



Table of Contents

A Message from Our Chief Executive Officer.....	Page 3
Our Core Values – Introduction	Page 4
Our Responsibility	Page 5
Making Good Decisions	Page 6
Asking Questions and Reporting Concerns	Page 6
Commitment to Non-Retaliation	Page 6
Reporting Channels.....	Page 7
Complying with the Code of Ethics.....	Page 7
Discrimination.....	Page 7-8
Harassment	Page 8-9
Workplace Violence and Safety.....	Page 10
Substance Abuse	Page 10
Employee Information Privacy.....	Page 10
Proprietary and Confidential Information	Page 11
Physical Assets and Resources	Page 11
Proper Use of Electronic Media	Page 12
Protecting Intellectual Property	Page 12
Anti-Trust and Fair Competition	Page 13-14
Honest Advertising and Marketing	Page 15
Obtain Competitive Information Fairly.....	Page 15
Selection and Use of Third Parties/Procurement (Fair Purchasing)	Page 15-16
Anti-Corruption/Anti-Bribery	Page 16-17
Gifts and Entertainment	Page 17
Trade Compliance (Export/Import Control)	Page 18
Government Customers/Contracting	Page 18
Maintain Accurate Financial Records/Internal Accounting Controls.....	Page 18
Manage Records Properly.....	Page 19
Avoiding Conflicts of Interest	Page 20-21
Insider Trading	Page 21-22
Relationships with Regulators.....	Page 22
Communicating with External Parties	Page 22
Social Responsibility	Page 23
Political Activities and Contributions.....	Page 23
Charitable Contributions	Page 23
Human Rights.....	Page 23
Environmental Stewardship.....	Page 24



A Message from Our Chief Executive Officer

Dear Colleagues,

As you are aware, Lawson Products prides itself on developing and maintaining a strong reputation. There are many aspects to this effort, but Lawson Products first priority is ensuring that we each adhere to the highest standards of integrity and conduct. Nothing that we do is more important. Our business is built on the fundamental value of trust. The Code of Ethics is an essential tool to maintaining that trust by helping to guide our actions. This Code is neither a comprehensive resource nor a substitute for sound judgment; it is a summary of standards intended to drive integrity throughout Lawson Products. I know that learning about the Code and related policies takes time, but knowing the “rules of the road” is absolutely necessary before we do anything else. In every market that we do business around the world, words like integrity, honesty, fairness and accountability are held in common. While words matter, actions matter more. We must incorporate the letter and spirit of these principles into our actions as we deliver on our commitments to each other, customers, business partners, shareholders and the communities where we do business. Thank you for your support.



Michael G. DeCata,
President and Chief Executive Officer

Our Core Values – Introduction

Lawson Products is built upon a foundation of strong corporate values and business practices. We are fully committed to serving our customers and employing individuals with personal standards consistent with that of our company standards: integrity, professionalism and commitment to superior results. Our Code of Ethics is designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or perceived conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents we file with regulatory agencies and in our other public communications;
- Compliance with applicable laws, rules, and regulations;
- The prompt internal reporting of violations of this Code; and
- Accountability for adherence to this Code.

Our Code applies to all directors, officers, and employees of the Company and its subsidiaries. Agents and contractors of the Company are also expected to read, understand, and abide by this Code.

This Code should help guide your conduct in the course of our business. Many of the principles described in this Code are, however, general in nature, and the Code does not cover every situation that may arise. Use common sense and good judgment in applying this Code. If you have any questions about applying the Code, it is your responsibility to seek guidance. This Code is not the exclusive source of guidance and information regarding the conduct of our business. You should consult applicable policies and procedures, including the U.S. and Canadian Employee Handbooks.



Our Responsibility

As a Lawson Products employee, you are expected to comply with both the letter and the spirit of our Code. This means you must understand and comply with all of our policies, laws and regulations that apply to your job, even if you feel pressured to do otherwise. Our Code also requires you to seek guidance if you have questions or concerns and to cooperate fully in any investigation of suspected violations of the Code that may arise in the course of your employment. Periodically, you may be asked to provide a written certification that you have reviewed and understand Lawson Products Code of Ethics, comply with its standards, and are not personally aware of any violations of the Code by others. This certification is your pledge to live up to our Code and its expectations and to promptly raise concerns about any situation that you think may violate our Code. Employees who violate our Code put themselves, fellow employees, and our company at risk and are subject to disciplinary action up to and including termination.

Employees who supervise others have an important responsibility to lead by example and maintain the highest standards of behavior. If you supervise others, you should create an environment where employees understand their responsibilities and feel comfortable raising issues and concerns without fear of retaliation. If an issue is raised, you must take prompt action to address the concerns and correct problems that arise. You must also make sure that each employee under your supervision understands our Code and the policies, laws and regulations that affect our workplace. Most importantly, you must ensure that employees understand that business performance is never more important than ethical business conduct.

Question:

“Suppose my boss asks me to do something that I think is wrong. What should I do?”

Answer:

Lawson Products relies on you to use your best ethical judgment. Therefore, do not do anything that you believe may be wrong. A first course of action may be to express your concerns directly to your leader. If you feel your leader has not adequately addressed your concerns or if you are uncomfortable raising the issue with your leader, you can take further steps to resolve this issue by speaking to others listed in “Where to Go for Help,” or informally and confidentially with the General Counsel’s office. The important thing is to not take any action that you know or believe to be against the Code of Ethics.

Making Good Decisions

In addition to complying with the requirements contained in the Lawson Products policies, in specific situations, before taking any action, each employee should consider the following questions, and unless the answer to each question is “yes,” the action should not be taken:

- Is this action legal, ethical, and socially responsible?
- Does this action comply with both the spirit and the letter of our Code of Ethics?
- Will this action appear appropriate?
- Is it clear that our company would not be embarrassed or compromised if this action were to become known within our company or publicly?



Asking Questions and Reporting Concerns

Lawson Products aims to conduct business with the highest standards of ethics, honesty and integrity, and recognizes that you have an important role to play in maintaining this aim. Any employee or worker providing services to Lawson Products concerned about any form of malpractice, improper action, or wrongdoing by our company, its employees or other stakeholders is strongly encouraged to report the matter. Lawson Products believes that any employee with knowledge of wrongdoing should not remain silent. We take all matters of malpractice, improper action or wrongdoing very seriously and you are strongly encouraged to raise incidents or behaviors that are not in accordance with the Code, or the policies to which it refers. To encourage all employees to report concerns and to foster a culture of transparency, we have adopted a [Speaking Up Policy](#).

Commitment to Non-Retaliation

We believe it is essential to create an environment in which individuals feel able to raise any matters of genuine concern internally without fear of disciplinary action being taken against them, that they will be taken seriously and that the matters will be investigated appropriately and, as far as practicable, be kept confidential. Lawson Products prohibits retaliation, in any form, against anyone who, in good faith, reports violations or suspected violations of this Code, company policy or applicable law, or who assists in the investigation of a reported violation. Acts of retaliation should be reported immediately to your manager.

Reporting Channels

If you have questions, concerns, or need to report a known or suspected violation, you should discuss it with your supervisor, any member of your management team, or a Human Resources representative or contact the Ethics Helpline at 1-800-425-8109 or <http://lawsonproducts.alertline.com> where you can report your concern confidentially or anonymously. If you choose to use the Ethics Helpline, please be as specific as possible to enable us to conduct a proper investigation.

If you see something, say something.

Complying with the Code of Ethics

To maintain the highest standards of integrity, we must dedicate ourselves to complying with our Code, company policies and procedures and applicable laws and regulations. Violations of our Code not only damage our company's standing in the communities we serve--they may also be illegal. Team members involved in violating our Code will likely face negative consequences. Lawson Products will take the appropriate disciplinary action in response to each case, up to and including termination. In addition, team members involved may be subject to government fines or criminal or civil liability.

Discrimination

Having a diverse workforce--made up of team members who bring a wide variety of skills, abilities, experiences and perspectives--is essential to our success. We are committed to the principles of equal employment opportunity, inclusion and respect. All employment-related decisions must be based on company needs, job requirements and individual qualifications. Always take full advantage of what our team members have to offer; listen and be inclusive. We do not tolerate discrimination against anyone--team members, customers, business partners or other stakeholders--on the basis of race, color, religion, national origin, sex (including pregnancy), age, disability, HIV status, sexual orientation, gender identity, marital status, past or present military service or any other status protected by the laws or regulations in the locations where we operate. We comply with laws regarding employment of immigrants and noncitizens and provide equal employment opportunity to everyone who is legally authorized to work in the applicable country. We provide reasonable accommodations to individuals with disabilities and remove any artificial barriers to success. Report suspected discrimination right away and never retaliate against anyone who raises a good faith belief that unlawful discrimination has occurred. For further information, our [U.S.](#) and [Canadian](#) Equal Opportunity Policies can be found in our [U.S.](#) and [Canadian](#) Employee Handbooks.



Question:

“I think my supervisor didn’t promote me because of my age. What can I do?”

Answer:

If you believe that you or another employee are discriminated against for age or any other reason that is protected by law, you should discuss it immediately with a higher level of management or the Human Resources department.

Harassment

Our company is committed to providing a work environment free of all forms of harassment including, but not limited to, sexual harassment, which includes:

- Any unwelcome behavior, such as verbal or physical conduct designed to threaten, intimidate or coerce; or
- Verbal taunting (including racial and ethnic slurs, inappropriate jokes or language); or
- Negative stereotyping; or
- Unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature in which: submission to the conduct is either an explicit or implicit term or condition of employment; or submission to or rejection of the conduct by an individual is used as the basis for making employment decisions, including advancement, affecting such individual – known as “quid pro quo,” or “this for that.”

If you believe you are being harassed, or if you have witnessed harassment of a colleague, you need to report this to your manager, another manager, or Human Resources. Lawson Products will act promptly in investigating your concern and directly address the issue with the individuals involved. We recognize the sensitive nature of these claims and will work to ensure confidential treatment of the allegations in order to protect all involved. Of course, retaliation against any employee who reports harassment will not be tolerated. Our [U.S. Anti-Harassment Policy](#) and [Canadian Work Place Harassment Policy](#) are described in greater detail in our [U.S.](#) and [Canadian](#) Employee Handbooks.

Question:

“My boss talks frequently about her religious beliefs. This makes me uncomfortable because I think religion is a personal issue. What can I do to stop this without damaging my relationship with her?”

Answer:

Discussions of religion are highly personal. Talk to your boss and tell her how you feel. If your boss continues to discuss the subject with you against your wishes, report the behavior to your department head, the Human Resources department, or any of the other resources listed in this Code.

Question:

“One of my co-workers has a screen saver on her computer that shows pictures of men in revealing clothing. I told her that it offends me and asked her to remove the screen saver. She says because it is in her office and not in a common area that it’s okay? Is she right?”

Answer:

No, if the screen saver is offensive and you have asked her to remove it, you should report her refusal to your Human Resources department or Lawson Products 24-hour Ethics Helpline at 1-800-425-8109 or <http://lawsonproducts.alertline.com>



Workplace Violence and Safety

To preserve employee safety and security, weapons, firearms, ammunition, explosives and incendiary devices are forbidden on our company premises or in our company vehicles as set forth in our [U.S.](#) and [Canadian](#) Workplace Violence Policies. In addition, our company will not tolerate acts or threats of violence, including verbal or physical threats, intimidation, harassment and/or coercion. Behavior that threatens the safety of people or property, or has the potential to become violent, should be immediately reported to your supervisor, HR, or the Lawson Products 24-hour Ethics Helpline at 1-800-425-8109 or <http://lawsonproducts.alertline.com>.

Our company strives to provide a safe and healthy workplace for employees, customers and visitors to its premises. All managers have responsibility for ensuring proper safety and health conditions for their employees. Management is committed to maintaining industry standards in all areas of employee safety and health, including industrial hygiene, ergonomics and safety. To support this commitment, employees are responsible for observing all safety and health rules, practices and laws that apply to their jobs, and for taking precautions necessary to protect themselves, their co-workers and visitors. Employees are also responsible for immediately reporting accidents, injuries, occupational illnesses and unsafe practices or conditions to their supervisor.

Substance Abuse

Lawson Products requires employees to work free from the influence of any substance, including drugs and alcohol, preventing them from conducting work activities safely and effectively. Our company reserves the right to have any employee tested if there is reasonable suspicion that he or she is under the influence of drugs or alcohol. If you are using prescription or non-prescription drugs that may impair alertness or judgment, or witness an employee impaired and therefore possibly jeopardizing the safety of others or Lawson Products business interests, you should report it immediately. If you have a problem related to alcohol or drugs, you are encouraged to seek assistance from the Employee Assistance Program or other qualified professionals. For more information, please refer to our detailed [U.S. Drug-Free Workplace Policy](#) and [Canadian Alcohol and Drug Free Workplace Policy](#) in our [U.S.](#) and [Canadian](#) Employee Handbooks.

Employee Information Privacy

Lawson Products respects the confidentiality of the personal information of employees. This includes employee medical and personnel records. Access to personal information is only authorized when there is a legitimate and lawful reason, and access is only granted to appropriate personnel. Requests for confidential employee information from anyone outside our company under any circumstances must be approved in accordance with our policies. It is important to remember, however, that employees should have no expectation of privacy with regard to normal course workplace communication or any personal property brought onto Lawson Products premises or used for Lawson Products business.



Proprietary and Confidential Information

In carrying out Lawson Products business, employees, officers and directors often learn confidential or proprietary information about our company, its customers, prospective customers, or other third parties. Employees, officers and directors must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes, among other things, any non-public information concerning Lawson Products, including its businesses, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed.

Question:

“How do I know if something is a company trade secret or confidential?”

Answer:

You should treat everything you learn about our Company and its business as a trade secret or confidential, unless it is obviously a matter of general public knowledge. A particular document or other material containing information does not need to be marked “trade secret” or “confidential” to be treated as such. If you have any questions, you should contact the General Counsel’s office.

Physical Assets and Resources

All employees must protect our company assets, such as equipment, inventory, supplies, cash, and information. You should treat company assets with the same care you would if they were your own. Use company resources only to conduct company business. No employee may commit theft, fraud or embezzlement, or misuse company property.

Question:

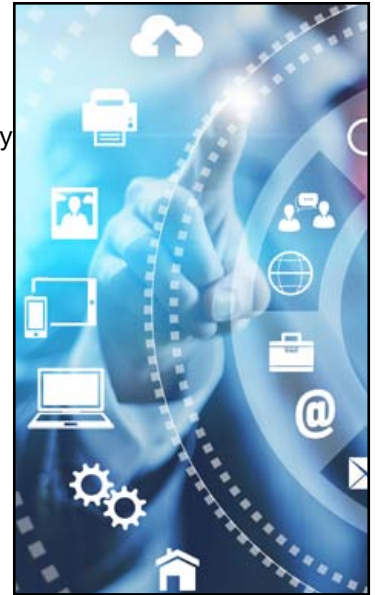
“I volunteer for a local community organization that helps needy children. May I copy the organization’s fund-raising brochure?”

Answer:

We encourage all employees to participate in volunteer activities. Lawson Products equipment, however, should not be used for charitable or other non-business purposes without prior approval of your supervisor.

Proper Use of Electronic Media

Lawson Products provides an array of information and technology resources intended to maximize our efficiency in carrying out your job such as: e-mail, computers, computer applications, networks, the internet, the intranet, facsimile machines, cell phones, pagers, other wireless communication devices, telephones, and voice mail systems. Please remember that these tools are company property and must be used in a manner that reflects positively on Lawson Products and all who work here. Occasional, limited personal use of these resources is permitted, but cannot interfere with your work performance, or the work performance of your colleagues. Lawson will not tolerate inappropriate or illegal use of these assets and reserve the right to take appropriate disciplinary actions, as needed, up to and including termination of employment.



Protecting Intellectual Property

Our intellectual property is among our most valuable assets. Intellectual property refers to creations of the human mind that are protected by various national laws and international treaties. Intellectual property includes copyrights, patents, trademarks, trade secrets, design rights, logos, expertise, and other intangible industrial or commercial property. We must protect and, when appropriate, enforce our intellectual property rights. We also respect the intellectual property belonging to third parties. It is our policy to not knowingly infringe upon the intellectual property rights of others.

Do not:

- Disclose non-public intellectual property inappropriately or without approval from the Legal department; or
- Use company resources or time to create or invent something unrelated to our business; or
- Use a previous employer's intellectual property without that company's permission; or
- Make unauthorized copies of software or licensed information, except as specified in the licensing agreement; or
- Photocopy magazine/journal articles or other publications unless you have the authority or license to do so.

Anti-Trust and Fair Competition

It is our policy that all directors, officers, and employees comply with antitrust and competition laws. International, US federal and state antitrust and competition laws prohibit efforts and actions to restrain or limit competition between companies that otherwise would be competing for business in the marketplace. You must be particularly careful when you interact with any employees or representatives of Lawson Products competitors. You should use extreme care to avoid any improper discussions with our competitors, especially at trade association meetings or other industry or trade events where competitors may interact. Under no circumstances should you discuss customers, prospects, pricing, or other business terms with any employees or representatives of our competitors. If you are not careful, you could find that you have violated antitrust and competition laws if you discuss or make an agreement with a competitor regarding:

- Prices or pricing strategy,
- Discounts,
- Terms of our customer relationships,
- Sales policies,
- Marketing plans,
- Customer selection,
- Allocating customers or market areas, or
- Contract terms and contracting strategies.

Agreements with competitors do not need to be written in order to violate applicable antitrust and competition laws. Informal, verbal, or implicit understandings, i.e., knowing winks, are also violations. Antitrust violations in the U.S. may be prosecuted criminally as felonies and can result in severe penalties for Lawson Products and any associate or other person who participates in a violation.



Depending on business justification and effect on competition, other practices not involving competitors may result in civil violations of the antitrust and competition laws.

These practices include:

- Exclusive dealing,
- Bundling/package offerings,
- Resale restrictions, and
- Selective discounting.

You should contact your supervisor or the Legal department with any questions about the legality of practices or conduct under the antitrust and competition laws. If you become aware of any potential violations, contact the Legal department or report anonymously through the Helpline at 1-800-425-8109 or <http://lawsonproducts.alertline.com>.

Question:

“During a dinner break at an industry conference, someone who works for one of our competitors mentioned that his company was considering increasing prices because of certain industry pressures. Everyone knows that our company is also experiencing these same pressures. Is it okay for me to discuss our pricing plans?”

Answer:

No. You may never discuss pricing with a competitor. This prohibition applies equally to learning the competitor’s pricing practices or plans (other than from publicly available information) and to revealing those of Lawson Products. As soon as you realize that a competitor is starting to raise this subject, you should break off the discussion, even if it means walking out in the middle of a meal. You should then immediately report what happened to the General Counsel’s office.



Honest Advertising and Marketing

It is our responsibility to accurately represent Lawson Products and our products in our marketing, advertising and sales materials. Deliberately misleading messages, omissions of important facts or false claims about our products, individuals, competitors or their products, services, or employees are inconsistent with our values. Sometimes it is necessary to make comparisons between our products and our competitors. When we do we will make factual and accurate statements that can be easily verified or reasonably relied upon.

Obtain Competitive Information Fairly

Gathering information about our competitors (often called competitive intelligence) is a legitimate business practice. Doing so helps us stay competitive in the marketplace; however, we must never use any illegal or unethical means to get information about other companies. Legitimate sources of competitive information include publicly available information such as news accounts, industry surveys, competitors' displays at conferences and trade shows, and information publicly available on the Internet. You may also gain competitive information appropriately from customers and suppliers (unless they are prohibited from sharing the information) and by obtaining a license to use the information or actually purchasing the ownership of the information. When working with consultants, vendors, and other partners, ensure that they understand and follow Lawson Products policy on gathering competitive information.

Selection and Use of Third Parties/Procurement (Fair Purchasing)

We believe in doing business with third parties that embrace and demonstrate high principles of ethical business behavior. We rely on suppliers, contractors, and consultants to help us accomplish our goals. They are part of the Lawson Products team and should be treated according to our values. To create an environment where our suppliers, contractors, and consultants have an incentive to work with Lawson Products, they must be confident that they will be treated in an ethical manner. We offer fair opportunities for prospective third parties to compete for our business. The manner in which we select our suppliers and the character of the suppliers we select reflect on the way we conduct business. Our procurement decisions are made on a competitive basis based on total value, which includes quality, suitability, performance, service, technology, and price.

Proper procurement conduct includes:

- Using established corporate-wide or regional supply (leveraged) agreements.
- Obtaining competitive bids when leveraged agreements do not exist.
- Confirming the financial and legal status of the supplier.
- Verifying quality and service claims on a regular basis.

- Making sure that purchase agreements clearly state the services or products to be provided, the basis for earning payment and the applicable rate or fee.
- Verifying that invoices clearly and fairly represent goods and services provided.
- Avoiding reciprocal agreements or exchange of favors. The fee or price paid for goods and services by Lawson Products must represent the value of the goods or services provided. Payments can only be made to the person or the firm that actually provides the goods or services, and must be made in the supplier's home country, where it does business, or where the goods were sold or services provided, unless approval is obtained from our Legal department. Our company will not knowingly use suppliers who participate in the following activities:
 - Supplying unsafe products or services,
 - Violating laws or regulations,
 - Using child labor or forced labor, or
 - Using physical punishment to discipline employees, even if it is allowed by local law.

Anti-Corruption/Anti-Bribery

The United States and many other countries have laws that prohibit bribery, kickbacks, and other improper payments. No Lawson Products employee, officer, agent, or independent contractor acting on our behalf may offer or provide bribes or other improper benefits in order to obtain business or an unfair advantage. A bribe is defined as directly or indirectly offering anything of value (e.g., gifts, money, or promises) to influence or induce action, or to secure an improper advantage. The Foreign Corrupt Practices Act and other U.S. laws prohibit payment of any money or anything of value to a foreign official, foreign political party (or official thereof), or any candidate for foreign political office for the purposes of obtaining, retaining or directing of business. We expect all employees, officers, agents, and independent contractors acting on behalf of Lawson Products to strictly abide by these laws.

Bribery and improper payments can also arise in situations that do not involve a government official. The exchange of appropriate gifts and entertainment is often a way to build our business relationships. However, you must conduct business with customers, suppliers, and government agencies (including U.S. and non-U.S. governments) without giving or accepting bribes including (but not limited to) commercial bribery and kickbacks.

- Commercial bribery involves a situation where something of value is given to a current or prospective business partner with the intent to obtain business or influence a business decision.

- Kickbacks are agreements to return a sum of money to another party in exchange for making or arranging a business transaction. You must avoid participating in commercial bribery and kickbacks, or even the appearance of it, in all of our business dealings. Even in locations where such activity may not, technically speaking, be illegal, it is absolutely prohibited by this Code.

Gifts & Entertainment

We believe that no gift, favor, or entertainment should be accepted or provided if it will obligate, or appear to obligate, the receiver. The giving or accepting of bribes, inappropriate, lavish or repeated gifts, or other benefits is always prohibited, even if acceptable by local custom. Similarly, requesting or soliciting gifts or services, or requesting contributions from vendors, suppliers or other business partners for yourself or for Lawson Products is prohibited, except with regard to charitable organizations specifically sanctioned or supported by our company. The only permitted exception is providing or accepting normal sales promotion items, occasional meals, or other non-cash items provided that the value of the gift is in line with accepted business practices, could not be construed as improperly influencing good business judgment and complies with [Lawson's Gifts and Entertainment Policy](#).

Question:

“A vendor has offered me free tickets to a sporting event that I really want to attend. May I accept?”

Answer:

Maybe. The most important consideration when deciding whether to accept a gift or paid-for entertainment, such as tickets to a sporting event, is whether receiving it could (i) compromise or appear to compromise your ability to make objective and fair business decisions, or (ii) influence or appear to influence a business relationship.

For this reason, business entertainment must be moderately scaled and intended only to facilitate business goals. These are, of course, facts and circumstances inquiries. Relevant factors include, among other things, the fair value of the gift or entertainment, whether the vendor will be present at the event, the frequency of gifts and entertainment received from the vendor, whether the vendor is paying for travel, lodging, and meals associated with the event, and the status of Lawson Products business relationship with the vendor. Consequently, if you are offered a gift or paid-for entertainment (including business entertainment) of more than nominal value from a vendor, prospective vendor, or any person with whom Lawson Products does or may do business, you must inform your manager and, if appropriate, seek advice from the Legal department. You may not accept any such gift or entertainment without your manager's prior written consent.

Trade Compliance (Export/Import Control)

We comply with all United States federal import and export laws and regulations. These laws restrict transfers, exports, and sales of products or technical data from the United States to certain prescribed countries and persons as well as re-export of certain such items from one non-U.S. location to another. Many countries in which we operate have similar laws and regulations. If you are involved in importing and exporting goods and data, you are responsible for knowing and following these laws.

Government Customers/Contracting

When doing business with federal, state, or local governments, we must ensure all statements and representation to government procurement officials are accurate and truthful, including costs and other financial data. If your assignment directly involves the government or if you are responsible for someone working with the government on behalf of Lawson Products, be alert to the special rules and regulations applicable to our government customers. Additional steps should be taken to understand and comply with these requirements. Any conduct that could appear improper should be avoided when dealing with government officials and employees. Payments, gifts, or other favors given to a government official or employee are strictly prohibited as it may appear to be a means of influence or a bribe. Failure to avoid these activities may expose the government agency, the government employee, our company, and you to substantial fines and penalties. For these reasons, any sale of our products or services to any federal, state, or local government entity must be in accordance with our company policy.

Maintain Accurate Financial Records/Internal Accounting Controls

We must ensure that the accounting and financial records of our company meet the highest standards of accuracy and completeness. Reporting accurate, complete and understandable information about our business, earnings, and financial condition is an essential responsibility of each employee.

It is also your responsibility as an employee of our company to make open and full disclosure to, and cooperate fully with, outside accountants in connection with any audit or review of our company's financial statements. If you have reason to believe that any of our company's books and records are being maintained in a materially inaccurate or incomplete manner, you are required to report this immediately to your manager, the Chief Financial Officer, Lawson's Internal Auditors or the General Counsel's office.

We rely on you to come forward if you feel that you are being pressured to prepare, alter, conceal or destroy documents in violation of our company policy. In addition, you must report to any of the individuals mentioned above if you have any reason to believe that someone has made a misleading, incomplete, or false statement to an accountant, auditor, attorney or government official in connection with any investigation, audit, examination or filing with any government agency or regulatory body.

Manage Records Properly

Most of us participate to some extent in recording, processing, or analyzing financial or other information, or in the review and audit of these activities. These processes exist to assist in business decision making and the evaluation of Lawson Products performance by our Board and senior management. They are also necessary to ensure compliance with legal and other requirements pertaining to the retention of information and its disclosure to others, including to investors and regulators.

- Never make, or ask others to make, a false or misleading entry or report. This applies whether the report is financial or non-financial or for internal or external use.
- Always record business transactions and payments accurately and in accordance with our company policies.
- Never use or transfer Lawson Products funds for any purpose that would be in violation of any law, regulation, or company policy.
- If you have any questions or concerns about Lawson Products financial records, internal accounting controls, or audit practices, discuss the matter with your supervisor, manager, or the Chief Financial Officer or General Counsel.

Question:

“My manager has asked me to shred documents or delete e-mails related to a project handled by my department. Is this a proper request?”

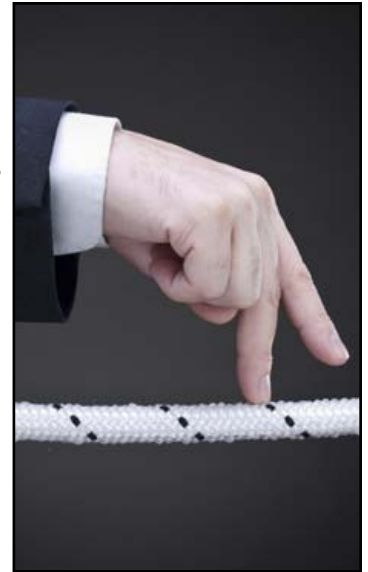
Answer:

The destruction of documents and e-mails in the ordinary course of business is permissible if done in accordance with our company’s Records Retention Policy and if there is no knowledge of any ongoing or imminent lawsuit, investigation, audit, or examination to which the documents may relate.



Avoiding Conflicts of Interest

Every employee, officer, and director of our company is expected to act in the best interests of Lawson Products and to protect our reputation from any conflicts. We should also be sensitive to even the appearance of a conflict. This means that employees, officers, and directors should avoid any investment, interest, association, or activity that may cause others to doubt their or our company's fairness or integrity, or that may interfere with their ability to perform job duties objectively and effectively. Many potential conflicts of interest can be prevented or remedied by making full disclosure of the situation to your supervisor or functional leader. Our supervisors and leaders are responsible to ensure that Lawson Products interests are protected from conflicts of interest. What are some activities that could represent conflicts of interest?



- Owning, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business, or competes with our company.
- Holding a second job that interferes with your ability to do your regular job.
- Employing, consulting, or serving on the board of a competitor, customer, supplier, or other service provider.
- Hiring a supplier, distributor, or other agent managed or owned by a relative or close friend.
- Soliciting or accepting any cash, gifts, entertainment, or benefits that are more than modest in value from any competitor, supplier, or customer.
- Taking personal advantage of corporate opportunities.

Question:

“May I hire my brother to do some contract work for Lawson Products if his rates are the best rates available?”

Answer:

No. Our company generally prohibits business dealings with employee's family members. Regardless of your brother's rates, we will not hire him to perform services under a contract if he will be working under your supervision or if you have any influence over the decision to employ him.

Question:

“My daughter is seeking employment and has expressed an interest in working for Lawson Products. What is our company policy on this?”

Answer:

If the hiring policy at the relevant Lawson Products location allows it, your daughter can apply for employment with our company, as long as the position for which she applies does not report to you (and you would not be reporting to her). Her application will be evaluated according to the same criteria as all other applications. You cannot use your influence or position to affect the hiring process.

Insider Trading



You are prohibited from trading or enabling others to trade Lawson Products stock or stock of another company – such as a customer, supplier, competitor, potential acquisition or alliance – while in possession of material non-public information (“inside information”) about that company. Material information is any information that an investor might consider important in deciding whether to buy, sell, or hold securities. Information is considered non-public if it has not been adequately disclosed to the public. Information is not considered public until the first business day after it has been disclosed to the public. All non-public information about Lawson Products or about companies with which we do business is considered confidential information. To use material non-public information in connection with buying or selling securities, including “tipping” others who might make an investment decision on the basis of this information, is not only unethical, it is illegal. We must exercise the utmost care when handling material inside information.

Question:

“My family and friends often ask me about Lawson Products and whether they should buy the stock. Usually I tell them what I know about our business and suggest that they buy it. Is this a problem?”

Answer:

It could be. The same rules about inside information apply whether you buy or sell stock yourself or if you give the information to someone else. If a relative or friend buys or sells stock based on non-public information or non-public “tips” that you give him or her, both of you could be liable for violation of securities laws. As long as you do not provide material inside information or make recommendations based on material inside information or “tips,” it is up to you whether to recommend Lawson Products stock. Remember that it is sometimes difficult to separate inside information from public information.

Relationships with Regulators

Given the highly regulated environment in which we operate, we must be vigilant in meeting our responsibilities to comply with relevant laws and regulations. We expect full cooperation of our employees with our regulators and to respond to their requests for information in an appropriate and timely manner. We should be alert to any changes in the law or new requirements that may affect our business unit and be aware that new products or services may be subject to special legal and/or regulatory requirements. If we become aware of any significant regulatory or legal concerns, we must bring them to the attention of our supervisor, manager, or the Legal department. We are committed to maintaining an open, constructive and professional relationship with regulators on matters of regulatory policy, submissions, compliance, and product performance.

Communicating with External Parties

Lawson Products employees are not authorized to speak with the media, investors, and analysts on behalf of our company unless authorized by our Chief Executive Officer or Chief Financial Officer under our [Regulation FD Disclosure Policy](#). Unless authorized, do not give the impression that you are speaking on behalf of Lawson Products in any communication that may become public. This includes posts to online forums, social media sites, blogs, chat rooms, and bulletin boards. This policy also applies to comments to journalists about specific matters that relate to our businesses, as well as letters to the editor and endorsements of our products or services.



Social Responsibility

We pride ourselves on being a company that operates with integrity, makes good choices, and does the right thing in every aspect of our business. We will continually challenge ourselves to define what being a responsible company means to us, and work to translate our definition into behavior and improvements at Lawson Products. We seek to align our social and environmental efforts with our business goals and continue to develop both qualitative and quantitative metrics to assess our progress.

Political Activities and Contributions

You may support the political process through personal contributions or by volunteering your personal time to the candidates or organizations of your choice. These activities, however, must not be conducted on company time or involve the use of any company resources such as telephones, computers or supplies. You may not make or commit to political contributions on behalf of Lawson Products.

Question:

“I strongly support a candidate for office in the upcoming election. May I hand out campaign literature on the job?”

Answer:

No. Distribution of such materials during work time or in work areas is an unacceptable use of company property and time and could create the mistaken impression that Lawson Products is endorsing a particular candidate.

Charitable Contributions

We support community development throughout the world. Lawson Products employees may contribute to these efforts, or may choose to contribute to organizations of their own choice. However, as with political activities, you may not use company resources to personally support charitable or other non-profit institutions not specifically sanctioned or supported by our company. You should consult the Legal department if you have questions about permissible use of company resources.

Human Rights

We are committed to upholding fundamental human rights and believe that all human beings around the world should be treated with dignity, fairness, and respect. Our company will only engage suppliers and direct contractors who demonstrate a serious commitment to the health and safety of their workers and operate in compliance with human rights laws. Lawson Products does not use or condone the use of slave labor or human trafficking, denounces any degrading treatment of individuals or unsafe working condition, and supports our products being free of conflict minerals.

Environmental Stewardship

We are committed to conducting business in an environmentally responsible manner and strive to improve our performance to benefit our employees, customers, communities, shareholders, and the environment. We use energy wisely and efficiently and employ technology to minimize any risk of environmental impact. Employees whose work affects environmental compliance must be completely familiar with the permits, laws, and regulations that apply to their work. All employees are responsible for making sure that Lawson Products business is conducted in compliance with all applicable laws and in a way that is protective of the environment.



