

MSC INDUSTRIAL DIRECT CO., INC.
BOARD OF DIRECTORS
CORPORATE GOVERNANCE GUIDELINES
(amended and restated on June 26, 2019)

The following guidelines have been approved by the Board of Directors (the “Board”) of MSC Industrial Direct Co., Inc. (the “Company”) and, along with the Company’s certificate of incorporation, by-laws and Committee charters, these guidelines provide the framework for the Company’s corporate governance.

1. Composition of the Board

The Board seeks a board of directors that, as a whole, possesses the mix and diversity of backgrounds, experiences, skills, expertise and qualifications necessary to support the current and future success of the Company and function effectively in light of the Company’s current and evolving business circumstances.

Directors should be persons who have a number of qualifications, including independence, knowledge, judgment, integrity, character, leadership skills, education, experience, financial literacy, standing in the community, and a sense of collegiality and cooperation that is conducive to a productive working relationship within the Board and between the Board and management. The Board also seeks Directors who have experience serving on the boards of directors and board committees of other public companies, which provides them with an understanding of current corporate governance practices and trends and executive compensation matters.

Directors should have the highest professional and personal ethics and values, a broad range of business experience and expertise, an understanding of the Company’s business, a high level of education, broad-based business acumen and the ability to think strategically.

The Nominating and Corporate Governance Committee annually reviews the background and qualifications of each Director, and conducts an assessment of the Board’s composition, in the context of the Board’s needs and objectives and the factors described above.

Non-management Directors should advise the Chairperson of the Nominating and Corporate Governance Committee sufficiently in advance of accepting an invitation to serve on another public company board to allow the Company to assess whether such service would raise competitive, legal, independence or time commitment issues. In addition, independent Directors should advise the Chairperson of the Nominating and Corporate Governance Committee of any changes in their circumstances, affiliations or relationships that may impact their designation by the Board as “independent.”

A Director should not serve on the boards of more than five public companies (including the Company) or, if the Director is an active Chief Executive Officer of another public company, on the boards of more than two public companies (including the Company),

besides the company for which the director is Chief Executive Officer. A Director who serves on the Audit Committee should not serve on more than three public company audit committees, including the Audit Committee of the Company.

When a Director's principal occupation or business association changes substantially from the position he or she most recently held, the Director shall notify the Nominating and Corporate Governance Committee. The Board, via the Nominating and Corporate Governance Committee, shall review the continued appropriateness of Board membership under these circumstances.

2. Director Independence

It is the Board's policy that a substantial majority of the members of the Board shall be independent Directors. For this purpose, a Director is deemed to be independent if he or she meets the independence standards of the New York Stock Exchange ("NYSE"). In making such independence determination, the Board shall broadly consider and assess all relevant facts and circumstances. The Board undertakes a review of Director independence on an annual basis and as events arise which may affect Director independence.

For a Director to be considered independent, the Board must determine that the Director does not have any material relationship with the Company or any of its subsidiaries (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company or any of its subsidiaries). In addition, a Director shall not be considered to be independent if:

- (i) within the last three years the Director was an employee of the Company or any of its subsidiaries, or an immediate family member was an executive officer of the Company;
- (ii) the Director or an immediate family member received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company and its subsidiaries, other than director and committee fees and pension or other deferred compensation for prior service (provided that such compensation is not in any way contingent on continued service);
- (iii) the Director or an immediate family member is a partner of the Company's independent registered public accountant; the Director is a current employee of such firm; a member of the Director's immediate family is an employee of such firm and personally works on the Company's audit; or the Director or immediate family member was within the last three years a partner or employee of such firm and personally worked on the Company's audit;
- (iv) such Director or an immediate family member is, or has been within the last three years employed as an executive officer of another company

where any of the Company's present executive officers at the same time serves or served on that company's compensation committee; or

- (v) the Director is a current employee, or has an immediate family member who is an executive officer, of a company that made payments to, or received payments from, the Company and its subsidiaries in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of the other company's consolidated gross revenues in that fiscal year.

3. Selection of Directors

Directors will be elected at the Annual Meeting of Shareholders for a one-year term, to serve until the next Annual Meeting of Shareholders and until his or her successor has been elected and qualified. If a Director is elected between Annual Meetings of Shareholders, such Director shall serve until the next Annual Meeting of Shareholders and until his or her successor has been elected and qualified.

The Nominating and Corporate Governance Committee is responsible for recommending to the Board (a) nominees for Board membership to fill vacancies or newly created positions and (b) the persons to be nominated by the Board for election by shareholders at the Company's Annual Meeting of Shareholders. The Nominating and Corporate Governance Committee and the Board also consider recommendations made by shareholders. The Nominating and Corporate Governance Committee shall periodically identify and evaluate director candidates, including director candidates recommended by shareholders, and establish the procedures which apply to shareholders who wish to submit director candidates for such consideration by the Nominating and Corporate Governance Committee. The Company shall disclose this process in accordance with applicable Securities and Exchange Commission ("SEC") and NYSE rules. The Nominating and Corporate Governance Committee considers all potential candidates applying the same standards regardless of the source of the recommendation.

4. Responsibilities of Directors

The Board seeks to promote the best interests of the Company and its shareholders, including overseeing management in the conduct of the Company's business. In fulfilling this obligation, the Board regularly monitors the development and execution of management's strategies and the effectiveness of its policies and decisions, including the identification and evaluation of its strengths, weaknesses, opportunities and risks. In addition to its duty to the Company's shareholders, the Board also considers the interests of the Company's other stakeholders, including customers, employees, suppliers and the communities in which the Company operates, all of whom are essential to the success of the Company's business.

Directors are required to perform their duties as Directors, including as members of Board Committees, in good faith. In performing their duties, Directors are entitled to rely

on information, reports and statements prepared or presented by management, outside professionals and experts and Board Committees on which they do not serve. The Directors shall be entitled to have the Company purchase directors' and officers' liability insurance on their behalf and to be indemnified to the fullest extent permitted by law and the Company's By-Laws.

Directors are expected to prepare for, attend and participate actively and constructively in meetings of the Board and Committees on which they serve. Directors are expected to read material that is distributed in advance of any Board or Committee meeting.

Directors are expected to become and remain well-informed about the Company's business, performance, operations and management; general business, industry and economic trends affecting the Company; and principles and practices of sound corporate governance.

It is expected that new Directors will participate in an orientation program concerning the Company and its operations after joining the Board. All Directors shall participate in continuing education programs to maintain the necessary level of expertise, the cost of which shall be borne by the Company. In addition, presentations of governance topics of interest shall be periodically made to the Board.

A Director shall not participate in the discussion of or decision on any matter in which he or she has a personal, business or professional interest other than his or her interest as a shareholder of the Company. Directors shall promptly inform the Chair of the Nominating and Corporate Governance Committee regarding any actual or potential conflict of interest. Directors are expected to comply with the Company's Code of Business Conduct, including with respect to conflicts of interest.

5. Board Leadership; Executive Sessions of Independent Directors

The roles of the Company's Chief Executive Officer and Chairman of the Board shall be separated and the Board shall appoint an independent Lead Director. The Chief Executive Officer is responsible for setting the strategic direction for the Company and for providing the day-to-day leadership over the Company's operations, and the Chairman of the Board sets the agenda for meetings of the Board and presides over Board meetings. The Lead Director schedules and presides over regularly scheduled executive sessions of the Board's independent directors without members of management present. The Lead Director is also responsible for (i) making recommendations to the Board regarding the structure of Board meetings; (ii) recommending matters for consideration by the Board; (iii) determining appropriate materials to be provided to the Directors; (iv) serving as an independent point of contact for shareholders wishing to communicate with the Board; (v) assigning tasks to the appropriate Board committees with the approval of the Nominating and Corporate Governance Committee; and (vi) acting as a liaison between management and the independent Directors.

6. Director Compensation

The key objective of the Company's non-executive Directors' compensation program is to attract and retain highly qualified directors with the necessary skills, experience and character to oversee the Company's management. In addition, the compensation program is designed to align the interests of the Board with the long-term interests of the Company's shareholders. The compensation program is also designed to recognize the time commitment, expertise and potential liability required of active Board membership. The Company compensates the non-executive Directors with a mix of cash and equity-based compensation. Directors who are also executives of the Company do not receive any compensation for their service on the Board.

7. Board Committees and Committee Membership

There are three standing Committees of the Board: Audit; Compensation; and Nominating and Corporate Governance. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate. The Nominating and Corporate Governance Committee shall recommend to the Board Committee assignments and the Chairs of Committees. Committees and their Chairs shall be appointed by the Board following the Annual Meeting of Shareholders. Each of the Committees shall have its own charter, which will be approved by the Board. The charters shall set forth the purposes, goals and responsibilities of the Committees. The charters shall also provide that each Committee shall annually evaluate its own performance. Each Committee Chair shall establish agendas and, subject to any requirements in the applicable Committee charter, set meetings at the frequency and length appropriate and necessary to carry out the Committee's responsibilities. The Board shall have oversight of each Committee's activities.

The Audit, Compensation and Nominating and Corporate Governance Committees will be comprised exclusively of independent Directors as required by NYSE rules. In addition to meeting the independence requirements described in Section 2, members of the Audit Committee must also satisfy the independence requirements for Audit Committee members set forth in SEC Rule 10A-3(b). In addition to meeting the independence requirements described in Section 2, members of the Compensation Committee must also satisfy the independence requirements for Compensation Committee members set forth in NYSE Rule 303A.02(a)(ii).

Audit Committee

The purpose of the Audit Committee shall be to provide assistance to the Board in fulfilling its oversight responsibility relating to the (i) the preparation and integrity of the Company's financial statements, (ii) the Company's compliance with its ethics policies and legal and regulatory requirements, (iii) the Company's independent registered public accounting firm's qualifications, performance and independence, (iv) the performance of the Company's internal audit function, and such other matters as set forth in its charter.

All members of the Audit Committee must be financially literate as defined under NYSE rules, and at least one member must be an “audit committee financial expert” as defined in Item 407 of SEC Regulation S-K.

Compensation Committee

The purpose of the Compensation Committee shall be to assist the Board in discharging its responsibilities relating to compensation of the Company’s executives and Directors, as set forth in its charter.

The Compensation Committee is responsible for reviewing and making recommendations to the Board with respect to the compensation of the non-executive Directors. The Compensation Committee’s policy is to engage a compensation consultant every year to conduct a full review and benchmarking (using the same peer group used to benchmark executive compensation) of the non-executive Directors’ compensation in order to ensure that Director compensation is in line with peer companies competing for director talent.

In consultation with the Board, the Compensation Committee also has primary responsibility for overseeing and approving all compensation matters relating to, and setting the compensation levels of, the CEO and the Company’s other executive officers and senior officers. The Compensation Committee evaluates the performance of the CEO in light of the goals and objectives of the compensation programs and determines the CEO’s compensation based on the Compensation Committee’s evaluation of his or her performance.

Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee shall be to assist the Board in discharging its responsibilities with respect to issues of corporate governance and matters relating to service on the Board and its committees, as set forth in its charter, as well as assisting the Board in planning to address emergency CEO succession, CEO succession in the ordinary course of business and succession for key members of senior management.

8. Board Oversight of the Company’s Enterprise Risk Management

The Board’s role in risk oversight involves both the full Board and its Committees. The full Board is responsible for the oversight of risk management and reviews the Company’s major financial, operational, cybersecurity, compliance, reputational and strategic risks, including steps to monitor, manage and mitigate such risks. In addition, each of the Board Committees is responsible for oversight of risk management practices for categories of risks relevant to its functions. The Audit Committee discusses with management the Company’s major financial risk exposures and the steps that have been taken to monitor and mitigate such exposures, including with respect to risk assessment and risk management. The Audit Committee is also responsible for oversight of cybersecurity risks, as well as the Company’s overall cybersecurity risk management program. Similarly, the Nominating and Corporate

Governance Committee has oversight responsibility over governance and compliance matters as set forth in its charter, and the Compensation Committee has oversight responsibility for the Company's overall compensation structure, including review of its compensation practices, in each case with a view to assessing associated risks. While the Board and its Committees are responsible for reviewing the Company's policies and practices with respect to risk assessment and management, the role of the Board and its Committees is limited to oversight and the Board and its Committees do not have primary responsibility with respect to the Company's enterprise risk management.

9. Evaluation of Board Performance

The Board shall assess its performance at least annually. This assessment shall include an evaluation of the Board's performance as a whole and with respect to specific areas that the Board and/or senior management has previously identified and, to the extent deemed appropriate by the Board from time to time, evaluation of the performance of each Director. The Board's assessment is designed to increase the effectiveness of the Board. The Nominating and Corporate Governance Committee is responsible for establishing procedures for conducting these evaluations.

10. Evaluation of Committees

Each Committee shall annually assess its performance to confirm that it is meeting its responsibilities under its charter. In this review, the Committee shall consider, among other things, (a) the appropriateness of the scope and content of its charter, (b) the appropriateness of matters presented for information and approval, (c) the sufficiency of time for consideration of agenda items, (d) frequency and length of meetings, and (e) the quality of written materials and presentations.

11. Access to Management and Independent Advisors

Non-management Directors shall have access to individual members of management or to other employees of the Company on a confidential basis. Directors are expected to use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and does not inappropriately disclose any confidential or sensitive information in the possession of the Director. Directors are authorized to conduct independent investigations and to hire outside consultants or experts. The Board and each Committee of the Board has the authority to hire at the expense of the Company independent legal, financial or other advisors as they deem necessary.

12. Shareholder Communications with Directors

Any shareholder or other interested party who desires to communicate with the Chairman of the Board, Lead Director or non-management members of the Board may do so by writing to the Board. Communications may be addressed to the Chairman of the Board, the Lead Director, an individual director, a Board committee, the non-management Directors or the full Board. The Company shall provide information regarding the methods by which shareholders and other interested parties can communicate with Directors in accordance with applicable SEC rules.

13. Confidentiality

The proceedings and deliberations of the Board and its Committees are confidential. Each Director shall maintain the confidentiality of information entrusted to such Director by the Company and any other confidential information about the Company that comes to such Director, from whatever source, in his or her capacity as a Director, except when disclosure is authorized by the Company or legally required (in which event of such legally required disclosure, the Director shall give notice to the Chairman of the Board, the Lead Director and General Counsel a reasonable time in advance of any such anticipated disclosure, consult with the Company on the advisability of taking legally available steps to resist or narrow such disclosure and assist the Company, at the Company's expense, in taking such steps).

14. Review of Corporate Governance Guidelines

The Nominating and Corporate Governance Committee shall periodically review and recommend changes to these Corporate Governance Guidelines to the Board, as appropriate. Each Director also may suggest changes to these Corporate Governance Guidelines for consideration by the Nominating and Corporate Governance Committee.