

# **DXP Enterprises, Inc. – Compensation Committee Charter**

## **DXP Enterprises, Inc. Board of Directors Compensation Committee Charter**

### **I. Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of DXP Enterprises, Inc. (“DXP”) is to discharge the responsibilities of the Board relating to compensation of DXP’s executive officers and directors, to produce an annual report on executive compensation for inclusion in DXP’s proxy statement (in accordance with applicable rules and regulations), to provide general oversight of DXP’s compensation structure including equity compensation plans and benefits programs, and to perform the specific duties and responsibilities set forth herein.

### **II. Membership**

The Committee shall consist of at least three members, consisting entirely of independent directors, and shall designate one member as chairperson. For purposes hereof, an “independent” director is a director who is independent, as determined by the Board, within the meaning of applicable stock exchange listing standards. Additionally, members of the Committee must qualify as “non-employee directors” for purposes of Rule 16b-3 under the Securities and Exchange Act of 1934, as amended. Committee members shall be appointed and may be removed by the Board of Directors upon the recommendation of the Nominating Committee.

### **III. Meetings and Procedures**

The Committee will meet as often as may be deemed necessary or appropriate, in its judgment, but in no event shall the Committee convene fewer than four times per year. The Committee may meet either in person or telephonically, and at such times and places as the Committee determines. The majority of the members of the committee shall be present to constitute a quorum for the transaction of DXP’s business. The Committee shall report regularly to the full Board with respect to its activities. As a matter of practice, the Committee expects to discuss significant matters, as determined by the Committee, with the full Board prior to taking final action on such matters.

### **IV. Outside Advisors**

The Committee shall have authority to retain such outside counsel, consultants, experts and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms. The Committee shall have access to all information necessary or appropriate to carry out its responsibilities herein, including information regarding perquisites and other personal benefits provided to executive officers.

The Committee shall have the authority to, in its sole discretion, appoint, retain, evaluate, oversee, obtain advice from and, when appropriate, terminate, any advisor to be used to assist the Committee in the performance of its duties, but, except with respect to in-house legal counsel, only after taking into consideration factors relevant to the adviser's independence from management specified in Exchange Act Rule 10c-1 and NASDAQ Listing Rule 5605(d)(3) or any successor provisions thereto. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any advisers retained by the Committee and shall have sole authority to approve the adviser's fees and the other terms and conditions of the adviser's retention. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation for any advisers retained by the Compensation Committee.

## V. Duties and Responsibilities

- 1. Set Executive Compensation.** The Committee will review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the "CEO") and other executive officers of DXP, evaluate the performance of the CEO and other executive officers in light of those goals and objectives and approve their annual compensation levels including salaries, bonuses, stock options, other stock incentive awards and long-term cash incentive awards based on this evaluation. In addition, the Committee may, in its discretion, review and act upon management proposals to designate key employees to receive stock options and stock or other bonuses.
- 2. Approve Employment Agreements.** The Committee will review and approve employment agreements and severance arrangements for the CEO and other executive officers, including change-in-control provisions, plans or agreements.
- 3. External Reporting of Compensation Matters.** The Committee will make an annual report on executive compensation in DXP's proxy statement as required by the rules of the U.S. Securities and Exchange Commission ("SEC").
- 4. Oversight of Equity-Based and Incentive Compensation Plans.** The Committee will supervise and administer DXP's incentive compensation, and stock option award programs and may approve, amend, modify, interpret or ratify the terms of, or terminate, any such plan to the extent that such action does not require shareholder approval; make recommendations to the Board with respect to incentive-compensation plans and equity-based plans as appropriate; provide for accelerated vesting of options, restricted stock, and determine the post-termination exercise periods for options in connection with divestitures or otherwise; and delegate certain of such functions to the extent set forth in Section VI below.
- 5. Set Director Compensation.** The Committee will review the compensation of directors for service on the Board and its committees and recommend to the Board the compensation to be paid to directors.

6. **General.** The Committee will perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

## **VI. Delegations**

The Committee may delegate any of the foregoing duties and responsibilities to a subcommittee of the Committee consisting of not less than two members of the Committee. In addition, the Committee may delegate to one or more individuals the administration of equity incentive or employee benefit plans, unless otherwise prohibited by law or applicable stock exchange rules. Any such delegation may be revoked by the Committee at any time.