant understands the global nature of the Company's businesses and the effort the Company undertakes to develop and protect its business and its competitive advantage. Accordingly, Participant agrees that the scope and duration of the restrictions described in this Exhibit A are reasonable and necessary to protect the legitimate business interests of the Company. Participant further agrees that during the period of Participant's Service and for a period of one year following Participant's separation from Service, Participant shall not:
 - (a) singly, jointly, or in any other capacity, in a manner that contributes to any research, technology, development, account, trading, marketing, promotion, or sales and that relates to Participant's Service with the Company, directly or beneficially, manage, join, participate in the management, operation or control of, or work for (as an employee, consultant or independent contractor), or permit the use of his name by, or provide financial or other assistance to, any entity that directly competes with the Company, without the express written approval of the Chief Executive Officer of the Company;
 - (b) provide any service or assistance that (i) is of the general type of service or assistance provided by Participant to the Company, (ii) relates to any technology, account, product, project or piece of work with which Participant was involved during his Service, and (iii) contributes to causing an entity to come within the definition described in Section I(a) of this Exhibit A;
 - (c) solicit or accept if offered to Participant, with or without solicitation, on his or her own behalf or on behalf of any other person, the services of any person who is a then-current employee of the Company (or was an employee of the Company during the year preceding such solicitation), nor solicit any of the Company's then-current employees (or an individual who was employed by or engaged by the Company during the year preceding such solicitation) to terminate employment or an engagement with the Company, nor agree to hire any then-current employee (or an individual who was an employee of the Company during the year preceding such hire) of the Company into employment with Participant or any company, individual or other entity;
 - (d) directly or indirectly divert or attempt to divert from the Company any business in which the Company has been actively engaged during Participant's Service, nor interfere with the relationships of the Company or with their sources of business, or
 - (e) in writing or orally, malign, denigrate or disparage the Company or its Subsidiaries, predecessors, or successors, or any of the current or former directors, officers, employees, shareholders, agents, or representatives of any of the foregoing, with respect to any of their respective past or present activities, or otherwise make any public statements (whether in writing or orally) that tend to portray any of the aforementioned parties in an unfavorable light.

2. **Confidentiality.** Participant acknowledges that the Company or a Subsidiary may disclose secret or confidential information to Participant during the period of Participant's Service to enable Participant to perform his or her duties. Participant agrees that, subject to the following sentence, Participant shall not during his or her Service (except in connection with the proper performance of his or her duties) and thereafter, without the prior written consent of the Company, disclose to any person or entity any material or significant secret or confidential information concerning the business of the Company or a Subsidiary that was obtained by Participant in the course of Participant's Service. This paragraph shall not be applicable if and to the extent Participant is required to testify in a legislative, judicial or regulatory proceeding pursuant to an order of Congress, any state or local legislature, a judge, or an administrative law judge, or if such secret or confidential information is required to be disclosed by Participant by any law, regulation or order of any court or regulatory commission, department or agency. Participant further agrees that if Participant's Service is terminated for any reason, Participant will not take, but will leave with the Company or a Subsidiary, all records and papers and all matter of whatever nature that bears secret or confidential information of the Company or a Subsidiary. For purposes of this Exhibit A, the term "secret or confidential information" shall include, but not be limited to, any and all records, notes, memoranda, data, writings, research, personnel information, customer information, clearing members' information, the Company's and any Subsidiary's financial information and plans, processes, methods, techniques, systems, formulas, patents, models, devices, compilations or any other information of whatever nature in the possession or control of the Company or a Subsidiary, that has not been published or disclosed to the general public, the options industry or the commodities futures industry, provided that such term shall not include knowledge, skills, and information that is common to the trade or profession of Participant.
3. **Judicial Modification.** If the final judgment of a court of competent jurisdiction declares that any term or provision of Section 1 or 2 of this Exhibit A is invalid or unenforceable, the parties agree that (a) the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, (b) the parties shall request that the court exercise that power, and (c) this Exhibit A shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed.
4. **Remedies.** Participant agrees that in the event of a breach or threatened breach of any of the covenants contained in Sections 1 or 2 of this Exhibit A, in addition to any other penalties or restrictions that may apply under any employment agreement, state law, or otherwise, the Company may, in its discretion and upon written notice to Participant, cause Participant to forfeit any and all Awards granted to him or her under the Plan which remain unvested as of the date of the breach or threatened breach of any of the covenants contained in Sections 1 or 2 of this Exhibit A. The forfeiture provisions of this Section 4 shall continue to apply, in accordance with their terms, after the provisions of any employment or other agreement between the Company and Participant have lapsed. Participant

consents and agrees that if Participant violates or threatens to violate any provisions of Sections 1 or 2 of this Exhibit A, the Company or its successors in interest shall be entitled, in addition to any other remedies that they may have, including money damages, to an injunction to be issued by a court of competent jurisdiction restraining Participant from committing or continuing any violation of Sections 1 or 2 of this Exhibit A. In the event that Participant is found to have breached any provision set forth in Section 1 of this Exhibit A, the time period provided for in that provision shall be deemed tolled (i.e., it will not begin to run) for so long as Participant was in violation of that provision.

LAWSON PRODUCTS, INC. AWARD AGREEMENT

This award agreement (this "Agreement") is entered into this 11th day of April, 2018, by and between Lawson Products, Inc. (the "Company") and Michael G. DeCata (the "Participant").

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") has selected the Participant to receive awards under the Lawson Products, Inc. 2009 Equity Compensation Plan (as Amended and Restated Effective May 13, 2014 and as further amended effective as of April 9, 2018) (the "Equity Plan"); and

WHEREAS, the Participant wishes to accept those awards, subject to the terms and conditions of the Equity Plan and this Agreement.

NOW, THEREFORE, the Company and the Participant hereby agree as follows:

1. The awards evidenced by this Agreement are effective as of April 11, 2018 (the "Grant Date") and consist of:

(a) A target award of Fifty-Seven Thousand Nine Hundred Thirty-Four (57,934) Market Stock Units ("MSUs") under the Equity Plan. The number of MSUs that shall vest is based upon share price attainment determined by the trailing sixty (60) trading day weighted average closing price of the Company's common stock on the vesting date of December 31, 2019 (the "Average Closing Stock Price"), with the Participant vesting in (i) 50% of the MSUs if the Average Closing Stock Price is \$24.50 (the "Threshold"), (ii) 100% of the MSUs if the Average Closing Stock Price is \$27.50 (the "Target") and (iii) 150% of the MSUs if the Average Closing Stock Price is \$32.00 (the "Maximum"); provided, that, subject to Sections 2 – 6 of this Agreement, the Participant remains continuously employed by the Company through December 31, 2019. If the Average Closing Stock Price is less than the Threshold, the Participant shall vest in no MSUs. If the Average Closing Stock Price is between the Threshold and the Target or the Target and the Maximum, the number of MSUs vested will be calculated using straight-line interpolation. If the Average Closing Stock Price is equal to or greater than the Maximum, the Participant shall vest in Eighty-Six Thousand Nine Hundred One (86,901) MSUs. The Participant shall be entitled to receive one share of common stock of the Company for each vested MSU within sixty (60) days after December 31, 2019, or earlier as provided in Section 2, 3 or 6 of this Agreement. Notwithstanding anything in the Equity Plan or this Agreement to the contrary, the Participant is required to hold (and not transfer or otherwise dispose of) 100% of the shares of common stock issued upon settlement of the vested MSUs, net of shares withheld for the payment of taxes, until December 31, 2021; provided, that this requirement shall lapse or not apply in the event of the Participant's death or Disability or upon a Change in Control. Subject to Sections 2 – 6 of this Agreement, any MSUs that do not vest as of December 31, 2019 in accordance with the preceding shall be forfeited.

(b) A restricted award of Twenty-Nine Thousand Eighty-Three (29,083) Stock Units ("RSAs") under the Equity Plan. Subject to Sections 2 – 6 of this Agreement, the

RSAs shall vest in full on August 14, 2020, and one share of common stock of the Company shall be distributed to the Participant for each vested RSA within sixty (60) days of such date; provided, that the Participant remains continuously employed by the Company through such date.

2. In the event of the termination of the Participant's employment upon the Participant's death or Disability (as defined in Section 1.12 of the Equity Plan), (a) the unvested portions of the RSAs shall immediately vest upon the effective date of the Participant's termination, and (b) if such termination occurs on or before December 31, 2019, a pro rata portion of the MSUs equal to 100% of the target MSUs multiplied by a fraction, the numerator of which is the number of calendar days elapsed between the August 14, 2017 and the Participant's date of termination and the denominator of which is the number of days between the August 14, 2017 and December 31, 2019, shall immediately vest upon the effective date of the Participant's termination. The Participant shall be entitled to receive one share of common stock of the Company for each RSA and MSU vesting in accordance with the preceding sentence within sixty (60) days of the Participant's termination.

3. In the event of the termination of the Participant's employment by the Company without Cause (as defined in Section 1.5 of the Equity Plan) or by the Participant for Good Reason (as defined in the Employment Agreement dated as of August 14, 2017, and as amended effective April 9, 2018, between Lawson Products, Inc., an Illinois corporation, and the Participant (the "Employment Agreement")), and subject to Section 6, (a) the unvested portions of the RSAs that would have otherwise vested during the twenty-four (24) month period following the date of termination shall immediately vest upon the effective date of the Participant's termination, (b) a pro rata portion of the MSUs equal to 100% of the target MSUs multiplied by a fraction, the numerator of which is the number of calendar days elapsed between August 14, 2017 and the Participant's date of termination and the denominator of which is the number of days between the August 14, 2017 and December 31, 2019, shall immediately vest upon the effective date of the Participant's termination, and (c) any unvested RSAs and MSUs that do not vest in accordance with the preceding clauses shall be forfeited. The Participant shall be entitled to receive one share of common stock of the Company for each RSA and MSU vesting in accordance with the preceding sentence within sixty (60) days of the Participant's termination.

4. In the event of the termination of the Participant's employment by the Company for Cause (as defined in Section 1.5 of the Equity Plan), then all portions of the awards evidenced by this Agreement, both vested and unvested, shall immediately be forfeited, and any previously paid or released portion of those awards (including any cash payments made with respect to such awards) shall be promptly returned to the Company by the Participant (or any successor in interest) in accordance with the procedure set forth in Section 14.2 of the Equity Plan.

5. In the event of the termination of the Participant's employment by the Participant voluntarily without Good Reason (as defined in the Employment Agreement), (a) the unvested portions of the RSAs shall immediately be forfeited upon the effective date of the Participant's termination, and (b) if such termination occurs on or before December 31, 2019, all of the MSUs shall immediately be forfeited upon the effective date of the Participant's termination.

6. In the event of the termination of the Participant's employment by the Company without Cause (as defined in Section 1.5 of the Equity Plan) or by the Participant for Good Reason (as defined in the Employment Agreement) within twenty-four (24) months following a Change in Control (as defined in Section 1.6 of the Equity Plan), (a) all unvested portions of the RSAs shall immediately vest upon the effective date of the Participant's termination, (b) if such termination occurs on or before December 31, 2019, the MSUs shall immediately vest upon the effective date of the Participant's termination based on (i) the formula specified in Section 1(a) and (ii) the greater of the Target or the transaction price with respect to the common stock on the effective date of the Change in Control, and (c) any unvested MSUs that do not vest in accordance with the preceding clause shall be forfeited. The Participant shall be entitled to receive one share of common stock of the Company for each RSA and MSU vesting in accordance with the preceding sentence within sixty (60) days of the Participant's termination.

7. [Reserved]

8. Each cash payment or vesting, as applicable, of MSUs and RSAs evidenced by this Agreement shall be subject to compliance with all applicable tax withholding requirements, in accordance with Article 15 of the Equity Plan.

9. The MSUs and RSAs under this Agreement are intended to be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder ("Section 409A"); and the terms and conditions of this Agreement shall be deemed automatically amended to the extent necessary to produce such compliance (in the manner determined by the Committee in its discretion), so that, to the extent practicable, neither the Company nor the Participant (nor any successor in interest) shall have at any time a right or power that would cause the compensation in question to become subject to the special tax consequences provided for by Section 409A. References in this Agreement to "termination of employment" and similar terms shall mean a "separation from service" within the meaning of Section 409A. Any payment subject to Section 409A that is to be made upon a "separation from service" on any date when the Participant is a "specified employee" as defined under Section 409A shall not be paid before the date that is six (6) months following the Participant's "separation from service" or, if earlier, the Participant's death.

10. All aspects of the awards evidenced by this Agreement (including but not limited to vesting, valuation, payment and possible forfeiture) shall be governed by this Agreement and by the Equity Plan (as interpreted by the Committee in its discretion), as applicable, copies of which plan has been provided to the Participant and are hereby acknowledged by the Participant, and the terms and conditions of which are incorporated into this Agreement by reference. In the event of any inconsistency between this Agreement and the Equity Plan, the terms of the relevant plan shall control.

11. Without limiting the scope of the other provisions of this Agreement, the Participant acknowledges and agrees that:

(a) If any cash payment or vesting of rights with respect to an award evidenced by this Agreement would constitute an "excess parachute payment" for the purposes of Section 280G of the Internal Revenue Code then such payment or vesting shall be subject

to reduction or other adjustment in accordance with the terms of the Employment Agreement (or any successor employment agreement between the Participant and the Company), or of any other agreement between the Participant and the Company, which address the tax treatment of such a payment.

(b) The Committee may amend or terminate any or all of the provisions of the Equity Plan and any or all of the provisions this Agreement in accordance with Article 17 of the Equity Plan. The Committee shall make adjustments to the MSUs and RSAs in accordance with Section 7.2 of the Equity Plan. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

(c) Any notices required or permitted under this Agreement or the Equity Plan will be delivered in accordance with the requirements of the applicable plan.

(d) The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(e) This Agreement supersedes and replaces any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, except for the Employment Agreement.

(f) Notwithstanding anything in this Agreement to the contrary, the MSUs and RSAs covered by this Agreement shall be subject to the Company's Recovery of Funds Policy, as it may be in effect from time to time, including, without limitation, the provisions of any such policy required by Section 10D of the Securities Exchange Act of 1934 and any applicable rules or regulations issued by the U.S. Securities and Exchange Commission or any national securities exchange or national securities association on which the common stock may be traded.

(g) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to its conflict of laws rules. Any action or proceeding relating in any way to this Agreement must be brought and enforced in the federal or state courts in the State of Illinois, County of Cook, and the parties irrevocably submit to the jurisdiction of such courts in respect of any such action or proceeding.

(h) The parties may execute this Agreement in one or more counterparts, all of which together shall constitute but one Agreement.

IN WITNESS WHEREOF, the Participant and the Company have executed this Agreement as of the date set forth above.

LAWSON PRODUCTS, INC.

By: /s/ Neil E. Jenkins

Neil E. Jenkins

Executive Vice President, General Counsel and Secretary

/s/ Michael G. DeCata

Michael G. DeCata

**AMENDMENT NO. 1 TO
EMPLOYMENT AGREEMENT**

This Amendment No. 1 (the "Amendment") to that certain Employment Agreement by and between Lawson Products, Inc., an Illinois corporation (the "Company") and Michael G. DeCata (the "Executive") dated as of August 14, 2017, (the "Agreement") is made and entered into as of April 11, 2018 (the "Amendment Effective Date").

As of the Amendment Effective Date, the parties to the Agreement, for good and valuable consideration, the receipt of which is hereby acknowledged, agree to the following changes to the Agreement.

1. The grants of the MSUs and RSAs referenced in Section 3(d)(ii) of the Agreement, and awarded pursuant to that certain Award Agreement by and between Lawson Products, Inc., a Delaware corporation, and Executive, dated as of August 14, 2017 (the "Award Agreement"), shall be cancelled.
2. A grant of MSUs and RSAs similar to those referenced in Section 3(d)(ii) of the Agreement shall be granted to Executive pursuant to an award agreement substantially in the form attached hereto as Exhibit A.
3. Executive agrees to execute any and all documents necessary or desirable to effectuate the intent of the forgoing.
4. The remainder of the Agreement shall remain in full force and effect.

[SIGNATURE LINES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

EXECUTIVE:

/s/ Michael G. DeCata

Michael G. DeCata

LAWSON PRODUCTS, INC.

By: /s/ Neil E. Jenkins

Neil E. Jenkins

Executive Vice President, General Counsel and Secretary

EXHIBIT A

Form of Award Agreement

See attached

LAWSON PRODUCTS, INC. AWARD AGREEMENT

This award agreement (this "Agreement") is entered into this 11th day of April, 2018, by and between Lawson Products, Inc. (the "Company") and Michael G. DeCata (the "Participant").

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") has selected the Participant to receive awards under the Lawson Products, Inc. 2009 Equity Compensation Plan (as Amended and Restated Effective May 13, 2014 and as further amended effective as of April 9, 2018) (the "Equity Plan"); and

WHEREAS, the Participant wishes to accept those awards, subject to the terms and conditions of the Equity Plan and this Agreement.

NOW, THEREFORE, the Company and the Participant hereby agree as follows:

1. The awards evidenced by this Agreement are effective as of April 11, 2018 (the "Grant Date") and consist of:

(a) A target award of Fifty-Seven Thousand Nine Hundred Thirty-Four (57,934) Market Stock Units ("MSUs") under the Equity Plan. The number of MSUs that shall vest is based upon share price attainment determined by the trailing sixty (60) trading day weighted average closing price of the Company's common stock on the vesting date of December 31, 2019 (the "Average Closing Stock Price"), with the Participant vesting in (i) 50% of the MSUs if the Average Closing Stock Price is \$24.50 (the "Threshold"), (ii) 100% of the MSUs if the Average Closing Stock Price is \$27.50 (the "Target") and (iii) 150% of the MSUs if the Average Closing Stock Price is \$32.00 (the "Maximum"); provided, that, subject to Sections 2 – 6 of this Agreement, the Participant remains continuously employed by the Company through December 31, 2019. If the Average Closing Stock Price is less than the Threshold, the Participant shall vest in no MSUs. If the Average Closing Stock Price is between the Threshold and the Target or the Target and the Maximum, the number of MSUs vested will be calculated using straight-line interpolation. If the Average Closing Stock Price is equal to or greater than the Maximum, the Participant shall vest in Eighty-Six Thousand Nine Hundred One (86,901) MSUs. The Participant shall be entitled to receive one share of common stock of the Company for each vested MSU within sixty (60) days after December 31, 2019, or earlier as provided in Section 2, 3 or 6 of this Agreement. Notwithstanding anything in the Equity Plan or this Agreement to the contrary, the Participant is required to hold (and not transfer or otherwise dispose of) 100% of the shares of common stock issued upon settlement of the vested MSUs, net of shares withheld for the payment of taxes, until December 31, 2021; provided, that this requirement shall lapse or not apply in the event of the Participant's death or Disability or upon a Change in Control. Subject to Sections 2 – 6 of this Agreement, any MSUs that do not vest as of December 31, 2019 in accordance with the preceding shall be forfeited.

(b) A restricted award of Twenty-Nine Thousand Eighty-Three (29,083) Stock Units ("RSAs") under the Equity Plan. Subject to Sections 2 – 6 of this Agreement, the

RSAs shall vest in full on August 14, 2020, and one share of common stock of the Company shall be distributed to the Participant for each vested RSA within sixty (60) days of such date; provided, that the Participant remains continuously employed by the Company through such date.

2. In the event of the termination of the Participant's employment upon the Participant's death or Disability (as defined in Section 1.12 of the Equity Plan), (a) the unvested portions of the RSAs shall immediately vest upon the effective date of the Participant's termination, and (b) if such termination occurs on or before December 31, 2019, a pro rata portion of the MSUs equal to 100% of the target MSUs multiplied by a fraction, the numerator of which is the number of calendar days elapsed between the August 14, 2017 and the Participant's date of termination and the denominator of which is the number of days between the August 14, 2017 and December 31, 2019, shall immediately vest upon the effective date of the Participant's termination. The Participant shall be entitled to receive one share of common stock of the Company for each RSA and MSU vesting in accordance with the preceding sentence within sixty (60) days of the Participant's termination.

3. In the event of the termination of the Participant's employment by the Company without Cause (as defined in Section 1.5 of the Equity Plan) or by the Participant for Good Reason (as defined in the Employment Agreement dated as of August 14, 2017, and as amended effective April 9, 2018, between Lawson Products, Inc., an Illinois corporation, and the Participant (the "Employment Agreement")), and subject to Section 6, (a) the unvested portions of the RSAs that would have otherwise vested during the twenty-four (24) month period following the date of termination shall immediately vest upon the effective date of the Participant's termination, (b) a pro rata portion of the MSUs equal to 100% of the target MSUs multiplied by a fraction, the numerator of which is the number of calendar days elapsed between August 14, 2017 and the Participant's date of termination and the denominator of which is the number of days between the August 14, 2017 and December 31, 2019, shall immediately vest upon the effective date of the Participant's termination, and (c) any unvested RSAs and MSUs that do not vest in accordance with the preceding clauses shall be forfeited. The Participant shall be entitled to receive one share of common stock of the Company for each RSA and MSU vesting in accordance with the preceding sentence within sixty (60) days of the Participant's termination.

4. In the event of the termination of the Participant's employment by the Company for Cause (as defined in Section 1.5 of the Equity Plan), then all portions of the awards evidenced by this Agreement, both vested and unvested, shall immediately be forfeited, and any previously paid or released portion of those awards (including any cash payments made with respect to such awards) shall be promptly returned to the Company by the Participant (or any successor in interest) in accordance with the procedure set forth in Section 14.2 of the Equity Plan.

5. In the event of the termination of the Participant's employment by the Participant voluntarily without Good Reason (as defined in the Employment Agreement), (a) the unvested portions of the RSAs shall immediately be forfeited upon the effective date of the Participant's termination, and (b) if such termination occurs on or before December 31, 2019, all of the MSUs shall immediately be forfeited upon the effective date of the Participant's termination.

6. In the event of the termination of the Participant's employment by the Company without Cause (as defined in Section 1.5 of the Equity Plan) or by the Participant for Good Reason (as defined in the Employment Agreement) within twenty-four (24) months following a Change in Control (as defined in Section 1.6 of the Equity Plan), (a) all unvested portions of the RSAs shall immediately vest upon the effective date of the Participant's termination, (b) if such termination occurs on or before December 31, 2019, the MSUs shall immediately vest upon the effective date of the Participant's termination based on (i) the formula specified in Section 1(a) and (ii) the greater of the Target or the transaction price with respect to the common stock on the effective date of the Change in Control, and (c) any unvested MSUs that do not vest in accordance with the preceding clause shall be forfeited. The Participant shall be entitled to receive one share of common stock of the Company for each RSA and MSU vesting in accordance with the preceding sentence within sixty (60) days of the Participant's termination.

7. [Reserved]

8. Each cash payment or vesting, as applicable, of MSUs and RSAs evidenced by this Agreement shall be subject to compliance with all applicable tax withholding requirements, in accordance with Article 15 of the Equity Plan.

9. The MSUs and RSAs under this Agreement are intended to be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder ("Section 409A"); and the terms and conditions of this Agreement shall be deemed automatically amended to the extent necessary to produce such compliance (in the manner determined by the Committee in its discretion), so that, to the extent practicable, neither the Company nor the Participant (nor any successor in interest) shall have at any time a right or power that would cause the compensation in question to become subject to the special tax consequences provided for by Section 409A. References in this Agreement to "termination of employment" and similar terms shall mean a "separation from service" within the meaning of Section 409A. Any payment subject to Section 409A that is to be made upon a "separation from service" on any date when the Participant is a "specified employee" as defined under Section 409A shall not be paid before the date that is six (6) months following the Participant's "separation from service" or, if earlier, the Participant's death.

10. All aspects of the awards evidenced by this Agreement (including but not limited to vesting, valuation, payment and possible forfeiture) shall be governed by this Agreement and by the Equity Plan (as interpreted by the Committee in its discretion), as applicable, copies of which plan has been provided to the Participant and are hereby acknowledged by the Participant, and the terms and conditions of which are incorporated into this Agreement by reference. In the event of any inconsistency between this Agreement and the Equity Plan, the terms of the relevant plan shall control.

11. Without limiting the scope of the other provisions of this Agreement, the Participant acknowledges and agrees that:

(a) If any cash payment or vesting of rights with respect to an award evidenced by this Agreement would constitute an "excess parachute payment" for the purposes of Section 280G of the Internal Revenue Code then such payment or vesting shall be subject

to reduction or other adjustment in accordance with the terms of the Employment Agreement (or any successor employment agreement between the Participant and the Company), or of any other agreement between the Participant and the Company, which address the tax treatment of such a payment.

(b) The Committee may amend or terminate any or all of the provisions of the Equity Plan and any or all of the provisions this Agreement in accordance with Article 17 of the Equity Plan. The Committee shall make adjustments to the MSUs and RSAs in accordance with Section 7.2 of the Equity Plan. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

(c) Any notices required or permitted under this Agreement or the Equity Plan will be delivered in accordance with the requirements of the applicable plan.

(d) The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(e) This Agreement supersedes and replaces any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, except for the Employment Agreement.

(f) Notwithstanding anything in this Agreement to the contrary, the MSUs and RSAs covered by this Agreement shall be subject to the Company's Recovery of Funds Policy, as it may be in effect from time to time, including, without limitation, the provisions of any such policy required by Section 10D of the Securities Exchange Act of 1934 and any applicable rules or regulations issued by the U.S. Securities and Exchange Commission or any national securities exchange or national securities association on which the common stock may be traded.

(g) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to its conflict of laws rules. Any action or proceeding relating in any way to this Agreement must be brought and enforced in the federal or state courts in the State of Illinois, County of Cook, and the parties irrevocably submit to the jurisdiction of such courts in respect of any such action or proceeding.

(h) The parties may execute this Agreement in one or more counterparts, all of which together shall constitute but one Agreement.

IN WITNESS WHEREOF, the Participant and the Company have executed this Agreement as of the date set forth above.

LAWSON PRODUCTS, INC.

Michael G. DeCata

By _____

Its: