

DISTRIBUTION SOLUTIONS GROUP, INC.

Audit Committee Charter

Approved March 4, 2025

1. Status

The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Distribution Solutions Group, Inc. (the “Company”).

2. Purpose

The Committee is appointed by the Board for the primary purposes of:

- Performing the Board’s oversight responsibilities as they relate to the Company’s accounting policies and internal controls, financial reporting practices, Code of Conduct and legal and regulatory compliance; and
- Maintaining, through regularly scheduled meetings, a line of communication between the Board and the Company’s financial management, internal auditors, if any, and independent accountants.

3. Membership

The Committee shall be appointed by the Board and shall be comprised of three or more directors (as determined from time to time by the Board), each of whom shall meet the independence requirements of the Sarbanes-Oxley Act of 2002 (the “Act”), the Nasdaq Stock Market, Inc. and all other applicable laws. Each member of the Committee shall have the ability to understand fundamental financial statements, and at least one member of the Committee shall have past employment experience in finance or accounting, professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, each as such qualification is interpreted by the Board in its business judgment. In addition, to the extent practicable at least one member of the Committee shall be a “financial expert” as such term is defined by the rules of the Securities and Exchange Commission (the “SEC”).

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 will:

(1) Review the annual audited financial statements with management and the independent accountants. In connection with such review, the Committee will:

- Discuss with the independent accountants the matters required to be discussed by Statement on Auditing Standards No. 114 and PCAOB Auditing Standard No. 16, as adopted by the Public Company Accounting Oversight Board in Rule 3200T, relating the auditors' responsibilities under GAAS, planned scope and timing of the audit and significant findings from the audit.
- Review changes in accounting or auditing policies, including resolution of any material reporting issues affecting the financial statements.
- Inquire as to the existence and substance of any significant accounting accruals, reserves or estimates made by management that had a material impact on the financial statements.
- Review with the independent accountants any problems encountered in the course of their audit, including any change in the scope of the planned audit work and any restrictions placed on the scope of such work, any management letter provided by the independent accountants, and management's response to such letter.
- Review with the independent accountants and the senior internal auditing executive, if any, the adequacy of the Company's internal controls and any significant findings and recommendations.
- Review reports required to be submitted by the independent auditor concerning: (a) all critical accounting policies and practices used; (b) all alternative treatments of financial information within GAAP that have been discussed with management, the ramifications of such alternatives, and the accounting treatment preferred by the independent auditors; and (c) any other material written communications with management.

(2) Review with management and the independent accountants the Company's quarterly financial statements in advance of SEC filings.

(3) Oversee external audit coverage by the Company's independent accountants. The Company's independent accountants are ultimately accountable to the Committee, which has the sole authority and responsibility to select, evaluate and, where appropriate, replace the independent accountants. In connection with its oversight of the external audit coverage, the Committee will:

- Have the sole authority to appoint and replace the independent accountants.

- Have the sole authority to approve the engagement letter and the fees to be paid to the independent accountants.
- Pre-approve all non-audit services to be performed by the independent auditors and the related fees for such services (subject to the de minimus exceptions set forth in the Act). In the event that any such non-audit services are pre-approved by the Committee, all such pre-approvals shall be reported in the Company's next periodic report to be filed with the SEC.
- Pre-approve the audit scope and work plan.
- Obtain confirmation and assurance as to the independent accountant's independence, including ensuring that they submit on a periodic basis (not less than annually) to the Committee a formal written statement delineating all relationships between the independent accountants and the Company. The Committee is responsible for actively engaging in a dialogue with the independent accountants with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent accountants and for taking appropriate action in response to the independent accountants' report to satisfy itself of their independence.
- Meet with the independent accountants prior to the annual audit to discuss planning and staffing of the audit.
- Review and evaluate the performance of the independent accountants, as the basis for a decision to reappoint or replace the independent auditors.
- Assure regular rotation of the lead audit partner, as required by the Act, and consider whether rotation of the outside auditor is required to ensure independence.
- At its discretion, retain outside counsel, consultants or other advisors.

(4) Oversee internal audit coverage, if applicable. In connection with its oversight responsibilities, the Committee will:

- Appoint or replace a professional services firm in an outsourcing arrangement.
- Appoint or replace the senior internal auditing executive.
- Review, in consultation with management, the independent accountants and the senior internal auditing executive, the plan and scope of internal audit activities.
- Review internal audit activities, budget and staffing.
- Review reports to management prepared by the internal auditing department and management's responses to such reports.

- (5) Review and monitor the Company's policies on risk assessment and risk management, including the risk of fraud.
 - (6) Review with the independent accountants and the senior internal auditing executive, if applicable, the adequacy of the Company's internal controls, and any significant findings and recommendations with respect to such controls.
 - (7) Resolve any differences in financial reporting between management and the independent auditors.
 - (8) Establish procedures for (a) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
 - (9) Review and approval all related party transactions.
 - (10) Meet periodically with management to review and assess the Company's major financial risk exposures and the manner in which such risks are being monitored and controlled.
 - (11) Meet at least annually in separate executive session with each of the chief financial officer, the senior internal auditing executive, if applicable, and the independent accountants.
 - (12) Review periodically with the Company's general counsel (i) legal and regulatory matters which may have a material effect on the financial statements, and (ii) corporate compliance policies or codes of conduct.
 - (13) As appropriate, obtain advice and assistance from outside legal, accounting or other advisors. The Committee is empowered to investigate any matter brought to its attention with full access to all Company books, records and personnel, using special counsel or outside experts when necessary or appropriate.
- 6.** (14) Reviews and provides oversight for the Company's cybersecurity risk management practices and performance, primarily through periodic reports provided by the chief information officers from each of our principal operating companies, including Lawson Products, TestEquity and Gexpro Services. The Committee also reviews the results of the risk-based security testing controls conducted by the internal audit department. Meetings

The Committee shall meet as often as may be deemed necessary or appropriate in its reasonable judgment, 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.

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. Report

The Committee shall prepare the report of the Committee required by the rules of the SEC to be included in the proxy statement for each annual meeting of stockholders.

10. Funding

The Company shall provide for appropriate funding, as determined by the Committee, for the payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services; for compensation to any advisors employed by the Committee in accordance with this Charter; and for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent accountants.