

DISTRIBUTION SOLUTIONS GROUP, INC.

Compensation Committee Charter

March 2, 2023

1. **Status**

The Compensation Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Lawson Products, Inc. (the “Company”).

2. **Purpose**

The Committee shall discharge the responsibilities of the Board relating to compensation of the Company’s directors and executive officers.

3. **Membership**

The Committee shall consist of at least three members of the Board, as the Board shall from time to time determine. Each member shall satisfy applicable independence requirements of the Nasdaq Stock Market, Inc. and any other regulatory requirements. Additionally, no director may serve unless he or she is (1) a “non-employee director” as that term is defined for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (2) an “outside director” as that term is defined for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

4. **Appointment and Removal**

The Board shall elect the members of the Committee at its first meeting following the annual meeting of stockholders. Unless the Board elects a Chairman, the members of the Committee shall designate a Chairman by a majority vote of the full Committee membership. A Committee member may resign by delivering his or her written resignation to the Chairman of the Board, or may be removed by majority vote of the Board by delivery to such member of written notice of removal, to take effect at a date specified therein, or upon delivery of such written notice to such member if no date is specified.

5. **Duties, Responsibilities and Authority**

The Committee shall have the following duties, responsibilities and authority:

- to review and approve corporate goals and objectives relevant to the compensation for executive officers, including with respect to compensation practices of the relevant peer group of competitive companies, to evaluate the performance of executive officers in light of those goals and objectives, and to set the compensation level of executive officers based on this evaluation;
- to review individual performance evaluations of each of the executive officers of the Company;

- to review and approve the terms of any contracts or agreements related to executive compensation between the Company and executive officers;
- to administer incentive compensation plans and equity-based plans established or maintained by the Company from time to time (each, a “Plan”);
- to make recommendations to the Board with respect to the amendment, termination or replacement of the Plans;
- to recommend to the Board the compensation for Board members and the structure of such compensation, such as retainers, committee chairman fees, director equity grants and other similar items;
- to recommend to the Board adjustments to director and officer insurance;
- to review the financial performance and the operations of the major Plans;
- to interpret the provisions of the Plans;
- to establish such rules as it finds necessary or appropriate for implementing or conducting the Plans;
- to approve or disapprove of participation of individual employees in the Plans;
- to make all other decisions and determinations required of the Committee by the terms of the Plans or as the Committee considers appropriate for the operation of the Plans and the distribution of benefits thereunder;
- to review stockholder votes regarding compensation matters and take appropriate actions regarding such stockholder votes, subject to applicable law and regulations;
- to review the compensation programs and Plans from the perspective of whether they encourage individuals to take unreasonable risks that could result in having a materially adverse effect on the Company;
- to administer our policy for recoupment of incentive compensation (the “Clawback Policy”) and make recoupment determinations in accordance with the terms of the Clawback Policy;
- to retain professionals (such as attorneys and compensation professionals) to assist in the evaluation of director and/or executive compensation, including sole authority to retain and terminate any such professional and to approve the professional’s fees (for which the Company shall provide appropriate funding) and other retention terms;
- to establish subcommittees for the purpose of evaluating special or unique matters;

- to oversee and periodically review succession planning and professional development for the CEO, including the identification of exceptional talent within the Company and the development of opportunities for individuals that could assume high management leadership roles;
- to establish policies with respect to any stock of the Company (i) granted to the CEO, executive officers, and Board members by the Company as part of the compensation of the CEO, executive officer, or Board member, or (ii) held, directly or indirectly, by the CEO, executive officer, or Board member, regarding the ability of the CEO, executive officers, Board members, or any designee, to purchase financial instruments that are designed to hedge or offset any decrease in the market value of the Company stock; and
- to assess the independence of any compensation consultant, external legal counsel, accountant and other advisors prior to selecting or retaining such advisors, taking into account such factors as required by applicable Nasdaq rules, the Securities and Exchange Commission (“SEC”) and applicable law and such other factors as the Committee determines are relevant. The Committee will consider whether a conflict of interest exists with its compensation consultant based on consideration of these independence factors. This paragraph shall not be construed to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant or other advisor; or to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

6. Meetings

The Committee shall meet as often as may be deemed necessary or appropriate in its reasonable judgment, and in any event no fewer than two times per year, either in person or telephonically, and at such times and places as the Committee shall determine. The Committee shall from time to time report its activities to the Board.

No executive officer shall attend that portion of any meeting where such executive officer’s performance or compensation is discussed, unless specifically invited by the Committee. Meetings to determine the compensation of the CEO must be held in executive session. The CEO may not be present during voting or deliberations regarding the CEO’s own compensation. Meetings to approve the recommendations of the CEO with respect to the compensation of other officers and key executives may be attended by the CEO, but the CEO may not vote on these matters.

7. Committee Action

A majority of the Committee shall constitute a quorum for the transaction of business. A majority of the members present shall decide any question brought before the Committee. Unless the Committee by resolution determines otherwise, any action required or permitted to be taken by the Committee may be taken without a meeting if all members of the Committee consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Committee.

8. Performance Review

The Committee shall conduct a biennial performance evaluation of itself, including a review of the compliance of the Committee with this Charter. The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

9. Miscellaneous

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the Board or Committee members. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

This Charter, and any amendments thereto, shall be displayed on the Company's website and a printed copy of such shall be made available to any stockholder of the Company who requests it.