

**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): May 9, 2023 (May 8, 2023)

**DISTRIBUTION SOLUTIONS GROUP, INC.**

(Exact Name of Registrant as Specified in Charter)

Delaware  
(State or other jurisdiction  
of incorporation)

0-10546  
(Commission  
File Number)

36-2229304  
(I.R.S. Employer  
Identification No.)

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

60631  
(Zip Code)

Registrants' Telephone Number, including Area Code: (773) 304-5050

N/A  
(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 Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, \$1.00 par value	DSGR	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

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 1.01. Entry into a Material Definitive Agreement.***Subscription Agent Agreement*

On May 8, 2023, Distribution Solutions Group, Inc. (the “Company”) entered into a Subscription Agent Agreement (the “Subscription Agent Agreement”) with Computershare Inc. and Computershare Trust Company, N.A. (both, the “Subscription Agent”), pursuant to which the Company engaged the Subscription Agent as the subscription agent in connection with a proposed rights offering (the “Rights Offering”) to holders of record of the Company’s common stock, par value \$1.00 per share (the “Common Stock”), as of the close of business on May 1, 2023 (the “Record Date”), and as transfer agent and registrar for the Common Stock. Pursuant to the Rights Offering, the Company will distribute at no charge to the holders of Common Stock as of the Record Date, transferable subscription rights to purchase up to 0.105 shares of Common Stock at a purchase price of \$45.00 per share, as set forth in a prospectus supplement dated on, and filed with the U.S. Securities and Exchange Commission on, May 9, 2023 (the “Prospectus Supplement”).

Under the terms and subject to the conditions contained in the Subscription Agent Agreement, the Subscription Agent will provide assistance and advice to the Company in connection with the Rights Offering. The Company has also agreed to indemnify the Subscription Agent and its affiliates against certain liabilities arising under the Securities Act of 1933, as amended. The Subscription Agent will not underwrite any of the securities to be issued in the Rights Offering and does not make any recommendation with respect to such securities.

A copy of the Subscription Agent Agreement is filed as Exhibit 10.1 hereto and incorporated herein by reference. The foregoing description of the Subscription Agent Agreement is not complete and is qualified in its entirety by reference to Exhibit 10.1.

**Item 8.01. Other Events.**

On May 9, 2023, the Company issued a press release announcing the commencement of the Rights Offering. A copy of the press release is filed as Exhibit 99.6 hereto.

In connection with the Rights Offering, the Company is also filing hereto, and incorporated herein by reference are, Exhibits 5.1 and 99.1 through 99.6 to this Current Report on Form 8-K in order to incorporate them as exhibits to the Company’s registration statement on Form S-3 (File No. 333-270678).

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

The following are filed as exhibits to this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Exhibit Description</u>
5.1	<a href="#">Opinion of Mayer Brown, LLP</a>
10.1	<a href="#">Subscription Agent Agreement, dated May 8, 2023, by and among Distribution Solutions Group, Inc., Computershare Inc. and Computershare Trust Company, N.A.</a>
99.1	<a href="#">Form of Rights Certificate</a>
99.2	<a href="#">Form of Letter to Stockholders who are Record Holders</a>
99.3	<a href="#">Form of Letter to Stockholders who are Nominee Holders</a>
99.4	<a href="#">Form of Letter to Clients of Stockholders who are Nominee Holders</a>
99.5	<a href="#">Form of Beneficial Owner Election Form</a>
99.6	<a href="#">Press Release, dated May 9, 2023</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

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

**DISTRIBUTION SOLUTIONS GROUP, INC.**

Date: May 9, 2023

By: /s/ Ronald J. Knutson  
Name: Ronald J. Knutson  
Title: Executive Vice President and Chief Financial Officer



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May 9, 2023

Distribution Solutions Group, Inc.  
8770 W. Bryn Mawr Avenue, Suite 900  
Chicago, Illinois 60631  
Re: Distribution Solutions Group, Inc. – Subscription Rights  
Ladies and Gentlemen:

We have acted as counsel to Distribution Solutions Group, Inc., a Delaware corporation (the “Company”), in connection with the offering of transferable subscription rights (the “Rights”) to purchase up to 0.105 shares (the “Shares”) of the Company’s common stock, par value \$1.00 per share (the “Common Stock”), at a purchase price of \$45 per share to the holders of Common Stock as of the close of business on May 1, 2023.

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the “Securities Act”).

In connection with this opinion, we have examined such corporate records, documents, instruments, certificates of public officials and of the Company and such questions of law as we have deemed necessary for the purpose of rendering the opinions set forth herein. We have also examined (a) the Company’s registration statement on Form S-3 (File No. 333-270678) relating to the Common Stock and other securities of the Company filed on March 17, 2023 with the Securities and Exchange Commission (the “Commission”) under the Securities Act allowing for delayed offerings pursuant to Rule 415 of the General Rules and Regulations under the Securities Act (the “Rules and Regulations”), including the information deemed to be a part of the registration statement pursuant to Rule 430B of the Rules and Regulations and the Notice of Effectiveness of the Commission posted on its website declaring such registration statement effective on April 10, 2023 (such registration statement being hereinafter referred to as the “Registration Statement”); (b) the prospectus, dated April 10, 2023 (the “Base Prospectus”), which forms a part of, and is included in, the Registration Statement; (c) the prospectus supplement, dated May 9, 2023 (together with the Base Prospectus, the “Prospectus”), relating to the offering of the Rights, in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations; and (d) a form of subscription certificate evidencing the Rights (the “Subscription Certificate”).

In such examination, we have assumed: (i) the genuineness of all signatures; (ii) the authenticity of all items submitted to us as originals and the conformity with originals of all items submitted to us as copies; (iii) the truth, accuracy and completeness of the information, representations and warranties contained in the agreements, instruments, documents, certificates and records that we have reviewed; and (iv) the legal capacity of all natural persons.

In addition, we have assumed that the issuance of the Shares will not violate or conflict with any agreement or instrument binding on the Company (except that we do not make this assumption with respect to the Company’s Amended and Restated Certificate of Incorporation and the Company’s Amended and Restated Bylaws).

We do not express any opinion with respect to the laws of any jurisdiction other than the General Corporation Law of the State of Delaware (the “DGCL”).

Based upon the foregoing and subject to the qualifications and assumptions stated herein, we are of the opinion that the Shares have been duly authorized by all requisite corporate action on the part of the Company under the DGCL and, when issued upon exercise of the Rights in accordance with the terms of the Prospectus and Subscription Certificate and receipt by the Company of the subscription price therefor, will be validly issued, fully paid and non-assessable.

This opinion is based upon currently existing statutes, rules, regulations and judicial decisions, and we disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments which might affect any matters or opinions set forth herein.

We hereby consent to the reference to us under the caption "Legal Matters" in the Prospectus. In giving such consent, we do not hereby admit that we are acting within the category of persons whose consent is required under Section 7 of the Securities Act or the rules or regulations of the Commission thereunder. We also hereby consent to the filing of this opinion with the Commission as an exhibit to the Company's Current Report on Form 8-K being filed on the date hereof and incorporated by reference into the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations.

Very truly yours,  
/s/ Mayer Brown LLP  
Mayer Brown LLP



**Subscription Agent Agreement  
between  
Distribution Solutions Group, Inc.,  
Computershare Inc.  
and  
Computershare Trust Company, N.A.**

This **SUBSCRIPTION AGENT AGREEMENT** (the “**Agreement**”) is entered into as of this 8th day of May 2023 (the “**Effective Date**”) by and among Distribution Solutions Group, Inc., a company organized and existing under the laws of the State of Delaware (the “**Company**”), Computershare Inc. (“**Computershare**”) a Delaware corporation and its fully owned subsidiary Computershare Trust Company, N.A., a national banking association (the “**Trust Company**” and together with Computershare, the “**Agent**”).

## **SUBSCRIPTION AGENT SERVICES**

### **1. Appointment**

1.1 Company is making an offer and distributing at no charge (the “**Subscription Offer**”) to holders of record of its outstanding shares of common stock, par value \$1.00 per share (the “**Common Stock**”), at the close of business on May 1, 2023 (the “**Record Date**”), the right to subscribe for and purchase (each such right, a “**Right**”, and collectively, the “**Rights**”) shares of Common Stock (the “**Additional Common Stock**”) at a purchase price of \$45.00 per share of the Additional Common Stock (the “**Subscription Price**”), payable as described on the Subscription Form (as defined below) or any web site established for purposes of effectuating the Subscription Offer. Each stockholder will receive one Right for each share of Common Stock owned as of the Record Date. Agent agrees to establish the offer web site, which shall be a dedicated event website for eligible stockholders to securely sign in, review Subscription Offer and related materials, and make elections or enter instructions (collectively, “**Electronic Instructions**”) in connection with the Subscription Offer ( an “**Offer Web Site**”), which together, as they may be amended from time to time, constitute the Subscription Offer, sent to eligible stockholders, upon the terms and conditions set forth herein. The term “**Subscribed**” shall mean submitted for purchase from Company by a stockholder in accordance with the terms of the Subscription Offer, and the term “**Subscription(s)**” shall mean any such submission. Company hereby appoints Agent to act as subscription agent in connection with the Subscription Offer and Agent hereby accepts such appointment in accordance with and subject to the terms and conditions of this Agreement.

1.2 The Subscription Offer will expire at 5:00 p.m., Eastern Time, on May 30, 2023 (the “**Expiration Time**”), unless Company shall have extended the period of time for which the Subscription Offer is open, in which event the term “**Expiration Time**” shall mean the latest time and date at which the Subscription Offer, as so extended by Company from time to time, shall expire.

1.3 On March 17, 2023, Company filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the “**1933 Act**”) a registration statement on Form S-3 covering the Additional Common Stock, and such registration statement was declared effective on April 10, 2023. The terms of the Additional Common Stock are more fully described in the prospectus forming a part of the registration statement as it was declared effective. All terms used and not defined herein shall have the same meaning(s) as in the prospectus.

1.4 Promptly after the Record Date, Company will furnish Agent with, or will instruct Agent, in its capacity as transfer agent for Company, to prepare, a certified list in a format acceptable to Agent of holders of record of the Common Stock at the Record Date, including each such holder’s name, address, taxpayer identification number (“**TIN**”), share amount with applicable tax lot detail, any certificate detail and information regarding any applicable account stops or blocks (the “**Record Stockholders List**”).

1.5 Client will promptly review and approve the Offer Web Site in order to launch concurrently with the Record Date.

1.6 No later than the earlier of (i) forty-five (45) days after the Record Date or (ii) January 15 of the year following the year in which the Record Date occurs, Company shall deliver to Agent written direction on the adjustment of cost basis for covered by Internal Revenue Service cost basis reporting requirements securities that arise from or are affected by the Subscription Offer in accordance with current Internal Revenue Service regulations (see the Tax Instruction/Cost Basis Information Letter attached hereto as Exhibit A for additional information).

## **2. Subscription of Rights**

2.1 The Rights entitle the holders to subscribe, upon payment of the Subscription Price, for 0.105 shares of Additional Common Stock for every one Right (the "**Subscription Right**"). Only whole shares of Additional Common Stock may be purchased pursuant to the exercise of Rights. The number of Rights to be issued to a Record Date stockholder will be rounded down to the nearest whole number of Rights. No fractional Rights will be issued.

2.2 Subscribing stockholders who exercise their Rights in full are entitled to oversubscription rights.

2.3 Luther King Capital Management Corporation and its affiliates (collectively, the "LKCM Affiliates") have indicated that they will exercise their Rights in full and purchase proportionately among themselves all shares of Additional Common Stock that remain unsubscribed at the Expiration Time. Company shall provide Agent with instructions regarding the allocation to LKCM Affiliates of the Additional Common Stock that remain unsubscribed at the Expiration Time.

2.4 Except as otherwise indicated to Agent by Company in writing, all of the Additional Common Stock delivered hereunder upon the exercise of the Rights will be delivered free of restrictive legends. Company shall, if applicable, inform Agent as soon as possible in advance as to whether any Additional Common Stock issued hereunder is to be issued with restrictive legend(s) and, if so, Company shall provide the appropriate legend(s) and a list identifying the affected stockholders, certificate numbers (if applicable) and share amounts for such affected stockholders.

## **3. Duties of Subscription Agent**

3.1 Agent shall issue the Rights in accordance with this Agreement in the names of the holders of the Common Stock of record on the Record Date, keep such records as are necessary for the purpose of recording such issuance(s), and furnish a copy of such records to Company.

3.2 Promptly after Agent receives the Record Stockholders List, Agent shall:

(a) deliver or cause to be delivered by first class mail, as the Company shall instruct, the following:

(i) if by first class mail, to each holder of record of the Common Stock on the Record Date whose address of record is within the United States of America and Canada (A) a subscription form with respect to the Rights to which such stockholder is entitled under the Subscription Offer (the "**Subscription Form**"), and such Subscription Form will be inclusive of access information and the dedicated web URL of the Offer Website allowing such holders to submit instructions to participate in the Subscription Offer as well as download and review a subscription form with respect to the Rights to which such stockholder is entitled under the Subscription Offer (B) a copy of the prospectus and (C) a return envelope addressed to Agent.

(b) At the direction of Company, deliver or cause to be delivered, or send via first class mail, as the Company shall instruct, to each holder of record of the Common Stock on the Record Date whose address of record is outside the United States of America and Canada, or is an A.P.O. or a F.P.O. address, a copy of the prospectus. Agent shall refrain from delivering



the Subscription Form to any holder of record of the Common Stock on the Record Date whose address of record is outside the United States of America and Canada, or is an A.P.O. or a F.P.O. address, and hold such Subscription Form for the account of such stockholder subject to such stockholder making satisfactory arrangements with Agent for the exercise or other disposition of the Rights described therein, and effect the exercise, or delivery of such Rights in accordance with the terms of this Agreement if notice of such arrangements is received at or before 5:00 p.m., Eastern Time, on May 23, 2023. In the event that a request to exercise the Rights is received from such a holder, Agent will consult with Company for instructions as to the number of shares of the Additional Common Stock, if any, Agent is authorized to issue.

- (c) Upon request by Company, Agent shall deliver a copy of the prospectus, by first class mail, as the company shall instruct (i) to each assignee or transferee of the Rights upon receiving appropriate documentation satisfactory to Agent to register the assignment or transfer thereof and (ii) with shares of the Additional Common Stock when such are issued to persons other than the registered holder of the Rights.
- (d) Agent shall accept Subscriptions upon the due exercise of the Rights (including payment of the Subscription Price) in physical form or via the dedicated Offer Website, on or prior to the Expiration Time in accordance with the Subscription Form.
- (e) With respect to Subscriptions for shares of Additional Common Stock, Agent shall accept Subscriptions from persons who were registered holders of Common Stock on the Record Date, without further authorization or direction from Company, without procuring supporting legal papers or other proof of authority to sign (including without limitation proof of appointment of a fiduciary or other person acting in a representative capacity), and without signatures of co-fiduciaries, co-representatives or any other person; provided that Agent may accept Subscriptions in accordance with instructions from any Rights holder that elects to subscribe for shares of Additional Common Stock to the extent such holder is deemed ineligible to subscribe for shares of Additional Common Stock:
  - (i) If the Right is registered in the name of a fiduciary and the Subscription Form is executed by such fiduciary, provided, that the Additional Common Stock is to be issued in the name of such fiduciary;
  - (ii) If the Right is registered in the name of joint tenants and the Subscription Form is executed by one of the joint tenants, provided, that the Additional Common Stock is to be issued in the names of such joint tenants; or
  - (iii) If the Right is registered in the name of a corporation and the Subscription Form is executed by a person in a manner which appears or purports to be done in the capacity of an officer or agent thereof, provided, that the Additional Common Stock is to be issued in the name of such corporation.
- (f) Each document or Electronic Instruction, received by Agent relating to its duties hereunder shall be dated and time stamped when received at the applicable electronic or physical address(es) as outlined in the offering documents.
- (g) Agent shall, absent specific and mutually agreed upon instructions between Agent and Company, follow its normal and customary procedures with respect to the acceptance or rejection of all Subscriptions received after the Expiration Time. Subscriptions not authorized to be accepted pursuant to this Section 3 and Subscriptions otherwise failing to comply with the terms and conditions of the Subscription Form will be rejected and returned to the applicable stockholder.

- (h) Company shall provide an opinion of counsel prior to the Expiration Time to set up a reserve of the Additional Common Stock. The opinion shall state that all of the Additional Common Stock, or the transactions in which they are being issued, as applicable, are:
- (i) Registered, or subject to a valid exemption from registration, under the 1933 Act, and all appropriate state securities law filings have been made with respect to the Additional Common Stock, or alternatively, that the shares of the Additional Common Stock are "covered securities" under Section 18 of the 1933 Act; and
  - (ii) Validly issued, fully paid and non-assessable.

#### **4. Acceptance of Subscriptions**

4.1 Following Agent's first receipt of Subscriptions, on each business day, or more frequently if reasonably requested as to major tally figures, forward a report by email to Jacob Smith at [jsmith@lkc.com](mailto:jsmith@lkc.com), Ronald J. Knutson at [Ron.Knutson@distributionsolutionsgroup.com](mailto:Ron.Knutson@distributionsolutionsgroup.com), Richard Pufpaf at [Rick.Pufpaf@lawsonproducts.com](mailto:Rick.Pufpaf@lawsonproducts.com) and Brad Wallace at [bwallace@lkc.com](mailto:bwallace@lkc.com) (the "**Company Representatives**") as to the following information, based upon a preliminary review (and at all times subject to a final determination by Company) as of the close of business on the preceding business day or the most recent practicable time prior to such request, as the case may be: (i) the total number of shares of the Additional Common Stock Subscribed for; (ii) the total number of the Rights sold; (iii) the total number of the Rights partially Subscribed for; (iv) the amount of funds received; and (v) the cumulative totals in categories (i) through (iv), above.

4.2 As promptly as possible following the Expiration Time, advise the Company Representatives by email of (i) the number of shares of the Additional Common Stock Subscribed for and (ii) the number of shares of the Additional Common Stock unsubscribed for.

#### **5. Deposit of Funds**

5.1 Upon acceptance of a Subscription, all funds accompanying a Subscription and received by Computershare under this Agreement which are to be held by Computershare in the performance of services hereunder (the "**Funds**") shall be held by Computershare as agent for Company at commercial banks with Tier 1 capital exceeding \$1 billion or with an average rating above investment grade by S&P Global Inc. ("S&P") (LT Local Issuer Credit Rating), Moody's Investors Service, Inc. ("Moody's") (Long Term Rating) and Fitch Ratings, Inc. (LT Issuer Default Rating) (each as reported by Bloomberg Finance L.P.). Until paid pursuant to this Agreement, Computershare may hold or invest the Funds through such accounts, upon Company's written instruction, in (A) short-term obligations of the United States with maturities of no more than thirty (30) days or guaranteed by the United States and backed by the full faith and credit of the United States, (B) commercial paper obligations of issuers organized under the Law of a state of the United States, rated A-1 or P-1 or better by Moody's or S&P, respectively or (C) certificates of deposit, bank repurchase agreements or banker's acceptances of commercial banks with capital exceeding \$1 billion; provided that in the case of each of clauses A through C, no such investment shall have a maturity of more than thirty (30) days. Agent shall furnish, upon Company's reasonable request, reports to Company showing the current balances of such accounts. The Funds shall not be used for any purpose that is not expressly provided for in this Agreement.

5.2 Computershare will only draw upon the Funds in such account(s) as required from time to time in order to make payment to the Company and any applicable tax withholding payments. Computershare shall have no responsibility or liability for any diminution of the Funds that may result from any deposit or investment made by Computershare in accordance with this Section 5, including any losses resulting from a default by any bank, financial institution or other third party. Computershare may from time to time receive interest, dividends or other earnings in connection with such deposits. Computershare shall not be obligated to pay such interest, dividends or earnings to Company, any holder or any other party.

5.3 Computershare is acting as Agent hereunder and is not a debtor of Company in respect of the Funds.

## **6. Completion of Subscription Offer**

6.1 Upon completion of the Subscription Offer, Agent shall request the transfer agent for the Common Stock to issue the appropriate number of shares of the Additional Common Stock as required in order to effectuate the Subscriptions.

6.2 The Rights shall be issued in registered, book-entry form only. Agent shall keep books and records of the registration, transfer and exchange of the Rights (the "**Rights Register**").

6.3 All of the Rights issued upon any registration of transfer or exchange of the Rights shall be the valid obligations of Company, evidencing the same obligations and entitled to the same benefits under this Agreement as the Rights surrendered for such registration of transfer or exchange; provided, that until such transfer or exchange is registered in the Rights Register, Company and Agent may treat the registered holder thereof as the owner for all purposes.

6.4 For so long as this Agreement shall be in effect, Company will reserve for issuance and keep available free from preemptive rights a sufficient number of shares of the Additional Common Stock to permit the exercise in full of all of the Rights issued pursuant to the Subscription Offer.

6.5 Company shall take any and all action, including, without limitation, obtaining the authorization, consent, lack of objection, registration or approval of any governmental authority, or the taking of any other action under the laws of the United States of America or any political subdivision thereof, to insure that all of the shares of the Additional Common Stock issuable upon the exercise of the Rights (subject to payment of the Subscription Price) will be duly and validly issued and fully paid and non-assessable shares of the Common Stock, free from all preemptive rights and taxes, liens, charges and security interests created by or imposed upon Company with respect thereto.

6.6 Company shall, from time to time, take all action necessary or appropriate to obtain and keep effective all registrations, permits, consents and approvals of the Securities and Exchange Commission and any other governmental agency or authority and make such filings under federal and state laws, which may be necessary or appropriate in connection with the issuance, sale, transfer and delivery of the Rights or the Additional Common Stock issued upon the exercise of the Rights.

7. **Procedure for Discrepancies** Agent shall follow its regular procedures to attempt to reconcile any discrepancies between the number of shares of Additional Common Stock that any Subscription Form may indicate are to be issued to a stockholder upon the exercise of the Rights and the number that the Record Stockholders List indicates may be issued to such stockholder. In any instance where Agent cannot reconcile such discrepancies by following such procedures, Agent will consult with Company for instructions as to the number of shares of Additional Common Stock, if any, Agent is authorized to issue. In the absence of such instructions, Agent is authorized not to issue any shares of Additional Common Stock to such stockholder and will return to the subscribing stockholder (at Agent's option by either first class mail under a blanket surety bond or insurance protecting Agent and Company from losses or liabilities arising out of the non-receipt or non-delivery of the Subscription Form or by registered mail insured separately for the value of the applicable Rights) to such stockholder's address as set forth in the Subscription Form, any Subscription Form delivered to Agent, any other documents delivered therewith and a letter explaining the reason for the return of such documents.

## **8. Procedure for Deficient Items**

8.1 Agent shall examine the Subscription Form(s) received by it as agent to ascertain whether they appear to have been completed and executed in accordance with the Subscription Offer. In the event that Agent determines that any Subscription Form does not appear to have been properly completed or executed, or to be in proper form, or any other deficiency in connection with the Subscription Form appears to exist, Agent shall follow, where possible, its regular procedures to attempt to cause such irregularity to be corrected. Agent is not authorized to waive any deficiency in connection with the Subscription, unless Company provides written authorization to waive such deficiency.

8.2 If any such deficiency is neither corrected nor waived, Agent will return to the subscribing stockholder (at Agent's option by either first class mail under a blanket surety bond or insurance protecting Agent and Company from losses or liabilities arising out of the non-receipt or non-delivery of the Subscription Form or by registered mail insured separately for the value of the applicable Rights) to such stockholder's address as set forth in the Subscription Form, any Subscription Form delivered to Agent, any other documents delivered therewith and a letter explaining the reason for the return of such documents.

## **9. Tax Reporting**

9.1 Agent shall prepare and file with the appropriate governmental agency and mail to each stockholder, as applicable, all appropriate tax information forms, including, but not limited to, Forms 1099-B, covering payments or any other distributions made by Agent pursuant to this Agreement during each calendar year, or any portion thereof, during which Agent performs services hereunder, as described in the attached Exhibit A. Any cost basis or tax adjustments required after the Expiration Time will incur additional fees.

9.2 With respect to any surrendering stockholder whose TIN has not been certified as correct, Agent shall deduct and withhold the appropriate backup withholding tax from any payment made to such stockholder pursuant to the Internal Revenue Code.

9.3 Should any issue arise regarding federal income tax reporting or withholding, Agent shall take such reasonable action as Company may reasonably request in writing. Such action may be subject to additional fees.

10. **Unresponsive Payees; Unclaimed Property** After the eight month anniversary of the Effective Time, for the purpose of locating unresponsive payees of checks representing any uncashed payments resulting from this Subscription Offer, Agent may use the services of a stockholder locating and/or asset reunification service provider selected by Agent, which may be an affiliate of Agent ("**Service Provider**"), to facilitate the location of and/or contact of (i) holders who have not yet cashed their checks representing overpayment of subscription application funds. Such Service Provider may compensate Agent for processing and other services Agent provides in connection with such services, including providing Agent a portion of its fees. Such Service Provider shall inform any such located and/or contacted stockholders that they may choose either (ii) to contact Agent directly to receive a check for payment at no charge other than any applicable fees contemplated by this Agreement or (iii) to utilize the services of such Service Provider for a fee, which may not exceed the lesser of 20% of the total value of such stockholder's uncashed payment or the maximum statutory fee permitted by the applicable state jurisdiction. If the Company selects a locating and/or asset reunification service provider other than one selected by Agent, then Agent shall not be responsible for the terms of any agreement with such provider and additional fees may apply.

The Company hereby authorizes and instructs Agent to provide to Service Provider on behalf of Computershare or Company pursuant to this Section 10:

(i) aggregate data of stockholders who have not cashed their checks representing return of funds related to the Offer and Company information, including number of accounts, value of Uncashed checks, effective date and type of transaction, second mailing date (if applicable), and information concerning this Section 10, in order for the Service Provider to determine the feasibility of providing locating and/or asset reunification services; and

(ii) upon determination by the Service Provider that a stockholder locating and/or asset reunification program will be implemented and after notification of implementation to Company by Agent (including by e-mail):

(1) a complete file of stockholders including those with outstanding payments, who have not yet cashed their checks representing payment of any subscription refund.

(2) preliminary escheatment files of stockholders with uncashed checks (used to block accounts that may not be serviced under the program based on state unclaimed property laws); and

(3) view only access to stockholder data (during the time a program is in place) for the limited purposes of verifying account information and reconciliation for program eligible accounts and to Company information related to the Subscription Offer such as the Expiration Time.

## **11. Authorizations and Protections**

As agent for Company hereunder, Agent:

11.1 Shall have no duties or obligations other than those specifically set forth herein or as may subsequently be agreed to in writing by Agent and Company;

11.2 Shall have no obligation to deliver the Additional Common Stock unless Company shall have provided a sufficient number of shares of the Additional Common Stock to satisfy the exercise of the Rights by holders as set forth hereunder;

11.3 Shall be regarded as making no representations and having no responsibilities as to the validity, sufficiency, value, or genuineness of any certificates, if applicable, or the Rights represented thereby surrendered hereunder or the Additional Common Stock issued in exchange therefor, and will not be required to or be responsible for and will make no representations as to, the validity, sufficiency, value or genuineness of the Subscription Offer;

11.4 Shall not be obligated to take any legal action hereunder; if, however, Agent determines to take any legal action hereunder, and where the taking of such action might, in Agent's judgment, subject or expose it to any expense or liability, Agent shall not be required to act unless it shall have been furnished with an indemnity reasonably satisfactory to it;

11.5 May rely on and shall be fully authorized and protected in acting or failing to act upon any certificate, instrument, opinion, notice, letter, telegram, telex, facsimile transmission or other document or security delivered to Agent and believed by Agent to be genuine and to have been signed by the proper party or parties;

11.6 Shall not be liable or responsible for any recital or statement contained in the Subscription Offer or any other documents relating thereto;

11.7 Shall not be liable or responsible for any failure of the Company or any other party to comply with any of its covenants and obligations relating to the Subscription Offer, including without limitation obligations under applicable securities laws;

11.8 Shall not be liable to any holder of the Rights for any Additional Common Stock or dividends thereon or, if applicable, and any related unclaimed property that has been delivered to a public official pursuant to applicable abandoned property law;

11.9 May, from time to time, rely on instructions provided by Company concerning the services provided hereunder. Further, Agent may apply to any officer or other authorized person of Company for instruction and may consult with legal counsel for Agent or Company with respect to any matter arising in connection with the services provided hereunder. Agent and its agents and subcontractors shall not be liable and shall be indemnified by Company under Section 13.2 of this Agreement for any action taken or omitted by Agent in reliance upon any Company instructions or upon the advice or opinion of such counsel. Agent shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from Company;

11.10 May rely on and be fully authorized and protected in acting or failing to act upon (a) any guaranty of signature by an eligible guarantor institution that is a member or participant in the Securities Transfer Agents Medallion Program or other comparable signature guarantee program or insurance program in addition to, or in substitution for, the foregoing; or (b) any law, act, regulation or any interpretation of the same even though such law, act, or regulation may thereafter have been altered, changed, amended or repealed;

11.11 Either in connection with, or independent of the instruction term in Section 10.9, above, Agent may consult counsel satisfactory to Agent (including internal counsel), and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by Agent hereunder in good faith and in reliance upon the advice of such counsel;

11.12 May perform any of its duties hereunder either directly or by or through agents or attorneys and Agent shall not be liable or responsible for any misconduct or negligence on the part of any agent or attorney appointed with reasonable care hereunder; and

11.13 Is not authorized, and shall have no obligation, to pay any brokers, dealers, or soliciting fees to any person.

## **12. Representations, Warranties and Covenants**

12.1 Agent. Agent represents and warrants to Company that:

- (a) Governance. Trust Company is a federally chartered trust company duly organized, validly existing, and in good standing under the laws of the United States and Computershare is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and each has full power, authority and legal right to execute, deliver and perform this Agreement; and
- (b) Compliance with Laws. The execution, delivery and performance of this Agreement by Agent has been duly authorized by all necessary action, constitutes the legal, valid and binding obligation of Agent enforceable against Agent in accordance with its terms, will not require the consent of any third party that has not been given, and will not violate, conflict with or result in the breach of any material term, condition or provision of (A) any existing law, ordinance, or governmental rule or regulation to which Agent is subject, (B) any judgment, order, writ, injunction, decree or award of any court, arbitrator or governmental or regulatory official, body or authority applicable to Agent, (C) Agent's incorporation documents or by-laws, or (D) any material agreement to which Agent is a party.

12.2 **Company.** Company represents and warrants to Agent that:

- (a) **Governance.** It is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and it has full power, authority and legal right to enter into and perform this Agreement;
- (b) **Compliance with Laws.** The execution, delivery and performance of this Agreement by Company has been duly authorized by all necessary action, constitutes the legal, valid and binding obligation of Company enforceable against Company in accordance with its terms, will not require the consent of any third party that has not been given, and will not violate, conflict with or result in the breach of any material term, condition or provision of (A) any existing law, ordinance, or governmental rule or regulation to which Company is subject, (B) any judgment, order, writ, injunction, decree or award of any court, arbitrator or governmental or regulatory official, body or authority applicable to Company, (C) Company's incorporation documents or by-laws, (D) any material agreement to which Company is a party, or (E) any applicable stock exchange rules;
- (c) **Securities Laws.** Registration statements under the 1933 Act and the Securities Exchange Act of 1934 (the "**1934 Act**") have been filed and are currently effective, or will be effective prior to the sale of any Additional Common Stock, and will remain so effective, and all appropriate state securities law filings have been made with respect to all of the Additional Common Stock being offered for sale, except for any shares of Additional Common Stock which are offered in a transaction or series of transactions which are exempt from the registration requirements of the 1933 Act, 1934 Act and state securities laws; Company will immediately notify Agent of any information to the contrary; and
- (d) **Shares.** The Additional Common Stock issued and outstanding on the date hereof have been duly authorized, validly issued and are fully paid and are non-assessable; and any Additional Common Stock to be issued hereafter, when issued, shall have been duly authorized, validly issued and fully paid and will be non-assessable.

### **13. Indemnification and Limitation of Liability**

13.1 **Liability.** Agent shall only be liable for any loss or damage determined by a court of competent jurisdiction to be a result of Agent's gross negligence or willful misconduct; provided that any liability of Agent will be limited in the aggregate to the amounts paid hereunder by Company to Agent as fees and charges, but not including reimbursable expenses.

13.2 **Indemnity.** Company shall indemnify and hold Agent harmless from and against, and Agent shall not be responsible for, any and all losses, claims, damages, costs, charges, penalties and related interest, counsel fees and expenses, payments, expenses and liability (collectively, "**Losses**") arising out of or attributable to Agent's duties under this Agreement or this appointment, including the reasonable costs and expenses of defending itself against any Loss or enforcing this Agreement, except for any liability of Agent as set forth in Section 13.1, above.

13.3 **Limitation of the Indemnifying Parties' Personnel.** It is understood and expressly stipulated that none of the directors, officers, agents or stockholders of either the Company or the Agent shall be personally liable hereunder for the obligations of the Company or the Agent, respectively. All persons making a claim for indemnity hereunder must look solely to the property of the indemnifying party for the enforcement of any claims against such party, as neither the directors, officers, agents or stockholders assume any personal liability for obligations entered into on behalf of the Company or the Agent, respectively.

**14 Damages** Notwithstanding anything in this Agreement to the contrary, neither party shall be liable to the other for any incidental, indirect, special or consequential damages of any nature whatsoever, including, but not limited to, loss of anticipated profits, occasioned by a breach of any provision of this Agreement even if apprised of the possibility of such damages.

**15. Confidentiality**

**15.1 Definition.** “**Confidential Information**” shall mean any and all technical or business information relating to a party, including, without limitation, financial, marketing and product development information, stockholder data (including any non-public information of such stockholder), proprietary information, and the terms and conditions (but not the existence) of this Agreement, that is disclosed or otherwise becomes known to the other party or its affiliates, agents or representatives before or during the term of this Agreement. Confidential Information constitutes trade secrets and is of great value to the owner (or its affiliates). Confidential Information shall not include any information that is: (a) already known to the other party or its affiliates at the time of the disclosure; (b) publicly known at the time of the disclosure or becomes publicly known through no wrongful act or failure of the other party; (c) subsequently disclosed to the other party or its affiliates on a non-confidential basis by a third party not having a confidential relationship with the owner and which rightfully acquired such information; or (d) independently developed by one party without access to Confidential Information of the other.

**15.2 Use and Disclosure.** All Confidential Information of a party will be held in confidence by the other party with at least the same degree of care as such party protects its own confidential or proprietary information of like kind and import, but not less than a reasonable degree of care. Neither party will disclose in any manner Confidential Information of the other party in any form to any person or entity without the other party’s prior consent. However, each party may disclose relevant aspects of the other party’s Confidential Information to its officers, affiliates, agents, subcontractors and employees to the extent reasonably necessary to perform its duties and obligations under this Agreement and such disclosure is not prohibited by applicable law. Without limiting the foregoing, each party will implement physical and other security measures and controls designed to protect (a) the security and confidentiality of Confidential Information; (b) against any threats or hazards to the security and integrity of Confidential Information; and (c) against any unauthorized access to or use of Confidential Information. To the extent that a party delegates any duties and responsibilities under this Agreement to an agent or other subcontractor, the party ensures that such agent and subcontractor are contractually bound to confidentiality terms consistent with the terms of this Section 15.

**15.3 Required or Permitted Disclosure.** In the event that any requests or demands are made for the disclosure of Confidential Information, other than requests to Agent for stockholder records pursuant to standard subpoenas from state or federal government authorities (e.g., divorce and criminal actions), the party receiving such request will promptly notify the other party to secure instructions from an authorized officer of such party as to such request and to enable the other party the opportunity to obtain a protective order or other confidential treatment, unless such notification is otherwise prohibited by law or court order. Each party expressly reserves the right, however, to disclose Confidential Information to any person whenever it is advised by counsel that it may be held liable for the failure to disclose such Confidential Information or if required by law or court order.



15.4 **Unauthorized Disclosure.** As may be required by law and without limiting any party's rights in respect of a breach of this Section 15, each party will promptly:

- (a) Notify the other party in writing of any unauthorized possession, use or disclosure of the other party's Confidential Information by any person or entity that may become known to such party;
- (b) Furnish to the other party full details of the unauthorized possession, use or disclosure; and
- (c) Use commercially reasonable efforts to prevent a recurrence of any such unauthorized possession, use or disclosure of Confidential Information.

15.5 **Costs.** Each party will bear the costs it incurs as a result of compliance with this Section 15.

## **16. Compensation and Expenses**

16.1 Company shall pay to Agent compensation in accordance with the fee schedule attached as Exhibit C hereto, together with reimbursement for reasonable fees and disbursements of counsel, regardless of whether any Rights are surrendered to Agent, for Agent's services hereunder.

16.2 Company shall be charged for certain expenses advanced or incurred by Agent in connection with Agent's performance of its duties hereunder. Such charges include, but are not limited to, stationery and supplies, such as checks, envelopes and paper stock, as well as any disbursements for telephone and document creation and delivery. While Agent endeavors to maintain such charges (both internal and external) at competitive rates, these charges may not reflect actual out-of-pocket costs, and may include handling reasonable charges to cover internal processing and use of Agent's billing systems.

16.3 If any out-of-proof condition caused by Company or any of its prior agents arises during any terms of this agreement, Company will, promptly upon Agent's request, provide Agent with funds or shares sufficient to resolve the out-of-proof condition.

16.4 All amounts owed to Agent hereunder are due within thirty (30) days of the invoice date. Delinquent payments are subject to a late payment charge of one and one half percent (1.5%) per month commencing forty-five (45) days from the invoice date. Company agrees to reimburse Agent for any attorney's fees and any other costs associated with collecting delinquent payments.

16.5 Company is responsible for all taxes, levies, duties, and assessments levied on services purchased under this Agreement (collectively, "**Transaction Taxes**"). Computershare is responsible for collecting and remitting Transaction Taxes in all jurisdictions in which Computershare is registered to collect such Transaction Taxes. Computershare shall invoice Company for such Transaction Taxes that Computershare is obligated to collect upon the furnishing of services provided hereunder. Company shall pay such Transaction Taxes according to the terms in Section 16.1, above. Computershare shall timely remit to the appropriate governmental authorities all such Transaction Taxes that Computershare collects from Company. To the extent that Company provides Computershare with valid exemption certificates, direct pay permits, or other documentation that exempts Computershare from collecting Transaction Taxes from Company, invoices issued for services hereunder provided after Computershare's receipt of such certificates, permits, or other documentation will not reflect exempted Transaction Taxes. Computershare is solely responsible for the payment of all personal property taxes, franchise taxes, corporate excise or privilege taxes, property or license taxes, taxes relating to Computershare's personnel, and taxes based on Computershare's net income or gross revenues relating to services provided hereunder.

**17. Termination** Either party may terminate this Agreement upon thirty (30) days' prior written notice to the other party. Unless so terminated, this Agreement shall continue in effect until ninety (90) days following the Expiration Time. In the event of such early termination, Company will appoint a successor agent and inform Agent of the name and address of any successor agent so appointed, provided, that no failure by Company to appoint such a successor agent shall affect the termination of this Agreement or the discharge of Agent as agent hereunder. Upon any such termination, Agent shall be relieved and discharged

of any further responsibilities with respect to its duties hereunder. Upon payment of all outstanding fees and expenses hereunder, Agent shall promptly forward to Company or its designee any Subscription Forms or other documents relating to the Subscription Offer that Agent may receive after its appointment has so terminated.

**18. Assignment** Neither this Agreement nor any rights or obligations hereunder may be assigned by Company or Agent without the written consent of the other; provided, however, that Agent may, without further consent of Company, assign any of its rights and obligations hereunder to any affiliated agent registered under Rule 17Ac2-1 promulgated under the 1934 Act.

**19. Subcontractors and Unaffiliated Third Parties**

19.1 Subcontractors. Agent may, without further consent of Company, subcontract with (a) any affiliates, or (b) unaffiliated subcontractors for such services as may be required from time to time (e.g., lost stockholder searches, escheatment, telephone and mailing services); provided, however, that Agent shall be as fully responsible to Company for the acts and omissions of any subcontractor as it is for its own acts and omissions.

19.2 Unaffiliated Third Parties. Nothing herein shall impose any duty upon Agent in connection with or make Agent liable for the actions or omissions to act of unaffiliated third parties (other than subcontractors referenced in Section 19.1, above) such as, by way of example and not limitation, airborne services, delivery services, the U.S. mails, and telecommunication companies, provided, if Agent selected such company, Agent exercised due care in selecting the same.

**20. Miscellaneous**

20.1 Notices. All notices, demands and other communications given pursuant to the terms and provisions hereof shall be in writing, shall be deemed effective on the date of receipt, and may be sent by electronic mail (except for notices of default or termination of this Agreement by Agent), overnight delivery services, or by certified or registered mail, return receipt requested to:

If to Company:

Distribution Solutions Group, Inc.  
8770 W. Bryn Mawr Ave.,  
Suite 900,  
Chicago, IL 60631  
Attn: Richard Pufpaf  
Email: [rick.pufpaf@lawsonproducts.com](mailto:rick.pufpaf@lawsonproducts.com)

with an additional copy to:

Andrew J. Noreuil  
Anna T. Pinedo  
Mayer Brown LLP  
1221 Avenue of the Americas  
New York, New York 10020-1001  
Email: [apinedo@mayerbrown.com](mailto:apinedo@mayerbrown.com)  
[anoreuil@mayerbrown.com](mailto:anoreuil@mayerbrown.com)

Invoice for fees and services (if different than above):

Distribution Solutions Group, Inc.  
8770 W. Bryn Mawr Ave.,  
Suite 900,  
Chicago, IL 60631  
Attn: Ronald J. Knutson

If to Agent:

Computershare Inc.  
480 Washington Blvd., 26th Floor  
Jersey City, NJ 07310

with an additional copy to:

Computershare Inc.  
150 Royall Street  
Canton, MA 02021

Attn: Corp Actions Relationship Manager  
Or  
Computershare Inc.  
150 Royall Street  
Canton, MA 02021  
Attn: Corp Actions Relationship Manager  
Or  
Computershare Inc.  
462 S. 4th Street, 7th Floor  
Louisville, KY 40202  
Attn: Corp Actions Relationship Manager

Attn: Legal Department

20.2 No Expenditure of Funds. No provision of this Agreement shall require Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if it shall believe in good faith that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

20.3 Publicity. Neither party hereto shall issue a news release, public announcement, advertisement, or other form of publicity concerning the existence of this Agreement or the services to be provided hereunder without obtaining the prior written approval of the other party, which may be withheld in the other party's sole discretion; provided, that Agent may use Company's name in its customer lists or otherwise as required by law or regulation.

20.4 Successors. All the covenants and provisions of this Agreement by or for the benefit of Company or Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

20.5 Amendments. This Agreement may be amended or modified by a written amendment executed by the parties hereto and, to the extent required, authorized by a resolution of the Board of Directors of Company.

20.6 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

20.7 Governing Law; Jurisdiction. This Agreement shall be governed by the laws of the State of New York, without regard to principles of conflicts of law. The parties hereto irrevocably (a) submit to the non-exclusive jurisdiction of any New York State court sitting in New York City or the United States District Court for the Southern District of New York in any action or proceeding arising out of or relating to this Agreement, (b) waive, to the fullest extent they may effectively do so, any defense based on inconvenient forum, improper venue or lack of jurisdiction to the maintenance of any such action or proceeding, and (c) waive all right to trial by jury in any action, proceeding or counterclaim arising out of this Agreement or the transactions contemplated hereby. Agent shall not be required hereunder to comply with the laws or regulations of any country other than the United States of America or any political subdivision thereof. Agent may consult with foreign counsel, at Company's expense, to resolve any foreign law issues that may arise as a result of Company or any other party being subject to the laws or regulations of any foreign jurisdiction.

20.8 Force Majeure. Agent will not be liable for any delay or failure in performance when such delay or failure arises from circumstances beyond its reasonable control, including without limitation acts of God, acts of government in its sovereign or contractual capacity, acts of public enemy or terrorists, acts of civil or military authority, war, riots, civil strife, terrorism, blockades, sabotage, rationing, embargoes, epidemics, pandemics, outbreaks of infectious diseases or any other public health crises, earthquakes, fire, flood, other natural disaster, quarantine or any other employee restrictions, power shortages or failures, utility or communication failure or delays, labor disputes, strikes, or shortages, supply shortages, equipment failures, or software malfunctions.

20.9 Third Party Beneficiaries. The provisions of this Agreement are intended to benefit only Agent, Company and their respective permitted successors and assigns. No rights shall be granted to any other person by virtue of this Agreement, and there are no third party beneficiaries hereof.

20.10 Survival. All provisions regarding indemnification, warranty, liability and limits thereon, compensation and expenses and confidentiality and protection of proprietary rights and trade secrets shall survive the termination or expiration of this Agreement.

20.11 Priorities. In the event of any conflict, discrepancy, or ambiguity between the terms and conditions contained in (a) this Agreement, (b) any exhibits, schedules or attachments hereto, and (c) the Subscription Offer, the terms and conditions contained in this Agreement shall take precedence.

20.12 Merger of Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement with respect to the subject matter hereof, whether oral or written.

20.13 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

20.14 Descriptive Headings. Descriptive headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

20.15 Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. A signature to this Agreement executed and/or transmitted electronically shall have the same authority, effect, and enforceability as an original signature.

*[The remainder of this page has been intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the Effective Date hereof.

**DISTRIBUTION SOLUTIONS GROUP, INC.**

By: /s/ Richard D. Pufpaf  
Name: Richard D. Pufpaf  
Title: Senior Vice President, Secretary, General Counsel and Chief Compliance Officer

**COMPUTERSHARE INC. and  
COMPUTERSHARE TRUST COMPANY, N.A.  
For both entities**

By: /s/ Thomas Borbely  
Name: Thomas Borbely  
Title: Senior Manager, Corporate Actions

Exhibit A Tax Instruction and Cost Basis Information Letter  
Exhibit B Wire Instructions  
Exhibit C Schedule of Fees

**Section 1**  
**Standard Tax Reporting Instructions**

*Pursuant to the Emergency Economic Stabilization Act of 2008, financial intermediaries such as Computershare must report cost basis for certain types of securities acquired after January 1, 2011 to both security holders and the IRS. In preparation for the year-end tax reporting to be performed by Computershare under our service agreement for the corporate actions event described in Section 2 of this agreement, please (a) complete the below Year End Tax Reporting Package and (b) provide us with the pertinent issuer statement (i.e., hard copy or website link requested in Section 4 below) as required of issuers under Internal Revenue Code Section 6045B and the underlying Treasury regulations.*

*In the event that you have not yet produced the issuer statement, kindly provide us with the requisite information at your earliest convenience when completed. You may find it helpful to refer to the below link on the IRS website for some background information regarding the issuer's obligation to produce the issuer statement.*

<https://www.irs.gov/forms-pubs/form-8937-report-of-organizational-actions-affecting-basis-of-securities>

*Please review, complete, execute and return the Year End Tax Reporting Package or the Form 8937, attached documents via e-mail. By requesting cost basis information, Computershare has fulfilled its regulatory obligation. Failure to provide correct basis information may result in a liability to you as an issuer, but if we can provide additional details, please feel free to call upon us.*

*Additional information may be required based on the completion of the information provided below.*

**PLEASE NOTE:** If IRC sections 302/304 apply to this Corporate Actions event, please reach out to the Corporate Actions Relationship Manager listed on Wire Instruction Exhibit of this Agreement to provide further details.

## Year End Tax Reporting Package

Computershare cannot provide tax advice for purposes of completing this worksheet. Please consult your tax counsel to determine your respective tax reporting requirements.

Stockholder accounts without certified TIN, or certification of foreign status on our system of record will be subject to backup withholding tax at the applicable rate in accordance with IRS rules and regulations regarding 1099 tax reporting. The applicable backup withholding tax deducted from their payment will be remitted to the Internal Revenue Service (IRS). Holders will need to claim any refund of over withholding directly from the IRS and not Computershare. *Please note residents or holders that are uncertified, and reside in the state of CA will be withheld an additional 7% which will be remitted to the state of CA.*

**Important:** Computershare uses Constructive Receipt (refer to below definition) reporting for its standard tax reporting default. Deviations from our Standard Default Tax Terms, late submissions and subsequent corrections after the event is over will be subject to additional fees, by appraisal. If Computershare does not receive the completed tax letter by the expiration of the offer /effective date of the distribution or exchange, Computershare will use our Standard Default Tax Terms.

Computershare will perform form suppression on de minimis reporting for the following: on 1099-B tax forms less than \$20 in proceeds and fractional share issuance if no withholding; 1099-DIV tax forms less than \$10 in dividend income if no withholding.

Computershare will not be liable for any IRS penalties resulting from any client changes to this tax letter or client delay in any final tax instructions that will alter our initial tax reporting instructions. Should any withholding be remitted late to the IRS as a result of any changes to your initial tax reporting instructions. Company and/or Purchaser will be responsible for obligations related to penalties and interest as noted under the Section of the Agreement titled "Indemnification and Limitation of Liability."

### **Definitions:**

**Constructive Receipt:** Constructive Receipt means that any corporate action exchange proceeds would be reported to the IRS in the year the merger is effective, whether or not the stockholder has presented the requisite and valid documentation in such year.

**Standard Default Tax Terms:** The share consideration (if any) is considered a non-taxable event with no Fair Market Value Reporting (FMV) on shares. Principal and CIL are reported on form 1099B as constructive receipt. In the event of an exchange, dividends declared after the effective date, will accrue on the shares issuable to un-exchanged holders and tax reported "as if" paid currently.

**Section 2 – Client Information**

Client Name: \_\_\_\_\_

Tax ID/EIN: \_\_\_\_\_

Issue Description/Type: \_\_\_\_\_

CUSIP Number(s): \_\_\_\_\_

Will you require Computershare to perform tax reporting services for this transaction?  
 Yes  No\*\*\*

\*\*\*If you mark the above box "No", an explanation of either how the consideration will be tax reported, or why tax reporting is not applicable (i.e. K1, W-2, etc.), is required. Please provide this explanation in Section 5 where it indicates "If you answered "No" in Section 2.

**Section 3 – Standard 1099 Reporting**

**3.A – Principal payment / cash in lieu of fractional shares**

If 3.A is not applicable, please check here and move to 3.B

Computershare to report principal payment on Form 1099-B.  
Yes, on Form 1099-B  Yes, on a form other than Form 1099-B. Please complete Section 3.C

Computershare to report cash in lieu payment for fractional shares made to holders.  
Yes, on Form 1099-B  Yes, on a form other than Form 1099-B. Please complete Section 3.C

**3.B – Dividend Reporting (including accrued dividends for unexchanged accounts)**

If 3.B is not applicable, please check here and move to Section 3.C

Dividends that have been paid in conjunction with Corporate Actions payments, deemed or accrued, such payment will be reported as Constructive Receipt on Form 1099-DIV or 1042-S.

Computershare to report dividends on Forms 1099-DIV / 1042-S.  
Yes, Form 1099-DIV/1042-SB  Yes, on a form other than Form 1099-DIV/1042=S.  Please explain

Did the Company and or Purchaser distribute qualified dividends (100% ordinary & 100% qualified) for this tax year on the Newco shares?  
Yes  \*No



\*If no, please provide us with your worksheet to ensure all reportable income or reclassification income, paid by Computershare as agent, is reported correctly. Please note that up to five decimal points can be utilized in the reallocation process. If you choose to use less than five decimal points this could result in rounding issues. Due to time constraints inherent with tax season, we will not be able to re-run tax forms due to rounding issues. Please provide us with your worksheet reflecting all distributions for this applicable tax year.

**3.C – Additional reporting**

If 3.C is not applicable, please check here and move to Section 4

Does any of the following reporting need to be performed by Computershare for cash paid (i.e., principal, cash in lieu) if not to be tax reported on Form 1099-B?

1099-INT  1099-OID  1099-MISC  1099-DIV  1042-S

If you selected 1099-INT, 1099-OID or 1099-MISC above, please complete the below. Specify which box on the Form should be used for reportable amounts:

Reporting Box for 1099-INT: \_\_\_\_\_

Reporting Box for 1099-OID: \_\_\_\_\_

Reporting Box for 1099-MISC: \_\_\_\_\_

If you selected 1099-DIV and/or 1042-S above, please complete the below.

Reporting for merger consideration (other than accrued and unpaid dividends as outlined below), on Form 1099-DIV and/or 1042-S is as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Section 4 – Cost Basis**

Please provide a copy of the completed Issuer Statement (IRS Form 8937) or link to where the Tax & Cost Basis information can be found. If you are unable to provide the link or information pertaining to the Issuer Statement or such IRS filing requirement does not apply, you must answer the questions below.

What are the Cost Basis implications due to this Corporate Action? Please include the details of any calculation that needs to be applied to existing cost basis or provide an explanation if the IRS filing requirement for Form 8937 does not apply to this event.

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**Section 5 – Additional Information**

Did any of the following corporate changes occur during the same year in which this corporate action took place?

- a) Name Change? Yes  No
- b) Tax Id Number Change? Yes  No
- c) CUSIP Number Change? Yes  No
  
- d) Cash Liquidating Distribution Yes  No
- e) Non-Cash Liquidating Distribution Yes  No
- f) Sale of Rights payment Yes  No

Is any additional tax reporting required, other than what has been stated in Section 3 above (specify below)?

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If you answered "No" in Section 2 above indicating that you do not require Computershare to perform tax reporting, please explain below.

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**Section 6 – Additional Information continued**

Is any additional tax withholding required other than what has been stated in Section 3 above (specify below)?

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**Section 7**

**Fair Market Value (FMV) Tax Reporting Instructions**

*Pursuant to the Emergency Economic Stabilization Act of 2008, financial intermediaries such as Computershare must report cost basis for certain types of securities acquired after January 1, 2011 to both security holders and the IRS. In preparation for the year-end tax reporting to be performed by Computershare under our service agreement for the corporate actions event described in Section 1 of this agreement, please (a) complete the below Tax and Cost Basis package and (b) provide us with the pertinent issuer statement (i.e., hard copy or website link requested in Section 8 below) as required of issuers under Internal Revenue Code Section 6045B and the underlying Treasury regulations.*

*In the event that you have not yet produced the issuer statement, kindly provide us with the requisite information at your earliest convenience when completed. You may find it helpful to refer to the below link on the IRS website for some background information regarding the issuer's obligation to produce the issuer statement.*

<https://www.irs.gov/forms-pubs/form-8937-report-of-organizational-actions-affecting-basis-of-securities>

*Please review, complete, execute and return the below Tax Letter and either the Cost Basis word document or the Form 8937, attached documents via e-mail. By requesting cost basis information, Computershare has fulfilled its regulatory obligation. Failure to provide correct basis information may result in a liability to you as an issuer, but if we can provide additional details, please feel free to call upon us.*

*Additional information may be required based on the completion of the information provided below.*

**PLEASE NOTE:** If 302/304 Tax Reporting is requirements please reach out to the Corporate Actions Relationship Manager listed on the Wire Instruction Exhibit of this Agreement

## Year End Tax Reporting Package

Computershare cannot provide tax advice for purposes of completing this worksheet. Please consult your tax counsel to determine your respective tax reporting requirements.

Stockholder accounts without certified TIN, or foreign status on our system of record will be subject to backup withholding tax at the applicable rate in accordance with IRS rules and regulations regarding 1099 tax reporting. The applicable backup withholding tax deducted from their payment will be remitted to the Internal Revenue Service (IRS). Holders will need to claim any refund of over withholding directly from the IRS and not Computershare. *Please note residents or holders that are uncertified, and reside in the state of CA will be withheld an additional 7% which will be remitted to the state of CA.*

**Important:** Computershare uses Constructive Receipt reporting for its standard tax reporting default. Deviations from our Standard Default Tax Terms, late submissions and subsequent corrections after the event is over will be subject to additional fees, by appraisal. If Computershare does not receive the completed tax letter by the expiration of the offer /effective date of the distribution or exchange, Computershare will use our Standard Default Tax Terms.

**Fair Market Value Reporting (FMV) is subject to additional fees, by appraisal.**

*Computershare will perform form suppression on de minimis reporting for the following: on 1099-B tax forms less than \$20 in proceeds and fractional share issuance if no withholding; 1099-DIV tax forms less than \$10 in dividend income if no withholding.*

*Computershare will not be liable for any IRS penalties resulting from any client changes to this tax letter or client delay in any final tax instructions that will alter our initial tax reporting instructions. Should any withholding be remitted late to the IRS as a result of any changes to your initial tax reporting instructions. Company will be responsible for obligations related to penalties and interest as noted under the Section of the Agreement titled "Indemnification and Limitation of Liability."*

**Definitions:**

**Constructive Receipt:** Constructive Receipt means that any corporate action exchange proceeds would be reported to the IRS in the year the merger is finalized, regardless of whether the stockholder has already processed the exchange or not.

**Standard Default Tax Terms:** The share distribution is considered a non-taxable event with no Fair Market Value Reporting (FMV) on shares. Principal and CIL are reported on form 1099B as constructive receipt. In the event of an exchange, dividends declared after the effective date, will accrue on the shares issuable to un-exchanged holders.

**Fair Market Value (FMV) tax reporting:** Refers to an exchange where the share consideration) is treated as fully taxable and reportable on Form 1099-B at the per share valuation provided by client.

Section 8 – Client Information

Client Name: \_\_\_\_\_  
\_\_\_\_\_

\*Tax ID/EIN: \_\_\_\_\_  
\_\_\_\_\_

\*If FMV reporting is required, the Issuer (Acquirer) will be deemed the payor and you must provide your EIN for reporting purposes. In addition, Client must provide Computershare with completed IRS Form 2678 in order for Computershare to remit any backup withholding tax to the IRS on client's behalf.

Issue Description/Type: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CUSIP Number(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Will you require Computershare to perform FMV tax reporting services for this transaction?  
 Yes       No\*\*\*

\*\*\*If you mark the above box "No" the value of all newly issued shares will NOT be tax reported to the holders and any cost basis and acquisition date of the surrendered target company shares will be carried over to the new shares. Please refer to Section 3.

Section 9

Fair Market Value reporting

**We ask that you read each question below carefully and respond to each question accordingly as this questionnaire requires a great deal of attention.**

**Taxable Event Information**

**Please check one of the boxes below regarding the following statement.**

**This event requires Fair Market Value (FMV) reporting on Form 1099-B as the share consideration received in this transaction is a taxable event to former target holders and as such the basis of the new shares received will be the FMV rate and become covered shares (i.e., date of acquisition is the effective date).**

True                       \*False

**\*If the above statement is "False", please provide an explanation as to why:**

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**If the FMV share consideration is nontaxable, and not tax reportable, please confirm by checking a box below:**

\*True                       \*\*False

**\*If you selected "True", please explain briefly why the FMV share consideration is nontaxable, and whether the "cash" (if any) is tax reportable on Form 1099-B:**

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**\*\*If you selected "False" from the above, is the FMV of the share consideration treated as taxable and reportable on a 1099-B?**

Yes                       \*No

\*If you selected "No", please advise on the IRS Form & box number in which it should be reported:

---

**Gross Proceeds Information**

**If the transaction with a stockholder should be reported on a 1099-B, and the full amount of the consideration is treated as taxable, is the FMV of the stock consideration, as well as the cash (if any), reportable on Form 1099-B in Box 1d as "Proceeds"?**

Yes                       \*No

\*If you selected "No", please advise on the rationale as to why the cash and/or stock is not considered as "proceeds" for 1099-B reporting purposes:

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**If Form 1099-B reporting is required, should Box 7 on the Form 1099-B ("Check if loss is not allowed based on amount in 1d") be checked?**

Yes                       \*No

**Backup Withholding Information**

**If you selected "Yes" and indicated that FMV of the share consideration is a taxable exchange and reportable on a 1099-B as "Proceeds", - please advise on the following questions:**

- Is the share consideration subject to backup withholding? (Uncertified accounts would be entitled to a lowered share amount upon exchange due to withholding of shares to satisfy remittance to the IRS.)

Yes  \*No

\*If you selected "No", please provide the basis for selecting "No" so that Tax can review this further.

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**If you selected "Yes" and indicated that shares are subject to backup withholding, please confirm the following statement by selecting "Issuer/Acquirer Agrees":**

**Computershare is hereby authorized by the Issuer/Acquirer to sell the appropriate number of shares from each stockholder's share entitlement to cover applicable tax withholding obligations. The withholding obligation arises on the date the reportable consideration is paid. The shares sold to fund any backup withholding will be based on the amount of withholding required. The current share price may not be exactly the FMV price and may result in a shortage or overage that will either need to be returned to the company or covered by the company.**

Issuer/Acquirer Agrees

If you would prefer that Computershare does not fund the backup withholding obligation by selling the shares, the Issuer/Acquirer can fund the amount of backup withholding required to remit to the IRS in lieu of selling shares. Should you wish to proceed with this alternative, please select the box below:

Yes, we will fund the entire balance due in one single wire to Computershare for the backup withholding obligation

If you checked the box above, to fund the backup withholding on FMV reporting, the funds you provided will be included in a "gross -up" calculation (to increase a net amount to include deductions, such as taxes, that would be incurred by the receiver) reported on a 1099-B as additional proceeds to the holder.



**Fair Market Value (FMV)**

Please provide the value per share associated with the FMV reporting of the share consideration:

\_\_\_\_\_

**Form 8937**

Please provide a copy of the Issuer Statement (IRS Form 8937) or link to where the Tax & Cost Basis information can be found. If you are unable to provide the link or information pertaining to the Issuer Statement, you must answer the questions below.

What are the Tax & Cost Basis implications due to this Corporate Action? Please include the details of any calculation that needs to be applied to determine the per share basis of the share consideration received by the target's holders.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

WIRE INSTRUCTIONS FOR DELIVERY OF RIGHTS OFFERING FUNDS TO DISTRIBUTION SOLUTIONS GROUP, INC.

**PLEASE WIRE ALL FUNDS RELATED TO THE RIGHTS OFFERING CONTEMPLATED UNDER THIS AGREEMENT TO THE FOLLOWING:**

Bank Name: \_\_\_\_\_  
Account Name: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
ABA Routing Number: \_\_\_\_\_  
Ref: \_\_\_\_\_

**IF YOU HAVE ANY QUESTIONS, OR NEED ADDITIONAL INFORMATION PLEASE REACH OUT TO:**

STEPHANIE HARMON  
TEAM LEAD  
Corporate Actions  
T (781) 575-4544  
[STEPHANIE.HARMON@COMPUTERSHARE.COM](mailto:STEPHANIE.HARMON@COMPUTERSHARE.COM)

OR

RANDY MARQUARDT  
SENIOR ACCOUNT MANAGER  
CORPORATE ACTIONS  
T (781) 575-2405  
[RANDALL.MARQUARDT@COMPUTERSHARE.COM](mailto:RANDALL.MARQUARDT@COMPUTERSHARE.COM)

## SCHEDULE OF FEES

**COMPUTERSHARE TRUST COMPANY, N.A.  
SUBSCRIPTION AGENT FEE SCHEDULE FOR  
DISTRIBUTION SOLUTIONS GROUP, INC. RIGHTS OFFERING**

**A. FEES FOR SERVICES \***

Event Management	\$71,000.00
Per Subscription Form issued and mailed (registered)	\$5.00
Per Subscription Form Processed (registered and beneficial)	\$15.00
Calculating Pro-rata items, each	\$8.00
Per Sale of Rights – Per Account	\$50.00
Per Oversubscription processed, each (registered and beneficial)	\$6.00
Per defective subscription form received	\$35.00
Per Notice of Guarantee Delivery received (not applicable, no guarantee feature for this Offer)	N/A
DTC CUSIP Charge (pass through fee from DTC)	\$1,500.00
Per Extension or Midnight expiration, each	\$5,000.00
Legal Review	Included

\*The above fees exclude expenses and assume the use of Computershare's standard agency agreement and Subscription Form. We agree that in the event that the transaction and/or your services are begun but not completed for any reason, the above Project Management fee will be charged, plus the expense(s) associated with work performed up to the point Computershare is notified. It is required that this Agreement be executed on or before the Expiration Time. Mailing and processing will not begin until this Agreement has been executed by Company and Computershare. This fee schedule is based upon information provided to date and may be subject to change. All quoted pricing is valid for 90 days from issuance of quote.

CRM# ANQA-A61XYY

**B. SERVICES COVERED**

- Designating an operational team to carry out subscription agent duties, including document review and execution of legal agreement, review of Subscription Form and communication materials, project management, and on-going project updates and reporting
- Converting Distribution Solutions Group, Inc. stockholder file to Computershare's corporate actions system
- Coordinating the offering with the Depository Trust Company
- Interfacing with the information agent
- Calculating the rights to be distributed to each stockholder
- Printing stockholder information on the subscription form
- Coordinating the mailing of subscription materials to stockholders with the information agent
- Send Event Announcement E-mails to eligible holders providing access instructions and codes to enter the Website, as applicable
- Providing a Website for eligible holders to submit their instructions and payments, if applicable

- Tracking and reporting the number of subscriptions made, as required
- Processing the rights received and exercised
- Selling the rights as requested by stockholders
- Depositing participant checks daily
- Providing receipt summation of checks received
- Prorating subscriptions as required
- Forwarding funds to Distribution Solutions Group, Inc. at the end of the offering period
- Calculating, issuing and mailing shares and refund checks
- Calculating, issuing, mailing and collecting invoices, if applicable
- Calculating, issuing and mailing of solicitation checks, if applicable

**C. ITEMS NOT COVERED**

- Items not specified in the “Services Covered” section set forth in this Agreement, including any services associated with new duties, legislation or regulatory fiat, which become effective after the date of this Agreement (these will be provided on an appraisal basis)
- Surcharge(s) for services, including, without limitation, Project Management services, rendered outside of normal business hours (i.e. 6:00 p.m. - 8:00 a.m. Monday through Friday, weekends, and U.S. holidays observed by the New York Stock Exchange). Additional fees will be provided on an appraisal basis.
- All expenses, such as telephone line charges, overprinting, certificates, checks, postage, stationery, wire transfers, and excess material disposal (these will be billed as incurred)
- Reasonable legal review fees if referred to outside counsel
- Additional charges may be assessed to Computershare for modifications, changes and edits to the website content document and/or the Offer Website, and will be passed through to Company, subject to Section 16 of the Agreement.
- Special reporting requests (including, but not limited to, escheatment, reconciliation and audit reports) and requests to expedite processed items outside of our standard target of 7-10-day turnaround time

**D. ASSUMPTIONS**

- Fee schedule based upon information known at this time about the transaction
- Significant changes made in the terms or requirements of this transaction could require modifications to this fee schedule
- The Project management fee includes pre-launch and ongoing services related to the initial offer period, which are provided for up to 30 business days from our notice of appointment as Depositary. Any delay or other occurrence which causes the duration of the original service period to be extended beyond the initial offer period, will be subject to additional fees. An extension fee will apply for each subsequent ten (10) business day extension period or any part thereof, of the offer, commencing immediately following the original offer period.
- Fee schedule must be executed prior to the initial mailing
- Company responsible for printing of materials (rights card, prospectus and ancillary documents)
- Material to be mailed to stockholders must be received no less than five (5) business days prior to the start of the mailing project

**E. Incidental Fees**

Relevant incidental fees from the chart below may apply to your program; charges would only be billed if incurred.

<b>Description</b>	<b>Amount</b>
File Upload, Per File (if Computershare standard form)	\$1,000
• If file is not Computershare standard form	Additional \$500
• File is received less than 3 days prior to effective date	Additional \$500
Per Underlying Exchange	\$1,250
Per Additional Class	\$1,000
Legal Fees for Changes to Standard T&Cs	\$1,500
Midnight Expiration	\$5,000
Per extension or subsequent offering period, if applicable	By appraisal
Special Reporting	By appraisal
Custom Web Enhancements	By appraisal
DTC Fee per New CUSIP (pass through expense)	\$1,500
QuickCert Set-up Fee	\$350
Dedicated 1-800 Telephone Line Service	\$500
Set-up Automated Telephone Service	By appraisal
Annual Facility Fee (billed annually)	
• 0 – 100 holders (at start of job)	\$500
• 101 – 2,500 holders (at start of job)	\$1,000
• 2,500 – 5,000 holders (at start of job)	\$1,500
• Over 5,000 holders (at start of job)	\$2,000
Subsequent Distribution	
• < 100 accounts	\$1,500
• < 250 accounts	\$2,500
• < 500 accounts	\$5,000
• < 501 + _accounts	By appraisal
Per Item – Special Handling (restricted, etc.)	By appraisal
Per INIGO (Item Not in Good Order) for Voluntary Offers	\$50
Per Withdrawal	\$50
Per Guarantee Delivery	\$50
Per Certificate Issued (handling)	\$12
Per QuickCert Issued (handling)	\$8
DWAC, each	\$110
Additional Mailings – Set-up Fee (plus per item if new population)	By appraisal
Per File Download/Export	\$1,000
Per Wire USD	\$100
Per Wire Non-USD	\$200
Per Wire Reject	\$150
Refund Checks	\$5.50
Sale of Fractional Shares in Open Market	\$2,500
Onsite Support	\$1,000/day + expenses

<b>Description</b>	<b>Amount</b>
Requesting of Weekend/Holiday Processing	\$200/hour
Expedited Program Support/Closing	\$450/hour
Wire Transfers (inbound & outbound), each	\$100
Per Item Rush Fee	
• Same day	\$200
• Next day	\$100
Expediated Review and Set-up	
• Less than 5 days	\$2,500
• Less than 3 days	\$5,000
• Less than 2 days	\$6,500
• Same day	\$8,500

**F. PAYMENT FOR SERVICES**

The Project Management fee will be rendered and payable on the effective date of the transaction. An invoice for any expense and per item fees realized will be rendered and payable on a monthly basis, except for postage expenses in excess of \$5,000. Funds for such mailing expenses must be received one (1) business day prior to the scheduled mailing date, provided, however, that Agent shall provide five (5) business days' notice of any such amount to be paid.



Exhibit 99.1

Computershare



Computershare Trust Company, N.A.  
150 Royall Street Suite V  
Canton Massachusetts 02021  
Information Agent: Georgeson LLC

Banks, brokers and Shareholders call toll-free:  
(888) 206-5970



MR A SAMPLE

DESIGNATION (IF ANY)

- ADD 1
- ADD 2
- ADD 3
- ADD 4
- ADD 5
- ADD 6



C 1234567890 J N T



Account Code:  
Control Code

Subscription Rights 12345678901234

### SUBSCRIPTION RIGHTS CERTIFICATE

**TO EXERCISE YOUR RIGHTS**

If you wish to exercise your rights, you must submit your instructions in the following way:

**Option 1) Mail** – Complete the instructions, sign and return this Subscription Rights Certificate in the envelope provided.

**Option 2) Internet** – Visit the Web Platform at [DistributionSolutionsGroup.ComputershareCAS.com](http://DistributionSolutionsGroup.ComputershareCAS.com) and follow the instructions on the site

**VOID IF NOT RECEIVED BY THE SUBSCRIPTION AGENT BEFORE 5:00 PM  
EASTERN TIME ON MAY 30, 2023 (UNLESS EXTENDED) (THE "EXPIRATION DATE")**

**DISTRIBUTION SOLUTIONS GROUP, INC.  
SUBSCRIPTION RIGHTS FOR SHARES OF COMMON STOCK  
(Complete appropriate section on reverse side of this form)**

The registered holder (the "Holder") of this Subscription Certificate named below, or the assignee, is entitled to the number of transferable Rights shown above to purchase shares of common stock, par value \$1.00 per share (the "Common Shares"), of Distribution Solutions Group, Inc. (the "Company"). Each Subscription Right entitles the Holder to purchase Common Shares (the "Subscription") at the ratio of 0.105 Common Shares for every one Subscription Rights (the "Subscription Rate") and upon the terms and conditions and at the price (the "Subscription Price") for each Common Share, each as specified in the prospectus supplement, dated May 9, 2023, and the accompanying prospectus, dated April 10, 2023 relating thereto (collectively, the "Prospectus"). To subscribe for Common Shares the Holder must present to Computershare Trust Company, N.A. (the "Subscription Agent" or "Computershare"), prior to 5:00 p.m., Eastern time, on the Expiration Date (unless extended), a properly completed and executed Subscription Certificate and a wire transfer of funds or a personal check drawn on a bank located in the United States and payable to "Computershare" for an amount equal to the number of Common Shares subscribed for under the Subscription multiplied by the estimated Subscription Price.

As described in the Prospectus, the Holder may purchase any number of additional Common Shares under the Holder's Over-Subscription Right (as defined in the Prospectus), provided that such Common Shares are available and the Holder has fully exercised his or her Subscription Rights. Any additional payment required from a participating Holder must be received by the Subscription Agent by 5:00 p.m., Eastern time, on the Expiration Date of May 30, 2023 unless the Offer is extended. Any excess payment to be refunded by the Subscription Agent to a Holder who is not allocated the full amount of Common Shares subscribed for pursuant to the Over-Subscription Right will be returned to such Holder by mail by the Subscription Agent as promptly as practicable. A participating Holder will have no right to rescind a purchase after the Subscription Agent has received a properly completed and executed Subscription Certificate and payment by means of a personal check or wire transfer. The Subscription Rights in this Subscription Certificate may be transferred, in the same manner and with the same effect as in the case of a negotiable instrument payable to specific persons, by duly completing and signing the assignment on the reverse side hereof. Capitalized terms used but not defined in this Subscription Certificate shall have the meanings assigned to them in the Prospectus relating to the Rights. This Subscription Certificate shall be governed by and construed in accordance with the laws of the State of Delaware. To exercise the Subscription Right, the Holder must exercise a whole number of Rights and pay the estimated Subscription Price for each Common Share subscribed for at the Subscription Price. Payment of \$45 per Common Share must accompany the Subscription Certificate. See the reverse side for forms.

Holder ID	COY	Class	Rights Qty Issued	Rights Cert #
123456789	XXXX	Subscription Rights	XXX.XXXXXX	12345678

  

Signature of Owner and U.S. Person for Tax Certification	Signature of Co-Owner (if more than one registered holder listed)	Date (mm/dd/yyyy)
<div style="border: 1px solid black; height: 20px;"></div>	<div style="border: 1px solid black; height: 20px;"></div>	<div style="border: 1px solid black; height: 20px;"></div>

1 2 3 4 5 6 7 8 C L S X R T 2 C O Y C

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**PLEASE FILL IN ALL APPLICABLE INFORMATION.**

A. Subscription\*  $\frac{\text{Subscription Rights Exercised}}{\text{Subscription Rights} = 0.105 \text{ Common Share}} \times 0.105 = \frac{\text{No. of Common Shares, rounded down}}{\text{Subscription Price}} \times \$45.00 = \$$  \_\_\_\_\_

\* If the aggregate estimated Subscription Price paid by a Holder is insufficient to purchase, at the estimated Subscription Price, the number of Common Shares that the participating Holder indicates are being subscribed for, or if a Holder does not specify the number of Common Shares to be purchased, then the Holder will be deemed to have exercised its Subscription Rights to purchase Common Shares to the full extent of the payment rendered. If the aggregate estimated Subscription Price paid by a Holder exceeds the amount necessary to purchase the number of Common Shares for which the participating Holder has indicated an intention to subscribe, then the Holder will be refunded any such excess amount remaining based on the number of Common Shares for which the participating Holder has indicated an intention to subscribe following the determination of the Subscription Price on the Expiration Date.

B. Over-Subscription\*\*  $\frac{\text{No. of Common Shares, rounded down}}{\text{Subscription Price}} \times \$45.00 = \$$  \_\_\_\_\_

\*\* The Over-Subscription Right may only be exercised if the Subscription Right is exercised to the fullest extent possible and may only be exercised by Holders as described in the Prospectus. Over-subscriptions may not be accepted by the Company and are subject to pro rata reductions.

C. Amount of Check Enclosed or Wire Transfer = \$ \_\_\_\_\_

SECTION 1. TO SUBSCRIBE: I acknowledge that I have received the Prospectus for the Rights Offering and I hereby irrevocably subscribe for the number of Common Shares indicated in line A hereon upon the terms and conditions specified in the Prospectus. I hereby agree that if I fail to pay for the Common Shares for which I have subscribed (or are deemed to have subscribed for as set forth above), the Company may exercise any of the remedies set forth in the Prospectus.

Signature(s) of Subscriber(s)/Seller(s) \_\_\_\_\_

Please give your telephone number: ( ) \_\_\_\_\_

Please give your e-mail address: \_\_\_\_\_

SECTION 2. TO TRANSFER RIGHTS: For value received, \_\_\_\_\_ of the Rights represented by this Subscription Certificate are assigned to:

(Print Full Name of Assignee) \_\_\_\_\_ Social Security Number \_\_\_\_\_

(Print Full Address) \_\_\_\_\_

(Print Full Address) \_\_\_\_\_

Signature(s) of Assignor(s) \_\_\_\_\_

IMPORTANT: The signature(s) must correspond in every particular, without alteration, with the name(s) as printed on your Subscription Certificate.

Return this Subscription Certificate to Computershare as follows:

*By First Class Mail:*

Computershare  
C/O Voluntary Corporate Actions; COY: LAWS  
P.O. Box 43011  
Providence, RI 02940-3011

*By Express Mail or Overnight Courier:*

Computershare  
C/O Voluntary Corporate Actions; COY: LAWS  
150 Royall Street Suite V  
Canton, MA 02021

You can exercise your Over-Subscription Right if you have fully exercised your Subscription Right, see above.

DELIVERY OF THIS SUBSCRIPTION CERTIFICATE TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY.

Any questions regarding this Subscription Certificate and the Rights Offering may be directed to Geogeson LLC toll free at (888) 206-5970.

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Expiration Date: May 30, 2023 (unless extended)





May 9, 2023

Dear Stockholder:

Distribution Solutions Group, Inc. ("DSG") is pleased to announce a subscription rights offering (the "rights offering") to purchase shares of DSG's common stock, par value \$1.00 per share (the "Common Stock"). Please read the summary terms below, the accompanying prospectus and the prospectus supplement, that detail the rights offering available to holders of Common Stock as of the Record Date (defined below).

The rights offering is expected to raise an aggregate amount of approximately \$100 million. DSG expects to use the net proceeds of the rights offering for general corporate purposes and to fund, in combination with DSG's expanded committed credit facility, the acquisition of all of the issued and outstanding capital stock of HIS Company, Inc.

The summary of terms contained in this letter does not contain all of the information you should consider before participating in the rights offering. You should carefully read the entire accompanying prospectus and prospectus supplement, including each of the documents incorporated therein by reference, before making an investment decision.

#### SUMMARY OF THE TERMS

- Each stockholder receives one subscription right (the "Right") for each share of Common Stock owned as of close of business on May 1, 2023 (the "Record Date").
- Each Right will be transferable but will not be listed for trading on any stock exchange or market.
- Stockholders can purchase 0.105 shares of Common Stock for each Right issued.
- Stockholders may exercise their Rights in full and in such event will have over-subscription rights.
- The subscription price is \$45.00 per share of Common Stock and this price was determined by DSG's board of directors on May 8, 2023.
- The rights offering expires at 5:00 p.m. Eastern Time on May 30, 2023 (the "Expiration Date").
- Luther King Capital Management Corporation and its affiliates (collectively, the "LKCM Affiliates") have indicated that they intend to fully exercise their Rights and over-subscription rights relating to their portion of the shares of Common Stock that remain unsubscribed at the Expiration Date.

If you hold your shares of Common Stock under your name, you may complete your subscription via the enclosed Subscription Certificate or online at [www.DistributionSolutionsGroup.ComputershareCAS.com](http://www.DistributionSolutionsGroup.ComputershareCAS.com). If your shares are held in the name of your broker, you must contact your broker to participate in the offer.

Please call Georgeson LLC, DSG's information agent at (888) 206-5970 if you have any questions about the rights offering.

Thank you for your loyalty and confidence in DSG as you consider investing.

Sincerely,

J. Bryan King  
Chairman & CEO

Ronald J. Knutson  
EVP & CFO



## LETTER TO NOMINEE HOLDERS

**Up to 2,222,222 Shares of Common Stock Issuable  
Upon Exercise of Transferable Subscription Rights**

May 9, 2023

**THE RIGHTS OFFERING SUBSCRIPTION PERIOD WILL EXPIRE AT 5:00 P.M., EASTERN TIME, ON MAY 30, 2023, UNLESS  
EXTENDED BY DISTRIBUTION SOLUTIONS GROUP, INC.**

To Securities Dealers, Commercial Banks, Trust Companies and Other Nominees:

This letter is being distributed to securities dealers, commercial banks, trust companies and other nominees by Distribution Solutions Group, Inc. (the "Company") in connection with an offering (the "Rights Offering") of transferable subscription rights (the "Subscription Rights") to subscribe for and purchase shares of common stock, par value \$1.00 per share, of the Company ("Common Stock"). The Subscription Rights are being distributed to all holders of record of Common Stock ("Record Date Stockholders") as of the close of business on May 1, 2023 (the "Record Date"). The Rights Offering is described in the Company's enclosed Prospectus Supplement, dated May 9, 2023 (the "Prospectus Supplement"), and its accompanying prospectus, dated April 10, 2023 (the "Base Prospectus" and collectively, with the Prospectus Supplement, the "Prospectus"). We are requesting that you contact your clients for whom you hold Common Stock, and who are to receive the Subscription Rights distributable with respect to those shares, regarding the Rights Offering.

In the Rights Offering, the Company is offering an aggregate of 2,222,222 shares of Common Stock to be issued upon the exercise of the Subscription Rights and Over-Subscription Rights (as defined below), which are described further in the Prospectus. The Subscription Rights will expire if they are not exercised by 5:00 p.m., Eastern Time, on May 30, 2023, unless the Company extends the Rights Offering period as described in the Prospectus (such date and time, as it may be extended, the "Expiration Date").

As described in the Prospectus, stockholders on the Record Date ("Record Date Stockholders") will receive one Subscription Right for each share of Common Stock owned as of the Record Date. For every Subscription Right held, Record Date Stockholders or their transferee will be entitled to purchase 0.105 new shares of Common Stock. The number of Subscription Rights to be issued to Record Date Stockholders will be rounded down to the nearest whole number and fractional shares of Common Stock will not be issued upon the exercise of the Subscription Rights. The subscription price per share of Common Stock was determined by the Company's board of directors on May 8, 2023. Record Date Stockholders will be required to pay for Common Stock pursuant to your Subscription Rights at the subscription price of \$45.00 per share of Common Stock (the "Subscription Price").

Luther King Capital Management Corporation and its affiliates, including J. Bryan King, our Chairman, President and Chief Executive Officer (collectively, the "LKCM Affiliates"), beneficially own approximately 77% of the Common Stock outstanding prior to the Rights Offering. The LKCM Affiliates have indicated that they intend to participate, directly or through their affiliates, in the Rights Offering and fully subscribe to the shares of Common Stock corresponding to their Subscription Rights.

You should be aware that there will be an over-subscription right associated with the Rights Offering. As described further in the Prospectus, Record Date Stockholders who fully exercise all Subscription Rights initially issued to them are entitled to an Over-Subscription Right to buy those shares of Common Stock ("Over-Subscription Shares") that remain unsubscribed at the Expiration Date at the same Subscription Price, which is \$45.00 per share of Common Stock. If enough Over-Subscription Shares are available, all such requests will be honored in full. If the requests for Over-Subscription Shares exceed the Over-Subscription Shares available, the available Over-Subscription Shares will be allocated pro rata among the Record Date Stockholders who have fully exercised their Subscription Rights and who have requested to over-subscribe, based on the number of shares of Common Stock purchased by virtue of their Subscription Rights. See the Prospectus for further details on the Over-Subscription Rights.

The LKCM Affiliates have indicated that they intend to fully exercise their Over-Subscription Rights relating to their portion of shares of Common Stock that remain unsubscribed at the Expiration Date.

Record Date Stockholders will be required to submit payment in full for all of the Common Stock they or their transferee wish to buy pursuant to the exercise of their Subscription Rights and Over-Subscription Rights to Computershare, the subscription agent for the Rights Offering, prior to 5:00 p.m., Eastern Time, on the Expiration Date. Any excess payments made by Record Date Stockholders as a result of the exercise of their Over-Subscription Rights (if any) will be refunded and will be mailed by Computershare to such holder as soon as practicable after the Expiration Date. Record Date Stockholders will have no right to rescind a purchase after Computershare has received payment either by means of a notice of guaranteed delivery or a check, except as described in the Prospectus.

The Subscription Rights will be evidenced by a subscription certificate (the "Subscription Certificate") registered in the Record Date Stockholder's name. Subscription Rights holders may transfer all or a portion of their Subscription Rights by following the instructions on the Subscription Certificate. Holders wishing to transfer all or a portion of their Subscription Rights should allow a sufficient amount of time for any transfer instructions to be received and processed by Computershare prior to the Expiration Date. Please see the Prospectus for further details on transferring Subscription Rights.

We are asking that you contact your clients for whom you hold shares of Common Stock registered in your name(s) or in the name(s) of your nominee(s) to obtain instructions with respect to the Subscription Rights. If you hold Subscription Rights for the account of more than one client, you may aggregate your exercise of Subscription Rights for all your clients, provided that you identify the number of Subscription Rights you are exercising for each client.

Securities dealers, commercial banks, trust companies and other nominees will be required to certify to Computershare, before any Over-Subscription Rights may be exercised with respect to any particular beneficial owner, as to the aggregate number of Subscription Rights exercised and the number of shares of Common Stock subscribed for pursuant to any Over-Subscription Rights by such beneficial owner and that such beneficial owner's subscription was exercised in full. Nominee holder over-subscription forms and beneficial owner certification forms will be distributed to banks, broker-dealers, Directors and other nominee holders of rights with the Subscription Certificates.

All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses paid to Computershare, incurred in connection with the exercise of the Subscription Rights will be for the account of the holder of the Subscription Rights, and none of such commissions, fees or expenses will be paid by the Company or Computershare.

Enclosed are copies of the following documents:

1. The Prospectus;
2. A form of letter and Beneficial Owner Election Form, on which you may obtain your clients' instructions with regard to the Rights Offering; and
3. A return envelope addressed to Computershare.

Your prompt action is requested. As indicated in the Prospectus, to exercise your Subscription Rights you should deliver to Computershare prior to 5:00 p.m., Eastern Time, on the Expiration Date, a properly completed and executed Subscription Certificate with payment of the estimated Subscription Price in full for each Common Share subscribed for pursuant to the Subscription Rights and/or Over-Subscription Rights (if applicable).

Additional copies of the enclosed materials may be obtained from Georgeson LLC (“Georgeson”), the Company’s information agent. In addition, any questions or requests for assistance regarding the Rights Offering should be directed to Georgeson. You may call Georgeson toll free from within the United States by calling 888-206-5970.

Very truly yours,

DISTRIBUTION SOLUTIONS GROUP, INC.

NOTHING CONTAINED IN THE PROSPECTUS OR IN ANY OF THE ENCLOSED DOCUMENTS SHALL MAKE YOU OR ANY PERSON AN AGENT OF THE COMPANY, THE SUBSCRIPTION AGENT, OR ANY OTHER PERSON MAKING OR DEEMED TO BE MAKING OFFERS OF THE SECURITIES ISSUABLE UPON VALID EXERCISE OF THE SUBSCRIPTION RIGHTS, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT TO THE RIGHTS OFFERING EXCEPT FOR STATEMENTS MADE IN THE PROSPECTUS.

## LETTER TO CLIENTS OF NOMINEE HOLDERS

## Up to 2,222,222 Shares of Common Stock Issuable Upon Exercise of Transferable Subscription Rights

May 9, 2023

THE RIGHTS OFFERING SUBSCRIPTION PERIOD WILL EXPIRE AT  
5:00 P.M., EASTERN TIME, ON MAY 30, 2023, UNLESS EXTENDED  
BY DISTRIBUTION SOLUTIONS GROUP, INC.

To Our Clients:

This notice is being distributed by Distribution Solutions Group, Inc. (the “**Company**”) to all holders of record of its shares of common stock, par value \$1.00 per share (“**Common Stock**”), as of the close of business on May 1, 2023 (the “**Record Date**”), in connection with an offering (the “**Rights Offering**”) of transferable subscription rights (the “**Subscription Rights**”) to subscribe for and purchase new shares of Common Stock. The Rights Offering is described in the Company’s enclosed prospectus supplement, dated May 9, 2023 (the “**Prospectus Supplement**”), and its accompanying prospectus, dated April 10, 2023 (the “**Base Prospectus**” and collectively, with the Prospectus Supplement, the “**Prospectus**”).

In the Rights Offering, the Company is offering an aggregate of 2,222,222 shares of Common Stock to be issued upon the exercise of the Subscription Rights and Over-Subscription Rights (as defined below), which are described further in the Prospectus. The Subscription Rights will expire if they are not exercised by 5:00 p.m., Eastern Time, on May 30, 2023, unless the Company extends the Rights Offering period as described in the Prospectus (such date and time, as it may be extended, the “**Expiration Date**”).

As described in the Prospectus, you will receive one Subscription Right for each share of Common Stock owned as of the Record Date. For every Subscription Right held, you or your transferee will be entitled to purchase 0.105 shares of Common Stock (the “**Subscription Rate**”). The number of Subscription Rights to be issued to you will be rounded down to the nearest whole number of Subscription Rights. No fractional shares of Common Stock will be issued upon the exercise of the Subscription Rights and you will only be entitled to purchase a whole number of shares of Common Stock if you exercise your Subscription Rights, rounded down to the nearest whole number. The subscription price per share of Common Stock is \$45.00. You will be required initially to pay for shares of Common Stock at the subscription price of \$45.00 per share of Common Stock (the “**Subscription Price**”). You or your transferee should read the Prospectus carefully before deciding whether to exercise the Subscription Rights.

Luther King Capital Management Corporation and its affiliates, including J. Bryan King, the Company’s Chairman, President and Chief Executive Officer (collectively, the “**LKCM Affiliates**”), beneficially own approximately 77% of the Common Stock outstanding prior to the Rights Offering. The LKCM Affiliates have indicated that they intend to participate, directly or through their affiliates, in the Rights Offering and fully subscribe to the shares of Common Stock corresponding to their Subscription Rights.

You should be aware that there will be an over-subscription right (the “**Over-Subscription Right**”) associated with the Rights Offering. As described further in the Prospectus, if you fully exercise all Subscription Rights initially issued to you, you are entitled to an Over-Subscription Right to purchase shares of Common Stock that remain unsubscribed after the Expiration Date (such shares of Common Stock, the “**Over-Subscription Shares**”), at the same Subscription Price. If enough Over-Subscription Shares are available all such requests will be honored in full. If the requests for Over-Subscription Shares exceed the Over-Subscription Shares available, the available Over-Subscription Shares will be allocated pro rata among the holders with Over-Subscription Rights based on the number of Subscription Rights. See the Prospectus for further details on the Over-Subscription Right.

The LKCM Affiliates have also indicated that they intend to fully exercise their Over-Subscription Rights relating to their portion of the shares of Common Stock that remain unsubscribed at the Expiration Date.

You will be required to submit payment in full for all of the Common Stock you wish to buy pursuant to the exercise of your Subscription Rights and Over-Subscription Rights. Any excess payments received by the subscription agent caused by proration will be returned by the subscription agent to you by mail, without interest or deduction, as soon as practicable after the Expiration Date. The subscription agent will return any excess payments in the form in which it was made. You will have no right to rescind a purchase after Computershare has received payment either by means of a notice of guaranteed delivery or a check, except as described in the Prospectus.

Your Subscription Rights will be evidenced by a subscription certificate registered in the names of the record holders of the shares of Common Stock for which the Subscription Rights are being distributed (the “**Subscription Certificate**”). Subscription Rights holders may transfer all or a portion of their Rights by following the instructions on the Subscription Certificate. Holders wishing to transfer all or a portion of their Subscription Rights should allow a sufficient amount of time for any transfer instructions to be received and processed by Computershare prior to the Expiration Date. Please see the Prospectus for further details on transferring Subscription Rights.

THE MATERIALS ENCLOSED ARE BEING PROVIDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK CARRIED BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. EXERCISES OF SUBSCRIPTION RIGHTS AND OVER-SUBSCRIPTION RIGHTS MAY BE MADE ONLY BY US AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS.

Accordingly, we request instructions as to whether you wish us to elect to subscribe for any shares of Common Stock to which you are entitled, pursuant to the terms and subject to the conditions set forth in the enclosed Prospectus. We urge you to read the Prospectus carefully before instructing us whether to exercise your Subscription Rights.

Your instructions to us should be forwarded as promptly as possible in order to permit us to exercise the Subscription Rights on your behalf in accordance with the provisions of the Rights Offering.

If you wish to have us, on your behalf, exercise the Subscription Rights and Over-Subscription Rights for any shares of Common Stock to which you are entitled, please so instruct us by completing, executing and returning to us the enclosed Beneficial Owner Election Form in the accompanying return envelope. **Delivery of the Beneficial Owner Election Form to an address other than as set forth on the accompanying return envelope does not constitute a valid delivery.**

Any questions or requests for assistance regarding the Rights Offering should be directed to Georgeson LLC (“**Georgeson**”), the Company’s information agent. You may call Georgeson toll free from within the United States by calling 888-206-5970.

Very truly yours,

DISTRIBUTION SOLUTIONS GROUP, INC.

**BENEFICIAL OWNER ELECTION FORM**

The undersigned acknowledge(s) receipt of your letter and the enclosed materials referred to therein relating to the grant of transferable subscription rights (the “**Subscription Rights**”) to purchase shares of common stock, par value \$1.00 per share (“**Common Stock**”), of Distribution Solutions Group, Inc. (the “**Company**”) pursuant to a rights offering (the “**Rights Offering**”) as described further in the Company’s prospectus supplement, dated May 9, 2023 (the “**Prospectus Supplement**”), and the accompanying prospectus, dated April 10, 2023 (the “**Base Prospectus**”) and together with the Prospectus Supplement, the “**Prospectus**”), the receipt of which is hereby acknowledged.

You are hereby instructed, on the undersigned’s behalf, to exercise the Subscription Rights and the Over-Subscription Rights, if applicable, to purchase Common Stock with respect to the shares of Common Stock held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the Prospectus and the related “Subscription Certificate,” as follows:

**PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY****SECTION 1: OFFERING INSTRUCTIONS** (check the appropriate box if you wish to exercise subscription rights)**IF YOU WISH TO EXERCISE ALL OR A PORTION OF YOUR SUBSCRIPTION RIGHTS:**

Please exercise my Subscription Rights for Common Stock pursuant to the Rights Offering, as set forth below:

1. Subscription Rights*	Number of Subscription Rights to be exercised:	Number of shares of Common Stock subscribed for under the Subscription:	Payment to be made in connection with the Common Stock subscribed for under the Subscription:
(1 Subscription Right = 0.105 shares of Common Stock)	_____ Subscription Rights	_____ shares of Common Stock x \$45.00 (Subscription Rights x 0.105) (price/share)	= \$ _____
2. Over-Subscription Rights**		Number of shares of Common Stock requested relating to the Over-Subscription Rights:	Payment to be made in connection with the shares of Common Stock requested relating to the Over-Subscription Rights:
		_____ shares of Common Stock x \$45.00 (price/share)	= \$ _____
3. Totals		Total Number of shares of Common Stock subscribed for and/or requested:	Total Payment:
Total Number of Subscription Rights to be Exercised:	_____ Subscription Rights	_____ Shares of Common Stock	\$ _____

\* You will receive one Subscription Right for each share of Common Stock owned as of the Record Date. For every Subscription Right held, you will be entitled to purchase 0.105 shares of Common Stock at the Subscription Price of \$45.00 per share. The number of Subscription Rights to be issued to you will be rounded down to the nearest whole number and fractional shares will not be issued upon the exercise of the Subscription Rights. Accordingly, if you held 100 Subscription Rights, your Subscription Rights entitle you to purchase up to 10 shares of Common Stock. The subscription price per share of Common Stock was determined by the Company’s board of directors on May 8, 2023.

\*\* If you purchase all of the shares available to you pursuant to your Subscription Rights, you may subscribe for additional shares pursuant to your Over-Subscription Rights, if any, using the Subscription Price of \$45.00 per share. See the description of the Over-Subscription Rights in the Prospectus.

**IF YOU DO NOT WISH TO EXERCISE YOUR SUBSCRIPTION RIGHTS:**

Please DO NOT exercise my Subscription Rights for Common Stock

**SECTION 2: PAYMENT**

Payment in the amount of \$ \_\_\_\_\_ (the total price for the exercise of your Subscription Rights and Over-Subscription Rights, as applicable) by check or wire transfer is enclosed. Please deduct payment from the following account maintained by you as follows:

**Type of Account:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Amount to be deducted:** \$ \_\_\_\_\_ (the total price for the exercise of your Subscription Rights and Over-Subscription Rights, as applicable)

**SECTION 3: SUBSCRIPTION AUTHORIZATION**

I acknowledge that I have received the Prospectus for this offering of Subscription Rights and I hereby exercise such Subscription Rights and Over-Subscription Rights, as applicable, for the number of shares indicated above on the terms and conditions specified in the Prospectus. I hereby agree that if I fail to pay in full for the Common Stock for which I have subscribed, the Company may exercise any of the remedies provided for in the Prospectus.

Signature(s) of subscriber(s):

\_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





### **Distribution Solutions Group Announces Commencement of Rights Offering**

CHICAGO, IL – May 9, 2023 – **Distribution Solutions Group, Inc. (Nasdaq: DSGR) (“DSG” or the “Company”)**, a multi-platform specialty distribution company, announced today that it has commenced a subscription rights offering (“Rights Offering”) pursuant to which it intends to raise gross proceeds of up to approximately \$100 million. The Company will distribute at no charge to holders of its common stock, par value \$1.00 per share (“Common Stock”), as of the close of business on May 1, 2023 (the record date for the Rights Offering), one subscription right for each share of Common Stock held. Each subscription right entitles the holder to purchase 0.105 shares of Common Stock at a subscription price of \$45.00 per share. The subscription rights are transferable, but will not be listed for trading on any stock exchange or market. In addition, holders of subscription rights who fully exercise their subscription rights are entitled to oversubscribe for additional shares of Common Stock, subject to proration.

The Rights Offering is expected to expire at 5:00 p.m., Eastern Time, on May 30, 2023 (“Expiration Date”), subject to extension or earlier termination.

Luther King Capital Management Corporation and its affiliates, including J. Bryan King, our Chairman, President and Chief Executive Officer (collectively, the “LKCM Affiliates”), have indicated that they intend to participate, directly or through their affiliates, in the Rights Offering and fully subscribe to the shares of Common Stock corresponding to their subscription rights. The LKCM Affiliates have also indicated that they intend to fully exercise their over-subscription rights to purchase their proportion of the underlying securities related to the Rights Offering that remain unsubscribed at the Expiration Date.

Holders of subscription rights who hold their shares directly will receive a prospectus, a prospectus supplement, a letter from DSG describing the Rights Offering and a subscription rights certificate. Those holders who intend to exercise their subscription rights and over-subscription rights should review all of these materials, properly complete and execute the subscription rights certificates, and deliver the subscription rights certificates and full payment to Computershare, the subscription agent for the Rights Offering, at the address set forth in the prospectus supplement.

The Rights Offering is more fully described in the prospectus supplement filed with the Securities and Exchange Commission (“SEC”) on May 9, 2023. A copy of the prospectus, prospectus supplement or further information with respect to the Rights Offering may be obtained by contacting Georgeson LLC, the information agent for the Rights Offering, at (888) 206-5970.

#### **About Distribution Solutions Group, Inc.**

DSG is a multi-platform specialty distribution company providing high touch, value-added distribution solutions to the maintenance, repair & operations (“MRO”), the original equipment manufacturer and the industrial technologies markets. DSG was formed through the strategic combination of Lawson Products, a leader in MRO distribution of C-parts, Gexpro Services, a leading global supply chain services provider to manufacturing customers, and TestEquity, a leader in electronic test & measurement solutions.

Through its collective businesses, DSG is dedicated to helping customers lower their total cost of operation by increasing productivity and efficiency with the right products, expert technical support and fast, reliable delivery to be a one-stop solution provider. DSG serves approximately 110,000 customers in several diverse end markets supported by approximately 3,100 dedicated employees and strong vendor partnerships. DSG ships from strategically located distribution and service centers to customers in North America, Europe, Asia, South America and the Middle East.

For more information on Distribution Solutions Group please visit [www.distributionsolutionsgroup.com](http://www.distributionsolutionsgroup.com).

### **Forward-Looking Statements**

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended, and the "safe harbor" provisions under the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. The terms "aim," "anticipate," "believe," "contemplates," "continues," "could," "ensure," "estimate," "expect," "forecasts," "if," "intend," "likely," "may," "might," "objective," "outlook," "plan," "positioned," "potential," "predict," "probable," "project," "shall," "should," "strategy," "will," "would," and other words and terms of similar meaning and expression are intended to identify forward-looking statements.

Forward-looking statements do not relate to historical or current facts and are only predictions and reflect the views of the Company as of the date they are made with respect to future events and financial performance. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. The Company gives no assurance that any goal set forth in forward-looking statements can be achieved and cautions readers not to place undue reliance on such statements, which speak only as of the date made. These statements are based on the Company's management's current expectations, intentions or beliefs and are subject to assumptions and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences or that might otherwise impact if and to what extent the stockholders of record will exercise their subscription rights to purchase Common Stock include, but are not limited to, (i) the Company's expected use of proceeds from the Rights Offering, (ii) the terms and conditions of the Rights Offering, including the subscription price and (iii) other risks and uncertainties indicated in the Company's annual report on Form 10-K, particularly those under its "Risk Factors" section, and from time to time in the Company's other filings with the SEC. The information contained in this press release is as of the date indicated above. The Company assumes no obligation to update any forward-looking statements contained in this press release as a result of new information or future events or developments.

### **Non-Solicitation**

This release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any states or jurisdictions in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act or an exemption therefrom.

### **Company Contact:**

Distribution Solutions Group, Inc.  
Ronald J. Knutson  
Executive Vice President and Chief Financial Officer  
773-304-5665