

**LAWSON PRODUCTS, INC.**  
**Corporate Governance Principles**  
**Adopted as of May 9, 2011**

**1. Purpose**

These Corporate Governance Principles have been adopted by the Board of Directors (the “Board”) of Lawson Products, Inc. (the “Company”) and are generally designed to assist the Board in the exercise of its fiduciary duties and responsibilities to the stockholders of the Company.

**2. Role of the Board; Responsibilities of Directors**

The Board’s primary responsibility is to advance the best interests of the Company’s stockholders through the oversight and provision of effective policy guidance with respect to the affairs of the Company. In all actions taken by the Board, each director is expected to exercise his or her business judgment in good faith in what they reasonably believe to be the best interests of the Company and its stockholders. In discharging that obligation, each director may generally rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors. While the Board may rely upon information furnished by management, the Board should be diligent in defining and requesting the information required, from its perspective, to meet its responsibilities. The Board should periodically assess the major risks facing the Company and review options for monitoring and controlling these risks.

**3. Board Size**

The By-Laws of the Company provide that the Board shall consist of such number of members, between five and nine, as the Board determines from time to time. The Board is divided into three classes, with one class being elected each year for a three-year term.

**4. Director Independence**

Subject to applicable statutory and regulatory (including Nasdaq) requirements, the Board shall determine on a case-by-case basis whether or not a director or candidate for election as a director is “independent”.

**5. Service on Other Boards**

Prior to accepting an invitation to serve on another public company board of directors, directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee. In deciding whether to serve on another public company board, the Board believes that directors should consider the effect on the director’s attendance, participation and effectiveness on the Board.

**6. Director Retirement Policy; No Limit on Terms**

The Company does not believe a fixed retirement age for its directors is appropriate. There is no limit to the number of terms a director may serve.

**7. Change in Employment Status**

Any director who retires from his or her present employment, or who materially changes his or her position, should inform the chairperson of the Nominating and Corporate Governance Committee as soon as reasonably practicable. The Nominating and Corporate Governance Committee shall determine whether directors continue to satisfy the Board's membership criteria in light of changes in their occupational status.

**8. Agenda at Board Meetings**

The Chairman of the Board, in consultation with management of the Company, shall establish the agenda for each meeting of the Board. In addition, directors may suggest topics for the agenda and may raise subjects at Board meetings and executive sessions that are outside the agenda. In advance of each Board meeting, a copy of the proposed agenda and, to the extent feasible or appropriate, information and data that is important to an understanding of the business to be discussed, will be distributed. Each director is requested to review these materials prior to the meeting.

**9. Attendance at Meetings**

The Company expects each director to attend all meetings of the Board and committees on which the director serves, and to attend the annual meeting of stockholders. The Company recognizes that from time to time, extraordinary circumstances may prevent a director from attending each meeting.

**10. Executive Sessions**

The independent directors and the committees of the Board shall regularly meet in executive session without the presence of any management directors or representatives.

**11. Board Access to Senior Management**

The Board shall have full and free access to Company management, recognizing that judgment and discretion are to be observed in such contacts. Each director is encouraged and provided opportunities to talk directly with the Company's management regarding any questions or concerns the director may have.

**12. Board Access to Independent Advisors**

The Board shall have the authority to obtain advice and assistance from independent advisors including, legal, accounting, investment banking, compensation, executive search and other professionals, at the Company's expense. The Board is not required to obtain management's consent to retain outside advisors.

**13. Director Stock Ownership Guidelines**

The Board may establish stock ownership guidelines for directors.

**14. Review of Corporate Governance Principles**

These Corporate Governance Principles shall be reviewed by the Nominating and Corporate Governance Committee on a periodic basis, but not less than annually, and, to the extent the Nominating and Corporate Governance Committee deems necessary or desirable, shall be updated as appropriate.