2021 ANNUAL REPORT

GLOBAL INDUSTRIAL®

TO RECEIVE ADDITIONAL INFORMATION ON GLOBAL INDUSTRIAL COMPANY PLEASE SEND A WRITTEN REQUEST TO:

CORPORATE HEADQUARTERS:
Global Industrial Company
11 Harbor Park Drive
Port Washington, NY 11050
516-608-7000
Email: investinfo@globalindustrial.com
Web Site: www.globalindustrial.com

INVESTOR RELATIONS:
Mike Smargiassi
The Plunkett Group
(212) 739-6729
Email: gic@plunkettgroup.com
Website: www.theplunkettgroup.com

TRANSFER AGENT:
Broadridge Corporate Issuer Solutions, Inc.
P.O. Box 1342
Brentwood, NY 11717
(877) 830-4936
Email: shareholder@broadridge.com
Website: www.shareholder@broadridge.com

SEND CERTIFICATES FOR TRANSFER AND ADDRESS CHANGES TO:
Broadridge Corporate Issuer Solutions, Inc.
P.O. Box 1342
Brentwood, NY 11717

STOCK EXCHANGE:
The Company's shares are traded on the
New York Stock Exchange under the symbol GIC.

CORPORATE GOVERNANCE
Copies of the Company's 2021 Annual Report on Form 10-K, Proxy Statement for the 2022 Annual Meeting, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission are available on the Company's website www.globalindustrial.com or to stockholders without charge upon written request to the Company's address listed above, Attention: Investor Relations. In addition, on the Company's website, stockholders can view the Company's Corporate Ethics Policy, Audit Committee Charter, Compensation Committee Charter, Nominating/Corporate Governance Committee Charter and Corporate Governance Guidelines and Principles.

Global Industrial Company (NYSE:GIC), through its operating subsidiaries, is a value-added industrial distributor. For more than 70 years, Global Industrial has gone the extra mile for its customers and offers more than a million industrial and MRO products, including its own Global Industrial exclusive brands. With extensive product knowledge and a solutions-based approach, Global Industrial helps customers solve problems and be more successful. At Global Industrial, "We can supply that®."

Dear Fellow Stockholders,

Global Industrial had a terrific 2021 and I'm really proud of how the organization has responded and risen to the challenges of the last two years. From the onset of the pandemic, to unprecedented supply chain constraints and inflationary pressures, our entire team has continued to execute on the ACE (Accelerating the Customer Experience) strategy, deliver for our customers and strengthen the business for the future. In the past year, we built out the leadership team, launched a new brand identity, and changed the Company name and ticker symbol. From the customer and digital experience, to our distribution network, we made measurable improvements in essentially every aspect of the business.

Our ability to focus on the customer and manage through the current operating environment allowed us to deliver another solid financial performance. In 2021, revenue improved to $1.06 billion as average daily sales increased 5%, and our two-year compounded annual growth rate reached 6%. Customer demand was robust throughout the year, with solid performance in our core product lines and our private brand offering which expanded to approximately 45% of total sales. We drove improvements in profitability and ended the year with a strong third and fourth quarter, as we posted record gross profit margins in both periods, and achieved double-digit operating margins in back-to-back quarters for the first time in our history. In December, we paid a special $1 per share special dividend, and in February 2022, increased the quarterly recurring dividend on common shares by 13% - the sixth consecutive annual increase.

In 2022, we remain focused on continued investment and execution that we believe will allow us to expand market share and capitalize on our growth opportunities. We are investing in our strategy, specifically in areas such as sales, marketing, private brand, digital transformation, and distribution. These initiatives are targeted to help us drive more efficient execution, enhance our ability to deliver an exceptional customer service experience and fuel our growth for years to come. Key objectives include expanding our sales organization, ramping up our group purchasing platforms in the public and private sector, penetrating new customer end markets and product verticals, and introducing a new and more dynamic website platform.

I'm energized by the momentum I see in the Company as we continue to strengthen our competitive position and infuse operational excellence into everything we do. We are building a world class organization, developing a culture of innovation and thought leadership and creating a company where every member of our team is dedicated to the customer. We look forward to a productive 2022 and are grateful for your continued support of Global Industrial.

Sincerely,

Barry Litwin

Barry Litwin
Chief Executive Officer

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11 Harbor Park Drive, Port Washington, NY 11050 • 516.608.7000 • investinfo@globalindustrial.com

April 27, 2022

Dear Fellow Stockholders:

We are pleased to invite you to attend virtually the 2022 Annual Meeting of Stockholders of Global Industrial Company on Monday, June 6, 2022, at 12:00 p.m. Eastern Time. Our Annual Meeting will be exclusively conducted via live audio webcast, a format designed to improve stockholder access, save Global Industrial and our stockholders time and money and, during the current global pandemic, ensure the safety of our participants.

At the meeting, stockholders will vote on the matters described in the accompanying Notice of Annual Meeting and Proxy Statement and any other matters properly brought before the meeting.

As in prior years, we have elected to deliver our proxy materials to the majority of our stockholders over the Internet. This delivery process allows us to provide stockholders with the information they need, while at the same time, lowering the costs and reducing the environmental impact of our Annual Meeting.

The Notice of Annual Meeting of Stockholders on the following page contains instructions on how to vote by Internet, by telephone or, if you received a proxy card, by mail.

Please take the time to carefully read the Notice of Annual Meeting and Proxy Statement that follow. Whether or not you plan to attend the meeting, please ensure that your shares are represented by giving us your proxy. You can do so by telephone, by Internet, or, if you received a proxy card, by signing and dating your proxy card and returning it by mail in the enclosed postage-paid envelope.

We look forward to your participation in the meeting.

Sincerely,

Barry Litwin

Barry Litwin
Chief Executive Officer

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11 Harbor Park Drive, Port Washington, NY 11050 • 516.608.7000 • investinfo@globalindustrial.com

Notice of Annual Meeting of Stockholders

Date and Time:	Monday, June 6, 2022, at 12:00 p.m. Eastern Time
Place:	This year's Annual Meeting will be a completely virtual meeting of stockholders, which will be held via live audio webcast. You will be able to participate in this year's Annual Meeting online, vote your shares electronically and submit your questions during the meeting by visiting www.virtualshareholdermeeting.com/GIC2022, and using your 16-digit control number. **Because the Annual Meeting is virtual and being held via live webcast, stockholders will not be able to attend the Annual Meeting in person.** Details regarding how to participate in the meeting online are more fully described in the Proxy Statement.
Purpose:	(1) To elect the 8 director nominees named in the Proxy Statement; (2) To ratify the appointment of Ernst & Young LLP as the Company's independent auditor for fiscal year 2022; and (3) To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.
Who may vote:	Stockholders of record at the close of business on April 12, 2022 are entitled to notice of, and to vote at, the meeting or any adjournment or postponement.

By order of the Board of Directors,

Adina G. Storch, Esq.
Senior Vice President, General Counsel and Corporate Secretary
April 27, 2022

Important notice regarding the availability of proxy materials for the Annual Meeting of Stockholders to be held on June 6, 2022:

This Notice of Annual Meeting of Stockholders, the accompanying Proxy Statement and our 2021 Annual Report to Stockholders all are available at www.proxyvote.com or on our website at www.globalindustrial.com.

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Table of Contents

Proxy Statement Executive Summary

The following is a summary which highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider, and you are urged to read the entire Proxy Statement carefully before voting.

Information About Our 2022 Annual Meeting of Stockholders

DATE AND TIME:	Monday, June 6, 2022, at 12:00 p.m. Eastern Time
PLACE:	Visit www.virtualshareholdermeeting.com/GIC2022 and use your 16-digit control number
RECORD DATE:	Tuesday, April 12, 2022

Items of Business and Board of Directors' Vote Recommendations

Proposal		Board Vote Recommendation	Page Number
Proposal 1:	To elect eight directors to serve until the next annual meeting of stockholders or until their successors are duly elected and qualify	✓ FOR	Page 14
Proposal 2:	To ratify the appointment of Ernst & Young LLP as the Company's independent auditor for fiscal year 2022	✓ FOR	Page 62

Our Directors (Pages 14-15)

Name	Age	Director Since	Independent	AC	CC	N/CGC	EC
Richard Leeds[(1)]	62	1995	No				👤
Bruce Leeds	66	1995	No				👤
Robert Leeds	66	1995	No				👤
Barry Litwin[(2)]	55	2017	No				
Chad M. Lindbloom[(3)]	57	2017	Yes	C	C	👤	
Paul S. Pearlman[(3)]	68	2019	Yes	👤	👤	👤	
Lawrence Reinhold	62	2009	Yes				
Robert D. Rosenthal[(3)]	73	1995	Yes	👤	👤	C	👤

(1) Executive Chairman of the Board
(2) Chief Executive Officer
(3) Audit Committee Financial Expert

KEY: AC = Audit Committee CC = Compensation Committee
N/CGC = Nominating/Corporate Governance Committee EC = Executive Committee

👤 = Member C = Chair

Information About Our Board and Principal Committees (Pages 22-26)

	Number of Members	Independent	Number of Meetings During 2021
Full Board of Directors	8	50%	11
Audit Committee	3	100%	8
Compensation Committee	3	100%	6
Nominating/Corporate Governance Committee	3	100%	5

Our Corporate Governance (Page 16)

We structure our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Please refer to the table on page 16 of this Proxy Statement for a more detailed description of our governance practices.

WHAT WE DO:	WHAT WE DON'T DO:
✓ **Board Composed 50% of Independent Directors, Committees Composed 100% of Independent Directors**	X **No Supermajority Voting Requirements**
✓ **Annual Board and Committee Self-Evaluations**	X **No Poison Pill**
✓ **Regular Executive Sessions of Independent Directors**	X **No Classified Board**
✓ **Active Board Oversight of Risk Management**	X **No Material Restrictions on Stockholder Rights**
✓ **Strong Lead Independent Director, Elected Annually by and from the Independent Directors**	X **No Overboarded Directors**

Our commitment to good governance is further reflected in our executive compensation philosophy designed to reinforce alignment between pay and performance:

WHAT WE DO:	WHAT WE DON'T DO:
✓ Pay for Performance Alignment	X No Excessive Perquisites, and No Contractual Tax Gross-Ups on Golden Parachutes
✓ Caps on Individual Incentive Awards	X No Stock Trading Plans Without Committee Approval and Oversight
✓ Annual Compensation Committee Assessments	X No Compensation or Incentives that Encourage Unnecessary or Excessive Risk-Taking
✓ "Double-trigger" Change in Control Provisions for Equity Awards	X No Supplemental Retirement Benefits for Executives
✓ Independent Compensation Committee Advised by Independent Compensation Consultant	X No Liberal Share Recycling

Corporate Social Responsibility (Page 27)

As our name suggests, we at Global Industrial think of our corporate responsibility in global terms. As citizens of a global community, we embrace responsible environmental, social and community stewardship as an essential part of our mission to build a successful business and to understand and exceed the expectations of our stakeholders, which include our associates, customers, suppliers and stockholders. As stakeholder expectations change and evolve, including regarding environmental, social, and governance ("ESG") matters, we are committed to changing and evolving with them. We have a strong foundation upon which to do so, including investing in infrastructure and innovation, trusting and empowering our associates, supporting the local communities in which our associates work and live, embracing a conservative approach to our own resource use, and providing products and services to our customers designed specifically to reduce resource consumption throughout their supply chains.

Environmental, Social and Governance Matters (Pages 27-30)

In 2021, we established a cross-disciplinary ESG Task Force to lead our ESG efforts. The ESG Task Force not only gathers data about ongoing ESG initiatives throughout our various business units, but also charts ESG objectives for the Company moving forward.

In February 2022, the Nominating/Corporate Governance Committee, with unanimous Board support, committed to endeavoring to include, and requiring any search firm that it engages to endeavor to include, diverse candidates in initial pools of director nominees if and to the extent Board vacancies should arise.

We believe that these recent initiatives at the highest level of Global Industrial underscore the importance we place on environmental, social and governance initiatives, and communicates a message to our various stakeholders, internal and external, that sustainability, diversity and inclusion are among our highest priorities as we continue to advance our business objectives.

We Support Our Associates' Professional Development

We seek people that embody our core values, and work to give them a reason to stay. Through our values, we empower our human capital. We provide an online learning center so our associates can improve their skills and increase their value. In 2022, we launched a quarterly development series called "Path to Professionalism," which is open to all associates in a supervisory role.

We also encourage associates to expand their personal and professional growth through formal education. Global Industrial offers a tuition reimbursement program that supports the growth and development of our associates by providing financial assistance to eligible associates who are working toward an undergraduate degree or graduate degree.

We Support Our Associates' Health and Safety

Associate health and safety is a top priority for Global Industrial and has been a key factor in our safe navigation of the pandemic thus far. As distribution is considered an essential business our distribution centers remained open during the pandemic and our office facilities remained open in locations where social distancing and local regulations permitted.

Protocols we established to keep our employees safe include:

- Implementing Covid-19 related controls to address social distancing, intense cleaning of common areas, and enhanced use of personal protective equipment;
- Providing face masks, gloves and sanitizing products for employees' use;
- Limiting all but essential travel for all employees;
- Providing paid time off for employees with suspected and confirmed Covid-19 illness and for contact tracing;
- Providing paid time off for employees to receive and recover from the Covid-19 vaccine;
- Providing incentive bonuses to encourage employees to become vaccinated;
- Restricting access to our facilities to essential visitor personnel; and
- Implementing remote work and in-office rotation policies to effect social distancing.

Our safety teams and local safety committees provide oversight, training, education and compliance guidance, as well as workers' compensation remediation advice, to our management teams and directly to our workforce.

We Support a Positive Work Culture for our Associates

Global Industrial has made a commitment to providing a work environment free from all forms of harassment or intimidation, including sexual harassment and bullying behavior. Harassment on the basis of race, color, religion, creed, national origin, citizenship, age, disability, pregnancy, sexual orientation, sexual preference, sexual identification, marital status, veteran status, domestic violence victim status, or any other category protected by federal, state, or local law is prohibited at our facilities, company-sponsored events, work-related travel, over electronic systems or through social media.

Management and associates alike are subject to our Corporate Ethics Policy and Corporate Governance Guidelines and Principles. Global Industrial requires all associates to complete Code of Conduct and Ethics and Harassment Prevention trainings regularly.

In 2022, the Company hosted a Women's Leadership Forum and special programming in recognition of Black History Month.

We Support Community Outreach

Global Industrial's mission of social responsibility extends outward as well to include the communities we serve. The greatest contribution we believe we can make is to serve our customers and create opportunities for our associates within these communities. Over the years, Global Industrial has supported dozens of local and national non-profit organizations through charitable contributions and in-kind donations.

Recently, we sponsored a community clean-up in West Philadelphia and, during our 2021 trade show in Nashville, Tennessee, our CEO led a group volunteer activity to sort and pack medical supplies, stock inventory and load containers for Project C.U.R.E. Nashville, a charitable project that provides donated medical supplies, equipment and services to doctors and nurses in more than 135 countries. Also, in recognition of Autism Awareness Month, the Company is hosting a toy and school supply drive to support local schools for autistic individuals and and has provided support for local business that employs autistic individuals.

Below are some highlights of our commitment to Environmental, Social and Governance principles:

Environmental	Social	Governance
• **Conversion to LED Lighting:** Continuing a strategy that began several years ago, 60% of our U.S. distribution centers and our corporate headquarters have LED lighting (or are scheduled to have LED lighting installed by the end of 2022). LED lighting dramatically reduces the energy required to light our facilities, while decreasing attendant costs.	• **We Support Our Associates' Health and Safety:** In response to the Covid-19 pandemic, we have implemented heightened workplace employee health, wellness and safety initiatives, including staggered in-office and remote staffing days.	• **Independent Board Committees:** Our Board's principal committees, Audit, Compensation, and Nominating/Corporate Governance, are composed entirely of independent directors. The independent directors meet regularly in executive sessions without management. We have an independent Lead Director, who presides over the executive sessions of the independent directors and, as needed, acts as principal interlocutor between the independent and non-independent directors.
• **Migration to More Energy Efficient HVAC Sources:** In designing our distribution centers and when upgrading our facilities, we look to use energy efficient HVAC sources, including split-unit HVAC systems, and high temperature and direct gas-fired air heaters. By preferentially using energy-saving HVAC systems, we have lowered the amount of greenhouse gases and carbon emitted from our facilities.	• **We Support a Positive Work Culture for Our Associates:** We have made a commitment to providing a work environment free from all forms of harassment or intimidation, including sexual harassment and bullying behavior. We also promote our associates' continued professional development, through programs such as tuition assistance and access to online learning programs. We have also hosted Women's Leadership and Black History Month programs in 2022.	• **Board Oversight of Risk Management:** The Board is responsible for the oversight of Global Industrial's risk management process. Risk management is a recurring Board quarterly agenda item and is considered an essential part of business and operations planning. The Board also receives periodic updates regarding, and oversees, the Company's ESG efforts.
• **Reduction of Fuel Emissions:** In 2019, Global Industrial completed the installation of electric vehicle charging stations at our corporate headquarters. By installing the electric vehicle charging station, we are encouraging the use of renewable energy while decreasing our Company's reliance on fossil fuels.	• **We Support Community Outreach:** We at Global Industrial believe our social responsibility faces both inward to our workforce and outward toward the communities we serve. Recently, we sponsored a community clean-up in West Philadelphia and, during our 2021 trade show in Nashville, Tennessee, our CEO led a group volunteer activity to sort and pack medical supplies, stock inventory and load containers for Project C.U.R.E. Nashville, a charitable project that provides donated medical supplies, equipment and services to doctors and nurses in more than 135 countries. Also, in recognition of Autism Awareness Month, the Company is hosting a toy and school supply drive to support local schools for autistic individuals and has provided support for local business that employs autistic individuals.	• **Favorable Voting Practices:** Annual election of directors by plurality vote, with no classified Board.

Human Capital Management (page 31)

We view responsible human capital management through both a quantitative and qualitative lens. At Global Industrial, we believe that the first principle in responsible stewardship of human capital is ensuring that it is composition-based: developing a workforce that represents diversity of gender, race and ethnicity as well as diversity of skill and experience. Pursuit of these diversity goals fulfills a dual purpose of fostering employee wellness and inclusion, thereby enhancing a positive work culture, while also leading to higher quality decision-making that results from considering diverse perspectives and viewpoints.

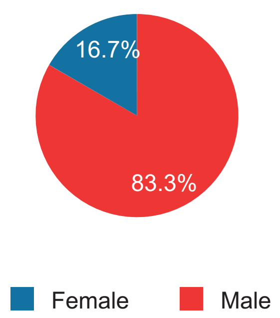
Commitment to Diversity and Inclusion (page 32)

Our commitment to diversity and inclusion is exemplified by the composition of Global Industrial's workforce. The makeup of our executive management team reflects our commitment to enhancing diversity with respect to gender, ethnicity and professional experience.

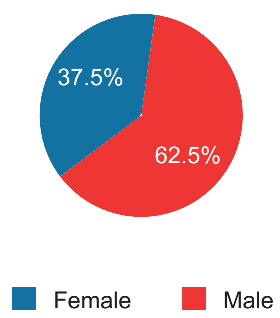
Under the Company's new executive leadership, we have made important strides in gender diversity. Since Mr. Litwin's appointment as CEO in January 2019, diversity of gender on the Company's senior leadership team (comprising our Senior Vice Presidents) has increased by over 20 percentage points.

The Company's significant progression toward gender diversity in its top executive leadership is represented below:

Senior Leadership Team (excluding CEO)
Gender Diversity (Year End 2018)



Senior Leadership Team (excluding CEO)
Gender Diversity (Year End 2021)



Consistent with the Company's philosophy of inclusion, we continually strive to improve our inclusiveness initiatives, and look forward to improving metrics with respect to other historically underrepresented populations within our workforce as we continue to pursue our ESG initiatives. In 2022 thus far, we have hosted Women's Leadership and Black History Month programs, which have been well-received by our associates.

We value not only the diversity of experience these professionals bring to our executive management, but also diversity of perspective they bring to our collective approach to problem solving. This commitment to diversity and inclusion is mirrored in the composition of Global Industrial's workforce. Our worldwide workforce is made up of a diverse group of associates. In our most recent U.S. EEO-1 data, the demographic breakdown for self-reporting associates was 44% female and 56% male, and minorities constituted 55% of our workforce. We believe the diversity of our associates is one of the Company's important strengths.

Independent Registered Public Accounting Firm (Page 62)

Ernst & Young LLP, an independent registered public accounting firm, served as the Company's independent auditor for fiscal year 2021. Our Audit Committee has selected Ernst & Young LLP to audit our financial statements for fiscal year 2022. Although it is not required to do so, the Board is submitting the Audit Committee's selection of the Company's independent auditor for ratification by the stockholders at the Annual Meeting in order to ascertain the view of our stockholders regarding such selection. Below is summary information about Ernst & Young's fees for services during fiscal years 2021 and 2020:

Fee Category	2021 ($)	2020 ($)
Audit fees(1)	1,279,100	1,238,500
Audit-related fees(2)	0	12,250
Tax fees(3)	0	0
All other fees(4)	5,000	5,000
Total	**1,284,100**	**1,255,750**

(1) In accordance with the SEC's definitions and rules, "audit fees" are fees that were billed to Global Industrial by Ernst & Young LLP for the audit of our annual financial statements, to be included in the Form 10-K, and review of financial statements included in the Form 10-Qs; for the audit of our internal control over financial reporting with the objective of obtaining reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects; for the attestation of management's report on the effectiveness of internal control over financial reporting; and for services that are normally provided by the auditor in connection with statutory and regulatory filings or engagements.

(2) "Audit-related fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and internal control over financial reporting, including services in connection with assisting Global Industrial in our compliance with our obligations under Section 404 of the Sarbanes-Oxley Act and related regulations.

(3) Ernst & Young LLP did not provide any professional services for tax compliance, planning or advice in 2021 or 2020.

(4) Consists of fees billed for other professional services rendered to Global Industrial.

PROXY STATEMENT

General Information

These proxy materials are being furnished to solicit proxies on behalf of the Board of Directors of Global Industrial Company (f/k/a Systemax Inc.) for use at our Annual Meeting of Stockholders to be held virtually via live audio webcast on Monday, June 6, 2022 at 12:00 p.m. Eastern Time, or at any adjournments or postponements thereof.

The Annual Meeting can be accessed by visiting www.virtualshareholdermeeting.com/GIC2022 (the "Annual Meeting Website"), where you will be able to listen to and participate in the meeting live, submit questions and vote online.

These proxy materials include our Proxy Card, Notice of Annual Meeting and Proxy Statement and our 2021 Annual Report to Stockholders, which includes our Fiscal Year 2021 Form 10-K. These proxy materials are being sent or made available to our stockholders commencing on April 27, 2022.

Notice of Internet Availability of Proxy Materials

We have implemented the Securities and Exchange Commission's "Notice Only" rule that allows us to furnish our proxy materials over the Internet to our stockholders instead of mailing paper copies. As a result, beginning on or about April 27, 2022, we mailed to our stockholders of record on April 12, 2022 a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access our proxy materials over the Internet and vote online. By furnishing a Notice and access to our proxy materials by the Internet, we are lowering the costs and reducing the environmental impact of our Annual Meeting.

The Notice is not a proxy card and cannot be used to vote your shares. If you received a Notice this year, you will not receive paper copies of the proxy materials unless you request the materials by following the instructions on the Notice or on the website referred to in the Notice.

If you own shares of common stock in more than one account—for example, in a joint account with your spouse and in your individual brokerage account—you may have received more than one Notice. To vote all of your shares by proxy, please follow each of the separate proxy voting instructions that you received for your shares of common stock held in each of your different accounts.

Record Date

We have fixed the close of business on April 12, 2022 as the record date for determining our stockholders entitled to Notice of and to vote at our Annual Meeting.

On that date, we had 37,916,603 shares of common stock outstanding. Stockholders as of the record date will have one vote per share on each voting matter.

Quorum

The presence of the holders of a majority of the outstanding shares of common stock entitled to vote at our Annual Meeting, present virtually or represented by proxy, is necessary to constitute a quorum.

Abstentions and "broker non-votes" (discussed below) will be counted as present for purposes of establishing a quorum.

How to Vote

Stockholders of record. If you are a "stockholder of record" (meaning your shares are registered in your name with our transfer agent, Broadridge) as of the close of business on April 12, 2022 (the record date for the Annual Meeting) you may vote either virtually at our Annual Meeting or by proxy.

During the Annual Meeting, you will be able to vote through the virtual portal at www.virtualshareholdermeeting.com/GIC2022.

If you decide to vote by proxy, you may do so in any one of the following three ways:

You may vote your shares 24 hours a day by logging on to a secure website, www.proxyvote.com, and following the instructions provided. You will need to enter the identifying information that appears on your proxy card or the Notice. The Internet voting system allows you to confirm that your votes were properly recorded.

You may vote your shares 24 hours a day by calling the toll free number (800) 690-6903, and following instructions provided by the recorded message. You will need to enter the identifying information that appears on your proxy card or the Notice. As with the Internet voting system, you will be able to confirm that your votes were properly recorded.

If you received a proxy card, you may mark, sign and date your proxy card and return it by mail in the enclosed postage-paid envelope.

Proxies submitted over the Internet, by telephone or by mail must be received by 11:59 p.m. Eastern Time on June 5, 2022.

Beneficial owners. If, like most stockholders, you are a beneficial owner of shares held in "street name" (meaning a broker, bank or other nominee holds shares on your behalf), you may vote virtually at our Annual Meeting only if you obtain a legal proxy from the nominee that holds your shares. Alternatively, you may vote by completing, signing and returning the voting instruction form that the nominee provides to you or by following any telephone or Internet voting instructions described on the voting instruction form, the Notice or other materials that the nominee provides to you.

No matter in what form you own your shares, we encourage you to vote promptly.

About the Virtual Annual Meeting

The Annual Meeting will be a completely virtual meeting of stockholders held exclusively by a live audio webcast, a format designed to improve stockholder access, save Global Industrial and our stockholders time and money and, during the current global pandemic, ensure the safety of our participants. In addition to online attendance, our meeting format provides stockholders with the opportunity to hear all portions of the official meeting, submit written questions during the meeting, and vote online during the open poll section of the meeting.

If you are a stockholder of record as of the close of business on April 12, 2022, the record date for the Annual Meeting, you will be able to virtually attend the Annual Meeting by visiting www.virtualshareholdermeeting.com/GIC2022. You will need to enter the 16-digit control number included on your Notice, on your proxy card or on the instructions that accompanied your proxy materials (the "Control Number").

If you are a stockholder holding your shares in "street name" as of the close of business on April 12, 2022, you may gain access to the meeting by following the instructions in the voting instruction card provided by your broker, bank or other nominee holder. You may not vote your shares electronically at the Annual Meeting unless you receive a valid proxy from your broker, bank or other nominee holder.

The Annual Meeting will begin promptly at 12:00 p.m. Eastern Time. We encourage you to access the meeting prior to the start time. Online check-in will begin at 11:45 a.m. Eastern Time, and you should allow approximately 15 minutes for the online check-in procedures.

If you wish to submit a question for the Annual Meeting, you may do so in advance at www.virtualshareholdermeeting.com/GIC2022, or you may type it into the dialog box provided at any point during the Annual Meeting (until the floor is closed to questions). During the Annual Meeting, we will answer questions submitted during the Annual Meeting and address those asked in advance, to the extent relevant to the business of the Annual Meeting, as time permits. Stockholder questions may be submitted in the field provided in the Annual Meeting Website at or before the time that matters are brought before the Annual Meeting for consideration.

Votes Required to Adopt the Proposals

- **Proposal 1** – The vote of a **plurality of the outstanding shares** of common stock entitled to vote and present, virtually or by proxy, at a meeting at which a quorum is present will be required to elect the nominated directors to the Board.

- **Proposal 2** – The affirmative vote of a **majority of the outstanding shares** of common stock entitled to vote and present, virtually or by proxy, at a meeting at which a quorum is present will be required to ratify the appointment of Ernst & Young LLP as the Company's independent auditor for fiscal year 2022.

Messrs. Richard, Bruce and Robert Leeds (each a director and officer of Global Industrial), together with trusts for the benefit of certain members of their respective families and other entities controlled by them, as applicable, beneficially owned as of our record date more than 50% of the shares outstanding, and they have each separately advised us that they intend to vote all such shares they each have the power to vote in accordance with the recommendations of the Board on each of the Proposals identified above, which will be sufficient to constitute a quorum and to determine the outcome of each Proposal.

How Shares Will Be Voted

Proxies will be voted as specified by the stockholders. Where specific choices are not indicated, proxies will be voted, per the Board’s recommendations, FOR Proposals 1 and 2. If any other matters properly come before our Annual Meeting, the persons named in the proxy will vote at their discretion.

List of Stockholders

A list of our stockholders satisfying the requirements of Section 219 of the Delaware General Corporation Law will be available for inspection for any purpose germane to our Annual Meeting for the ten days prior to our Annual Meeting. If you want to inspect the stockholder list, email investinfo@globalindustrial.com to schedule an appointment. In addition, the list of stockholders will also be available during the Annual Meeting through the Annual Meeting Website for those stockholders who choose to attend.

Changing or Revoking Your Proxy

Your virtual attendance at our Annual Meeting will not automatically revoke your proxy.

Stockholders of record. If you are a stockholder of record, you may change or revoke your proxy at any time before a vote is taken at our Annual Meeting by executing and forwarding to us a later-dated proxy or by voting a later proxy over the telephone or the Internet or by virtually attending the Annual Meeting and voting.

Beneficial owners. If you are a beneficial owner of shares, you should check with your broker, bank or other nominee that holds your shares to determine how to change or revoke your vote.

Abstentions

- **Proposal 1** – Abstentions will have no effect on the election of directors.

- **Proposal 2** – Abstentions will have the same effect as a negative vote regarding the ratification of Ernst & Young LLP as the Company's independent auditor for fiscal year 2022.

Broker Non-Votes

A “broker non-vote” occurs when a broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because they do not have discretionary voting power for that proposal and have not received instructions from the beneficial owner.

If you are a beneficial owner whose shares are held by a broker, as stated above you must instruct the broker how to vote your shares. If you do not provide voting instructions, your broker is not permitted to vote your shares on Proposal 1 (Election of Directors).

In the absence of voting instructions, the broker may only register your shares as being present at our Annual Meeting for purposes of determining a quorum and may vote your shares on Proposal 2 only (Ratification of Ernst & Young LLP as the Company's Independent Auditor).

Cautionary Note Regarding Forward-Looking Statements

This Proxy Statement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1932, as amended (the “Exchange Act”). When used in this Proxy Statement, the words “estimated”, “anticipated”, “expect”, “believe”, “intend” and similar expressions are intended to identify forward-looking statements. Forward-looking statements include discussions of strategy, plans or intentions of management. Forward-looking statements are subject to risks, uncertainties, and assumptions about the Company and future events, and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Proxy Statement. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this Proxy Statement or to reflect the occurrence of unanticipated events, except to the extent required under applicable law.

Frequently Asked Questions

Why am I receiving this Proxy Statement?

This Proxy Statement is furnished in connection with the solicitation of proxies for use at the Annual Meeting to be held for the purposes stated in the accompanying Notice of Annual Meeting of Stockholders. This solicitation is made by the Company on behalf of our Board of Directors.

Who is entitled to vote at our Annual Meeting?

If you held shares of Global Industrial Common Stock at the close of business on April 12, 2022, you may vote at the Annual Meeting. Each share is entitled to one vote on each matter presented for consideration and action at the Annual Meeting.

In order to vote, you must either designate a proxy to vote on your behalf or attend the Annual Meeting and vote your shares online during the open poll section of the meeting. The Board of Directors requests your proxy so that your shares will count toward a quorum and be voted at the meeting.

What are the voting rights of stockholders?

Each share of common stock outstanding on the record date entitles its holder to cast one vote on each matter to be voted on at the Annual Meeting.

What am I being asked to vote on, and what are the Board of Directors' voting recommendations?

Proposal 1: To elect the 8 director nominees named in this Proxy Statement.

Proposal 2: To ratify the appointment of Ernst & Young LLP as the Company's independent auditor for fiscal year 2022.

The Board of Directors recommends that you vote **"FOR"** the election of the Board's director nominees and "**FOR"** the ratification of Ernst & Young LLP as the Company's independent auditor for fiscal year 2022.

What will constitute a quorum at our Annual Meeting?

The presence in person (virtually) or by proxy of the holders of a majority of the outstanding capital stock of the Corporation entitled to vote at a meeting of stockholders will constitute a quorum for the transaction of business at the Annual Meeting. We will include abstentions and "broker non-votes" in the calculation of the number of shares of common stock considered to be present at the meeting for purposes of determining the presence of a quorum at the meeting.

What vote is required to approve each matter?

Assuming the presence of a quorum, the following votes are required to approve each proposal:

Election of Directors: The vote of a plurality of the outstanding shares of common stock entitled to vote and present, virtually or by proxy, at the Annual Meeting will be required to elect the nominated directors to the Board.

Ratification of Ernst & Young LLP as the Company's independent auditor for fiscal year 2022: The affirmative vote of a majority of the outstanding shares of common stock entitled to vote and present, virtually or by proxy, at the Annual Meeting will be required to ratify the appointment of Ernst & Young LLP as the Company's independent auditor for fiscal year 2022.

Your proxy will be voted "**FOR"** the election of the Board's nominees unless contrary instructions are given. When voting by proxy with respect to the election of directors, you may vote in favor of all nominees, vote in favor of specific nominees, withhold your votes as to all nominees or withhold your votes for specific nominees.

Why is the Annual Meeting online only? How do I attend the Annual Meeting?

Our Annual Meeting will be exclusively conducted via live audio webcast, a format designed to improve stockholder access, save Global Industrial and our stockholders time and money and, during the current global pandemic, ensure the safety of our participants. In addition to online attendance, our meeting format provides stockholders with the opportunity to hear all portions of the official meeting, submit written questions during the meeting, and vote online during the open poll section of the meeting.

You are entitled to participate in the Annual Meeting if you were a stockholder as of the close of business on April 12, 2022, the record date for the Annual Meeting.

To virtually attend the Annual Meeting, go to www.virtualshareholdermeeting.com/GIC2022; then, you must enter your Control Number. Please allow ample time for online check-in, which will begin at 11:45 a.m. Eastern Time, on June 6, 2022.

How do I vote during the virtual Annual Meeting?

If you are a stockholder as of the record date, you may vote during the Annual Meeting by entering your Control Number and following the instructions available on the Annual Meeting Website at www.virtualshareholdermeeting.com/GIC2022 during the meeting.

How can I ask questions during the Annual Meeting?

The virtual format allows stockholders to communicate with us in advance of, and during, the Annual Meeting so they can ask questions of our Board of Directors or management. During the Annual Meeting, we will answer questions submitted during the Annual Meeting and address those asked in advance, to the extent relevant to the business of the Annual Meeting, as time permits. Stockholder questions may be submitted in the field provided in the web portal at or before the time that matters are brought before the Annual Meeting for consideration.

What can I do if I need technical assistance during the Annual Meeting?

If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the Annual Meeting Website log in page.

If I plan to attend the Annual Meeting, should I still vote by proxy?

Yes. Voting in advance does not affect your right to attend our Annual Meeting. If you submit the enclosed proxy card and also attend our Annual Meeting, you do not need to vote again at our Annual Meeting unless you want to change your vote. If you are not a stockholder of record but hold the shares through a broker or nominee (*i.e.*, in street name), you may vote your shares in person only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend our Annual Meeting, we recommend that you also submit your proxy or voting instructions prior to the Annual Meeting as described above so that your vote will be counted if you later decide not to attend our Annual Meeting.

How can I access the proxy materials over the Internet?

Our proxy materials and our 2021 Annual Report to Stockholders are available at www.proxyvote.com or on our website at www.globalindustrial.com.

How may I obtain a paper copy of the proxy materials?

The Notice of the Internet Availability of the proxy materials provides instructions about how to obtain a paper copy of the proxy materials. If you did not receive the Notice, you will receive a paper copy of the proxy materials by mail.

Who pays the costs of soliciting proxies?

We will pay the cost of solicitation of proxies. In addition to the solicitation of proxies through the Internet or by mail, solicitations may also be made by personal interview, fax and telephone. Arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy material to their principals and we will reimburse them for expenses in so doing. Consistent with our voting procedure, directors, officers and other regular employees of the Company may also request the return of proxies by telephone or fax, or in person.

What is “householding”?

SEC rules allow us to send a single copy of the proxy materials or the Notice of Internet Availability of Proxy Materials to multiple stockholders sharing the same address and last name, or who we reasonably believe are members of the same family in a manner provided by such rules. This practice is referred to as “householding” and we use this process to achieve savings of paper and mailing costs.

How can I find voting results of our Annual Meeting?

We will announce preliminary voting results at our Annual Meeting and we will publicly disclose the results on a Form 8-K within four business days of our Annual Meeting, as required by SEC rules.

Proposal No. 1 – Election of Directors

At our Annual Meeting, eight directors are to be elected to hold office until the next annual meeting of stockholders or until their successors are duly elected and qualify. All nominees are current Global Industrial Board members who were elected by stockholders at the 2021 Annual Meeting.

There are no family relationships among any of our directors or executive officers or nominees for director or executive officer, except that Messrs. Richard, Bruce and Robert Leeds are brothers. Except as disclosed herein, there were no arrangements or understandings between any director or nominee for director and any other person pursuant to which such person was selected as a director or nominee for director.

The accompanying proxy will be voted FOR the election of the Board's nominees unless contrary instructions are given. If any Board nominee is unable to serve, which is not anticipated, the persons named as proxies intend to vote, unless the Board reduces the number of nominees, for such other person or persons as the Board may designate.

When voting by proxy with respect to the election of directors, stockholders may vote in favor of all nominees, withhold their votes as to all nominees or withhold their votes for specific nominees.

Richard Leeds

Executive Chairman
Director Since: 1995 *Age: 62*
Richard Leeds joined Global Industrial in 1982 and served as our Chairman and CEO from April 1995 until becoming our Executive Chairman in March 2016. He also served as President of our Industrial Products Group until 2011. Mr. Leeds was selected to serve as Executive Chairman of our Board due to his experience and depth of knowledge of Global Industrial and the direct marketing and industrial products industries, his role in developing and managing our business strategies and operations, as well as his exceptional business judgment and leadership qualities.

Bruce Leeds

Vice Chairman
Director Since: 1995 *Age: 66*
Bruce Leeds joined Global Industrial in 1977 and has served as our Vice Chairman since April 1995. He also served as President of our International Operations until 2005. Mr. Leeds was selected to serve as a director on our Board due to his experience and depth of knowledge of Global Industrial and the direct marketing and industrial products industries, his role in developing and managing our business strategies and operations, his experience in international business, as well as his exceptional business judgment.

Robert Leeds

Vice Chairman
Director Since: 1995 *Age: 66*
Robert Leeds joined Global Industrial in 1977 and has served as our Vice Chairman since April 1995. He also served as President of our Domestic Operations until 2005 and as Chief Executive of the North American Technology Products Group from 2013 to 2015. Mr. Leeds has served as a director since April 1995. Mr. Leeds was selected to serve as a director on our Board because of his experience and depth of knowledge of Global Industrial and the direct marketing and industrial products industries, his role in developing and managing our business strategies and operations, as well as his exceptional business judgment.

Barry Litwin

Chef Executive Officer
Director Since: 2017 *Age: 55*
Mr. Litwin was appointed Chief Executive Officer of Global Industrial in January 2019. Prior to joining Global Industrial, he was the Chief Executive Officer of Adorama, Inc., a leading multi-channel retailer of professional camera, audio, and video equipment. Previous executive roles included overseeing e-commerce and marketing for Sears Holdings, Inc., Office Depot, and Newark Electronics, Inc., in addition to serving as an advisor to several early stage digital and technology companies. Mr. Litwin graduated from Indiana University with a BS degree, and earned an MBA in Operations from Loyola University, Quinlan School of Business in 1992. Mr. Litwin was selected to serve as a director on our Board due to his e-commerce and direct marketing expertise.

Chad M. Lindbloom

Independent Director
Director Since: 2017 *Age: 57*
Mr. Lindbloom was employed by C.H. Robinson Worldwide, Inc. – one of the world's largest third-party logistics providers – from June 1990 through March 2018 in various roles, including Chief Information Officer, Chief Financial Officer and Controller. Mr. Lindbloom received a BS and MBA from the Carlson School of Management at the University of Minnesota. Mr. Lindbloom was selected to serve as a director on our Board due to his supply chain and logistics expertise, as well as his skills relating to financial statement and accounting matters.

Paul S. Pearlman

Independent Director
Director Since: 2019 *Age: 68*
Since March 2020, Mr. Pearlman has been a partner in Zeughauser Group, LLC, a nationally prominent law firm and management consulting firm. From August 2000 through December 2019, Mr. Pearlman was the Managing Partner of Kramer Levin Naftalis & Frankel LLP, a New York City headquartered international law firm, and Mr. Pearlman continued to serve as Counsel, Managing Partner Emeritus in the firm until January 31, 2022. Prior thereto, he was a partner in the firm practicing in the areas of private equity and corporate restructuring. Mr. Pearlman is a 1978 *cum laude* graduate of St. John's University School of Law and a 1975 graduate of George Washington University. Mr. Pearlman was selected to serve as a director on our Board due to his business and legal experience and acumen as well as his management, financial and leadership skills as the head of a prominent international law firm.

Lawrence Reinhold

Independent Director
Director Since: 2009 *Age: 62*
Lawrence Reinhold joined Global Industrial as its Chief Financial Officer in January 2007 and served as President and CEO from March 2016 through January 2019. In January 2019, Mr. Reinhold entered into a two-year consulting agreement with Global Industrial. Mr. Reinhold was previously the CFO of several publicly traded technology companies and a partner with PricewaterhouseCoopers. Mr. Reinhold is a Certified Public Accountant. Mr. Reinhold was selected to serve as a director on our Board due to his contributions while working at Global Industrial and his extensive experience and expertise in business, strategy, finance, accounting, SEC reporting, public company management, mergers and acquisitions and financial systems.

Robert D. Rosenthal

Independent Director
Director Since: 1995 *Age: 73*
Robert D. Rosenthal has been the lead independent director since October 2006. Mr. Rosenthal is Chairman and Chief Executive Officer of First Long Island Investors LLC, which he co-founded in 1983. Mr. Rosenthal is the Chairman and CEO of a wealth management company that invests in numerous public companies and is also an attorney and member of the bar of the State of New York. Mr. Rosenthal is a 1971 *cum laude* graduate of Boston University and a 1974 graduate of Hofstra University Law School. Mr. Rosenthal was selected to serve as a director on our Board due to his financial, investment and legal experience and acumen.

The Board Recommends That You Vote "FOR" the Election of All the Director Nominees (Proposal No. 1)

Corporate Governance

Corporate Governance Overview

The business and affairs of the Company are managed under the direction of our Board, as provided by Delaware law, and the Company conducts its business through meetings of the Board and its three independent committees: the Audit Committee, the Compensation Committee, and the Nominating/Corporate Governance Committee.

In February 2022, the Nominating/Corporate Governance Committee, with unanimous Board support, committed to endeavoring to include, and requiring any search firm that it engages to endeavor to include, diverse candidates in initial pools of director nominees if and to the extent Board vacancies should arise.

We structure our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Some notable features of our corporate governance are summarized as follows:

WHAT WE DO:	WHAT WE DON'T DO:
✓ **Board Composed 50% of Independent Directors, Committees Composed 100% of Independent Directors:** Our Board is composed 50% of independent directors. Our Board's principal committees, Audit, Compensation, and Nominating/Corporate Governance, are composed entirely of independent directors.	X **No Supermajority Voting Requirements:** The Company does not have any supermajority voting provisions in its organizational documents.
✓ **Annual Board and Committee Self-Evaluations:** The Board and each of its principal committees conduct annual evaluations to determine whether it and its committees are functioning effectively. As part of this annual self-evaluation, the Board evaluates whether the current leadership structure continues to be optimal for Global Industrial and our stockholders.	X **No Poison Pill:** The Company does not have a "poison pill" or a stockholder rights plan in place.
✓ **Regular Executive Sessions of Independent Directors:** Our Lead Independent Director and the other independent directors of our Board are actively involved in corporate governance matters and, as with each of the Board's principal committees, routinely meet in executive session without management several times during the year.	X **No Classified Board:** All of our directors are elected annually for one-year terms and require a plurality vote to be reelected.
✓ **Active Board Oversight of Risk Management:** The Board is responsible for the oversight of the Company's risk management process. Risk management is a recurring Board quarterly agenda item and is considered an essential part of business and operations planning.	X **No Material Restrictions on Stockholder Rights:** There are no material restrictions on our stockholders' right to call special meetings.
✓ **Strong Lead Independent Director, Elected Annually by and from the Independent Directors:** We have an independent Lead Director, who presides over the executive sessions of the independent directors and, as needed, acts as principal interlocutor between the independent and non-independent directors.	X **No Overboarded Directors:** None of our directors serve on any other public company board, enabling them to bring sufficient focus and commitment to oversight of the Company's strategy and operations.

Commitment to Stockholder Engagement

We appreciate and value the feedback of our stockholders and engage with them throughout the year, not just in advance of proxy season. Specifically, we invite the input of our stockholders to better appreciate their perspectives on governance, ESG, performance and strategic issues. We accord great weight to our stockholders' concerns. As evidence of this, in response to shareholder feedback in 2021, the Nominating/Corporate Governance Committee adopted an affirmative commitment to endeavor to include diversity criteria in future Board candidate pools. Also, responsive to our ongoing dialogue with our stockholders, we have transformed our senior leadership team with an eye to meeting both business strategic, and diversity, objectives. Since Mr. Litwin's appointment as CEO in January 2019, diversity of gender on the Company's senior leadership team (comprising our Senior Vice Presidents) has increased by over 20 percentage points.

We will continue to engage with our investors to receive constructive feedback on governance and other topics and to provide disclosure to our stockholders detailing our progress in these pursuits.

Corporate Governance Documents

We maintain a corporate governance page on our website that includes key documents relating to our corporate governance, including our:

- Corporate Governance Guidelines and Principles;
- Corporate Ethics Policy;
- Charter of the Audit Committee;
- Charter of the Compensation Committee; and
- Charter of the Nominating/Corporate Governance Committee.

Each of these corporate governance documents is available on our website, www.globalindustrial.com, under "Investor Relations—Governance—Governance Documents." The documents noted above will also be provided without charge to any stockholder who requests them. We regularly review our corporate governance policies, monitor emerging developments in corporate governance, and enhance our policies and procedures to conform with current thinking on best practices when our Board determines that it would benefit our Company and our stockholders to do so.

Board Composition

Our Board currently consists of eight members, four of whom are independent under the rules of the SEC and NYSE. Our Board is led by Executive Chairman Richard Leeds and Vice Chairmen Bruce Leeds and Robert Leeds. Our independent directors have designated Robert Rosenthal to be the Lead Independent Director.

Board Leadership Structure

We believe that the current mix of independent directors and non-independent directors that make up our Board, along with the independent oversight of our Lead Independent Director, benefits Global Industrial and our stockholders.

Although the Board does not have an express policy on whether or not the roles of CEO and Executive Chairman of the Board should be separate and if they are to be separate, whether the Executive Chairman of the Board should be selected from the non-management directors or be an employee, the Board believes that it should have the flexibility to make a determination from time to time in a manner that is in the best interests of Global Industrial and our stockholders at the time of such determination.

Our Board believes that the most effective Board leadership structure for Global Industrial at present is for the roles of CEO and Executive Chairman of the Board to be separate. Further, the Board believes that our Executive Chairman and two Vice Chairmen should also have management roles, so that our Executive Chairman and Vice Chairmen remain in closer touch with the operations of our business and, together with our CEO, can focus their attention on different aspects of the strategic and operational mission of Global Industrial, according to their respective areas of expertise.

The Board believes that the independent directors provide effective oversight of management. Moreover, in addition to feedback provided during Board meetings, the independent directors have regular executive sessions. Following an executive session of independent directors, the Lead Independent Director acts as a liaison between the independent directors and the Executive Chairman regarding any specific feedback or issues, provides the Executive Chairman with input regarding agenda items for Board and Committee meetings, and coordinates with the Executive Chairman regarding information to be provided to the independent directors in performing their duties.

Our Corporate Governance Guidelines provide the flexibility for our Board to modify or continue our leadership structure in the future, as it deems appropriate.

Identification and Evaluation of Director Candidates

The Nominating/Corporate Governance Committee solicits recommendations for Board candidates from a number of sources, including our current directors, our officers and individuals personally known to the members of the Board. The Nominating/Corporate Governance Committee will consider candidates submitted by stockholders when submitted in accordance with our bylaws and applicable law. The Nominating/Corporate Governance Committee will consider all candidates identified through the processes described above and will evaluate each of them on the same basis. The level of consideration that the Nominating/Corporate Governance Committee will extend to a stockholder's candidate will be commensurate with the quality and quantity of information about the candidate that the nominating stockholder makes available to the Nominating/Corporate Governance Committee.

In nominating candidates, the Nominating/Corporate Governance Committee takes into consideration such factors as it deems appropriate, such as the experience, skills and background of candidates that are likely to complement the Board's existing composition of continuing directors and facilitate and enhance the Board's ability to oversee and monitor Global Industrial's business and affairs. While a candidate's overall ability and experience will determine the candidate's suitability, the Nominating/Corporate Governance Committee's assessment of director candidates places primary emphasis on the following criteria:

- for non-management directors, independence;
- personal and professional ethics, integrity, values and judgment;
- leadership skills;
- strategic thinking;
- ability and willingness to devote sufficient time to carrying out the duties and responsibilities of the Board;
- breadth of knowledge about matters affecting the industry;
- the needs of the Company with respect to the particular talents and experience of its directors and the interplay of the candidate's experience with that of other Board members; and
- diversity of viewpoints, backgrounds and experience.

Board Experience and Skills

We believe that the current mix of independent directors and non-independent directors that make up our Board, along with the independent oversight of our Lead Independent Director, benefits Global Industrial and our stockholders. Our director nominees represent a range of perspectives, including with respect to attributes, skills, and experience, as detailed below. A particular director nominee may possess additional experience, attributes, or skills, even if not indicated below.

Experience and Skills	% of Directors
Business Management/Executive Leadership Experience Directors with prior experience in executive leadership positions bring the qualifications and skills to develop and oversee our strategy, to create and drive long-term value, and to identify, motivate, and retain individual leaders.	100%
Business Ethics A high level of understanding of business ethics is critical to a director's oversight function on the Board.	100%
Corporate Governance/Public Company Experience Directors who have served on other public company boards have experience overseeing and providing insight and guidance to management and bring critical knowledge of governance to our organization.	100%
Risk Assessment and Risk Management Directors with experience assessing and managing risk bring skills critical to the Board's oversight of our risk assessment and risk management programs.	100%
Industry Knowledge and Experience Directors with leadership and/or operational experience in industries relevant to our business bring practical understanding of our business and effective oversight of implementation of strategy.	75%
Financial, Audit and Accounting Expertise Financial, audit and accounting expertise, particularly knowledge of finance and financial reporting processes, is critical to understanding and evaluating our capital structure and overseeing the preparation of our financial statements and internal controls over financial reporting.	50%

Board and Committee Performance Self-Evaluations

To optimize the performance of the Board and its committees each year, the Board and its principal committees conduct a robust annual self-assessment that elicits candid feedback on the performance and effectiveness of the Board and its principal committees, as well as on the efficacy of the self-evaluation process itself. As part of this self-assessment, directors are asked to consider the Board's composition and structure, key responsibilities, and meetings, among other criteria. Each committee separately conducts its own assessment, and in assessing its structure and performance, considers its role and the responsibilities articulated in its committee charter, the composition of the committee and the conduct of committee meetings. Throughout the year, the Board and each of its principal committees routinely use a portion of their regularly scheduled executive sessions to examine the degree and effectiveness of their oversight functions and continually explore opportunities for self-improvement.

Director Independence

In connection with its annual review of director independence, the Board has determined that each of Messrs. Lindbloom, Pearlman, Reinhold and Rosenthal has no material relationship with Global Industrial (directly or as a partner, stockholder, or officer of an organization that has a relationship with Global Industrial) and meets the standards for independence required by the NYSE and SEC rules. The Board has not adopted any other categorical standards of materiality for independence purposes.

Among other factors, the Board based its determination on:

- ✓ the absence of any of the express disqualifying criteria relating to director independence set forth in Section 303A of the Corporate Governance Rules of the NYSE;
- ✓ the criteria for independence required of audit committee directors by Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
- ✓ information provided by the directors to Global Industrial, which did not indicate any relationships (*e.g.*, commercial, industrial, banking, consulting, legal, accounting, charitable, or familial) which would impair the independence of any of the non-management directors.

In making its determination, the Board took into consideration that: (i) certain Global Industrial directors and executive officers have each invested funds with or through a private investment firm, of which Mr. Rosenthal is Chairman and CEO (and which firm receives fees in respect of such investments), and may continue to do so in the future; and (ii) Mr. Rosenthal is on the board of directors or is a trustee of several entities that are part of the Northwell Health complex of hospitals, clinics and healthcare providers, to which Global Industrial sells products on an arm's length basis, without Mr. Rosenthal's involvement, and that Mr. Rosenthal has no financial or other interest in any such transactions. The Board (in each case with Mr. Rosenthal and the investing directors being recused) determined that neither such relationship was material to Mr. Rosenthal or the Company and does not affect his independence.

As a "controlled company," Global Industrial is exempt from the NYSE requirement that listed companies have a majority of independent directors. A "controlled company" is defined by the NYSE as a company of which more than 50% of the voting power for the election of directors is held by an individual, group or other company. Global Industrial is a "controlled company" in that more than 50% of the voting stock for the election of directors of Global Industrial, in the aggregate, is owned by certain members of the Leeds family (including Messrs. Richard, Bruce and Robert Leeds, each of whom is an officer and director of Global Industrial) and certain Leeds family trusts and other entities controlled by them (collectively, the "Leeds Group"). The members of the Leeds Group have entered into a Stockholders Agreement with respect to certain shares they each own. For more information, *see* Transactions with Related Persons on page 67 of this Proxy Statement.

Risk Oversight

Board's Role in Risk Oversight

Our Board as a whole is responsible for overseeing our risk management process. The Board focuses on our general risk management strategy, the most significant risks facing Global Industrial, and seeks to ensure that appropriate risk mitigation strategies are implemented by management.

Risk management is a recurring Board quarterly agenda item, and is considered part of business and operations planning.

Delegation to Board Committees

The Board has delegated to each of its principal committees oversight of certain aspects of our risk management process.

Among its duties, the Audit Committee reviews with management (a) processes with respect to risk assessment and management of risks that may be material to Global Industrial, (b) our system of disclosure controls and system of internal controls over financial reporting, and (c) our compliance with legal and regulatory requirements.

The Compensation Committee is responsible for considering and working together with the Audit Committee regarding the compensation policies for all our employees in the context of how such policies affect and promote our risk management goals and objectives.

The Nominating/Corporate Governance Committee is responsible for overseeing any transactions between the Company and any related party and any other potential conflicts of interest situations on an ongoing basis in accordance with Company's policies and procedures.

All committees report to the full Board as appropriate, including when a matter rises to the level of a material or enterprise level risk.

Day-to-Day Risk Management

Our senior management is responsible for day-to-day risk management.

Our Internal Audit Department serves as the primary monitoring and testing function for company-wide policies and procedures and manages the day-to-day oversight of the risk management strategy for the ongoing business of Global Industrial. This oversight includes identifying, evaluating, and addressing potential risks that may exist at the enterprise, strategic, financial, operational, compliance and reporting levels. The Internal Auditor reports directly to our Audit Committee quarterly, and works closely with our CFO on matters that may impact our exposure to risk.

We believe the division of risk management responsibilities described above is an effective strategy for addressing the risks facing Global Industrial and that our Board leadership structure supports this approach.

No Director Overboarding

In order to stay aligned with best practices and to ensure the appropriate level of commitment, we endeavor to ensure that our Board members are not overboarded. None of our directors serve on any other public company board, enabling them to bring sufficient focus and commitment to oversight of the Company's strategy and operations.

New Director Orientation

Orientation and onboarding of new directors is overseen by the Nominating/Corporate Governance Committee. New directors are required to complete a series of annual compliance questionnaires and financial disclosures, as well as familiarize themselves with the Company's governance practices and procedures. As opportunities and pandemic conditions allow, directors are encouraged to participate in on-site facilities tours to gain a heightened understanding of the Company's operations.

Board Meetings

Our Board held 11 meetings in fiscal year 2021. All of the directors attended at least 75% of the meetings of the Board and the respective committees of the Board on which they were members.

At last year's annual meeting of stockholders held on June 7, 2021, two directors attended the meeting. We do not have a policy with regards to directors' attendance at our annual meeting of stockholders.

Meetings of Non-Management Directors

The NYSE requires the "non-management directors," or independent directors, of a NYSE-listed company to meet at regularly scheduled executive sessions without management and to disclose in their annual proxy statements:

- the name of the non-management director who is chosen to preside at all regularly-scheduled executive sessions of the non-management members of the Board of Directors; and
- a method for all interested parties to communicate directly with the presiding director or with the non-management directors as a group (this method is described below under "Communicating with the Board").

The Board's non-management, or independent, directors meet separately in executive sessions, chaired by the Lead Independent Director (currently Mr. Rosenthal), at least quarterly.

Lead Independent Director

Our bylaws require the Board's independent directors to elect one independent director to serve as the Lead Independent Director. The independent directors have designated Mr. Rosenthal to serve as the Company's Lead Independent Director.

In addition to presiding at executive sessions of non-management directors, the Lead Independent Director has the responsibility of coordinating the activities of the independent directors, and performing the following functions:

- advising the Executive Chairman of the Board as to an appropriate schedule of Board meetings, seeking to ensure that the independent directors can perform their duties responsibly while not interfering with the day-to-day management of Global Industrial's operations;
- providing the Executive Chairman with input as to the preparation of agendas for the Board and committee meetings;
- advising the Executive Chairman as to the quality, quantity, and timeliness of the flow of information from our management that is necessary for the independent directors to effectively and responsibly perform their duties, and although our management is responsible for the preparation of materials for the Board, the Lead Independent Director may specifically request the inclusion of certain material;
- recommending to the Executive Chairman the retention of consultants who report directly to the Board;
- assisting the Board and our officers in assuring compliance with and implementation of the Company's various corporate governance policies, procedures and protocols; and taking principal responsibility for recommending revisions to the corporate governance policies;
- coordinating and developing the agenda for, and moderating executive sessions of, the independent directors of the Board, and acting as principal liaison between the independent directors and the Executive Chairman on select issues; and
- recommending to the Executive Chairman, on behalf of the Nominating/Corporate Governance Committee, the membership of the various Board committees.

Communicating with the Board

Stockholders and other interested parties may communicate with the Board, any committee of the Board, any individual director (including the Lead Independent Director) or the independent directors as a group, by directing communication to:

investinfo@globalindustrial.com

Office of the Corporate Secretary
Global Industrial Company
11 Harbor Park Drive
Port Washington, NY 11050

Communications from stockholders will be distributed to the entire Board unless addressed to a particular committee, director or group of directors. The Corporate Secretary will not distribute communications that are unrelated to the duties of the Board, such as spam, junk mail, mass mailings, business solicitations and advertisements.

Committees of the Board

The Board has a standing Audit Committee, Compensation Committee, and Nominating/Corporate Governance Committee. In addition, the Board has an Executive Committee empowered to act for the Board in certain circumstances, but the Executive Committee did not exercise such power in 2021. For more information, *see* Executive Committee on page 26 of this Proxy Statement.

Committee Composition

	Independent	Audit Committee*	Compensation Committee	Nominating/ Corporate Governance Committee	Executive Committee
Richard Leeds	**No**				Member
Bruce Leeds	**No**				Member
Robert Leeds	**No**				Member
Chad M. Lindbloom	**Yes**	Chairman	Chairman	Member	
Paul S. Pearlman	**Yes**	Member	Member	Member	
Robert D. Rosenthal	**Yes**	Member	Member	Chairman	Member

* All members of the Audit Committee have been determined by our Board to be Audit Committee Financial Experts within the meaning of applicable SEC regulations and in compliance with NYSE requirements.

KEY: **= Member** **= Chairman**

Audit Committee

Number of Meetings Held in Fiscal Year 2021: Eight

The Audit Committee is appointed by the Board to assist the Board with oversight of:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the independence and qualifications of our external auditors; and
- the performance of our internal audit function and external auditors.

It is the Audit Committee's responsibility to retain or terminate our independent registered public accountants, which audit our financial statements, and to prepare the Audit Committee report that the SEC requires to be included in our annual proxy statement. For more information, *see* Report of the Audit Committee on page 63 of this Proxy Statement.

As part of its activities, the Audit Committee meets with our auditors at least annually to review the scope and results of the annual audit and quarterly to discuss the review of the quarterly financial results.

In addition, the Audit Committee receives and considers the independent registered public accountants' comments and recommendations as to internal controls, accounting staff, management performance and audit procedures.

The Audit Committee is also responsible for establishing procedures for:

- the receipt, retention and treatment of complaints received by Global Industrial regarding accounting, internal accounting controls and audit matters; and

- the confidential, anonymous submission by employees of Global Industrial of concerns regarding questionable accounting or audit matters.

In addition, the Audit Committee is responsible for reviewing, and discussing with management and reporting to the Board regularly, our risk assessment and risk management processes, although it is senior management's responsibility to assess and manage our exposure to risk under the oversight of the Board.

In addition, the Audit Committee works together with the Compensation Committee to ensure that our compensation policies address and promote our risk management goals and objectives. The Audit Committee also discusses with management our major financial risk exposures and the steps management has taken to monitor and control such exposures.

The Board has determined that Messrs. Lindbloom, Pearlman and Rosenthal are qualified as audit committee financial experts within the meaning of applicable SEC regulations and the Board has determined that each of them has accounting and related financial management expertise under the rules of the NYSE.

Global Industrial does not have a standing policy on the maximum number of audit committees of other publicly owned companies on which the members of the Audit Committee may serve. However, if a member of the Audit Committee simultaneously serves on the audit committee of more than two other publicly-owned companies, the Board must determine whether such simultaneous service would impair the ability of such member to effectively serve on the Company's Audit Committee. Any such determination will be disclosed in our annual Proxy Statement. Currently no member of the Company's Audit Committee serves on the audit committee of more than two other publicly-owned companies.

Compensation Committee

Number of Meetings Held in Fiscal Year 2021: Six

The Compensation Committee's responsibility is to review and approve corporate goals relevant to the compensation of the CEO and, after an evaluation of the CEO's performance in light of such goals, to set the compensation of the CEO.

The Compensation Committee also approves:

- the annual compensation of the other executive officers of Global Industrial;

- the annual compensation of certain select vice presidents and managers of Global Industrial's business; and

- all individual stock-based incentive grants.

The Compensation Committee is also responsible for reviewing and making periodic recommendations to the Board with respect to the general compensation, benefits and perquisite policies and practices of Global Industrial including our incentive-based and equity-based compensation plans. The Compensation Committee also prepares an annual report on executive compensation for inclusion in our annual Proxy Statement. For more information, *see* Compensation Committee Report on page 52 of this Proxy Statement. The Compensation Committee also reviews and approves the performance and compensation of our Executive Chairman and Vice Chairmen.

In addition, it is the Compensation Committee's responsibility to consider, and work together with the Audit Committee to ensure our compensation policies address and promote our risk management goals and objectives.

Nominating/Corporate Governance Committee

Number of Meetings Held in Fiscal Year 2021: Five

The Nominating/Corporate Governance Committee's responsibilities include, among other things:

- identifying individuals qualified to become Board members and recommending to the Board nominees to stand for election at any meeting of stockholders;
- identifying and recommending nominees to fill any vacancy, however created, on the Board; and
- developing and recommending to the Board a Corporate Ethics Policy and a set of Corporate Governance Guidelines and Principles (including director qualification standards, responsibilities and compensation) and periodically reviewing and amending them.

Diversity Commitment

In February 2022, the Nominating/Corporate Governance Committee, with unanimous Board support, committed to endeavoring to include, and requiring any search firm that it engages to endeavor to include, diverse candidates in initial pools of director nominees if and to the extent Board vacancies should arise.

The Nominating/Corporate Governance Committee looks for individuals who have very high integrity, significant business experience and a genuine interest in Global Industrial. We believe that each of the director nominees bring these qualifications to our Board. Moreover, they provide our Board with a diverse complement of specific business skills, experience and perspectives.

Executive Committee

Number of Meetings Held in Fiscal Year 2021: None

Among other duties as may be assigned by the Board from time to time, the Executive Committee is:

- authorized to oversee our operations;
- authorized to supervise our executive officers;
- authorized to review and make recommendations to the Board regarding our strategic direction; and
- authorized to review and make recommendations to the Board regarding possible acquisitions or other significant business transactions.

The Executive Committee is also authorized to manage the affairs of Global Industrial between meetings of the Board. The Executive Committee has all of the powers of the Board not inconsistent with any provisions of the Delaware General Corporation Law, our Certificate of Incorporation or bylaws or other resolutions adopted by the Board, but the Executive Committee did not exercise its power in 2021. The current members of the Executive Committee are Messrs. Richard Leeds, Bruce Leeds, Robert Leeds and Robert D. Rosenthal.

Corporate Social Responsibility

As our name suggests, we at Global Industrial think of our corporate responsibility in global terms. As citizens of a global community, we embrace responsible environmental, social and community stewardship as an essential part of our mission to build a successful business and to understand and exceed the expectations of our stakeholders, which include our associates, customers, suppliers, and stockholders. As stakeholder expectations change and evolve, including around environmental, social, and governance ("ESG") matters, we are committed to changing and evolving with them. We have a strong foundation upon which to do so, including investing in infrastructure and innovation, trusting and empowering our associates, supporting local communities in which our associates work and live, embracing a conservative approach to our own resource use, and providing products and services to our customers designed specifically to reduce resource consumption throughout their supply chains.

Environmental, Social and Governance ("ESG") Initiatives

Increased Board Oversight of ESG

In 2021, we established a cross-disciplinary ESG Task Force to lead our ESG efforts. The ESG Task Force not only gathers data about ongoing ESG initiatives throughout our various business units, but also charts ESG objectives for the Company moving forward.

In February 2022, the Nominating/Corporate Governance Committee, with unanimous Board support, committed to endeavoring to include, and requiring any search firm that it engages to endeavor to include, diverse candidates in initial pools of director nominees if and to the extent Board vacancies should arise.

We believe that these recent initiatives at the highest level of Global Industrial underscore the importance we place on environmental, social and governance initiatives, and communicates a message to our various stakeholders, internal and external, that sustainability, diversity and inclusion are among our highest priorities as we continue to advance our business objectives.

Environmental

Environmental responsibility is an important aspect of our business mission. Associates at all levels are required to follow company procedures designed to comply with local, state and federal environmental laws and regulations. We strive to minimize the environmental impact of our operations in the communities in which we operate and to be mindful of conservation of natural resources. In addition, we continually work to reduce our environmental footprint through various sustainability initiatives, which include:

- **Conversion to LED Lighting:** Continuing a strategy that began several years ago, 60% of our U.S. distribution centers and our corporate headquarters have LED lighting (or are scheduled to have LED lighting installed by the end of 2022). LED lighting dramatically reduces the energy required to light our facilities, while decreasing attendant costs. In addition, when we convert a facility from fluorescent lighting to LED lighting, we recycle the fluorescent bulbs. Additionally, most of our lights are equipped with either motion sensors or have timers to further control energy consumption in our facilities.
- **Migration to More Energy Efficient HVAC Sources:** In designing our distribution centers and when upgrading our facilities, we look to use energy efficient HVAC sources, including split-unit HVAC systems, and high temperature and direct gas-fired air heaters. By preferentially using energy-saving HVAC systems, we have lowered the amount of greenhouse gases and carbon emitted from our facilities.
- **Use of Programmable Thermostats:** Most of our facilities use programmable thermostats with setbacks to control energy consumption. These thermostats are designed to be eco-friendly in that they help to decrease the greenhouse gas emissions associated with energy consumption at our facilities.
- **Optimization of Package Size:** In our distribution centers, we use a software platform that optimizes and reduces the size of cardboard boxes when packaging our products. The platform matches product size to box size to ensure that the products are shipped in the most efficient way possible using the least amount of materials.
- **Cardboard Recycling:** Each of our distribution centers has a cardboard recycling process in place. Recycling cardboard significantly reduces the volume of waste Global Industrial sends to landfills.

- **Reduction of fuel emissions:** In 2019, Global Industrial completed the installation of electric vehicle charging stations at our corporate headquarters. By installing the electric vehicle charging station, we are encouraging the use of renewable energy while decreasing our Company's reliance on fossil fuels.
- **Reduction in Paper Consumption:** Global Industrial is continually reducing our reliance on paper transactions and documentation to embrace efficient digital and electronic recordkeeping processes.
- **Maintenance of Workplace Flexibility and Telework Policies:** Global Industrial has implemented workplace flexibility and telework policies and resources that provide associates the flexibility to balance business and personal needs, while reducing reliance on commuting, which reduces fuel consumption.

In addition to doing our fair share for the global environment, it is our hope that our demonstrated commitment to sustainability initiatives will serve as a positive model of corporate civic responsibility in the communities we serve, and stimulate analogous efforts among our stakeholders.

Social

As of December 31, 2021, we employed a total of approximately 1,480 associates, of whom 1,310 were in North America and 170 were in Asia. Global Industrial has not experienced work stoppages or labor unrest and we believe relationships with our employees are good.

Our Mission, Vision & Core Values

The Company's multi-year business strategy is focused on Accelerating the Customer Experience ("ACE"). The ACE strategy, which guides our actions across the business, and specifically in our customer end-to-end purchase, service, and delivery experience, has at its core building of customer loyalty and trust by addressing unique customer needs through a responsive and tailored sales, product, and service experience. As we strive to accelerate our customer experience, we have worked hard to advance the associate experience as well through our mission, vision and core values.

Mission: Our mission is to keep businesses going and growing with the right products, services, solutions and industrial strength advice to keep them safe and productive, making everyone's job easier.

Vision Statement: Deliver an unrivaled business experience for our customers by knowing them better than anyone else, anticipating and meeting their needs and creating customer loyalty.

Core Values:

- ***Can-Do Attitude.*** We roll-up our sleeves and get things done. We are not spectators; we are doers and movers.
- ***Unafraid.*** We are unafraid to chart a new course, challenge the *status quo*, or try something new. We innovate, seeking to find a better way every day.
- ***Extra Chip in the Cookie.*** We deliver unexpected quality and value adding a "wow" factor to all we do.
- ***Customer End-to End Happiness.*** Every associate, whether directly or indirectly, touches the customer and is a brand ambassador.
- ***Turn on a Dime.*** We are nimble, responsive, and quickly pivot to meet emerging needs and solve "what's next."
- ***One Team.*** We collaborate and break down silos and we pitch in where and as needed. We do not stand by and let others fail; we work together as one team.
- **Do What's Right.** We act with integrity, honestly and transparency. We never compromise our principles.
- ***Our Associates Matter.*** Every voice counts. Our people are our greatest advantage. No matter how big a project gets or whatever one's contribution is, each associate matters.
- ***Free to Succeed.*** We believe in eliminating roadblocks on the way to personal achievement. Associates are free to "go" as far as they are willing to "grow," and, in so doing, enhance the greater good.

We Support Our Associates' Professional Development

We seek people that embody our core values, and work to give them a reason to stay. Through our values, we empower our human capital. We provide an online learning center so our associates can improve their skills and increase their value. In 2022, we launched a quarterly development series called "Path to Professionalism," which is open to all associates in a supervisory role.

We also encourage associates to expand their personal and professional growth through formal education. Global Industrial offers a tuition reimbursement program that supports the growth and development of our associates by providing financial assistance to eligible associates who are working toward an undergraduate degree or graduate degree.

We Support Our Associates' Health and Safety

Associate health and safety is a top priority for Global Industrial and has been a key factor in our safe navigation of the pandemic thus far. As distribution is considered an essential business our distribution centers remained open during the pandemic and our office facilities remained open in locations where social distancing and local regulations permitted.

Protocols we established to keep our employees safe include:

- Implementing Covid-19 related controls to address social distancing, intense cleaning of common areas, and enhanced use of personal protective equipment;
- Providing face masks, gloves and sanitizing products for employees' use;
- Limiting all but essential travel for all employees;
- Providing paid time off for employees with suspected and confirmed Covid-19 illness and for contact tracing;
- Providing paid time off for employees to receive and recover from the Covid-19 vaccine;
- Providing incentive bonuses to encourage employees to become vaccinated;
- Restricting access to our facilities to essential visitor personnel; and
- Implementing remote work and in-office rotation policies to effect social distancing.

Our safety teams and local safety committees provide oversight, training, education and compliance guidance, as well as workers' compensation remediation advice, to our management teams and directly to our workforce.

We Support a Positive Work Culture for our Associates

Global Industrial has made a commitment to providing a work environment free from all forms of harassment or intimidation, including sexual harassment and bullying behavior. Harassment on the basis of race, color, religion, creed, national origin, citizenship, age, disability, pregnancy, sexual orientation, sexual preference, sexual identification, marital status, veteran status, domestic violence victim status, or any other category protected by federal, state, or local law is prohibited at our facilities, company-sponsored events, work-related travel, over electronic systems or through social media.

Management and associates alike are subject to our Corporate Ethics Policy and Corporate Governance Guidelines and Principles. Global Industrial requires all associates to complete Code of Conduct and Ethics and Harassment Prevention trainings regularly.

We Support Community Outreach

Global Industrial's mission of social responsibility extends outward as well to include the communities we serve. The greatest contribution we believe we can make is to serve our customers and create opportunities for our associates within these communities. Over the years, Global Industrial has supported dozens of local and national non-profit organizations through charitable contributions and in-kind donations.

Recently, we sponsored a community clean-up in West Philadelphia and, during our 2021 trade show in Nashville, Tennessee, our CEO led a group volunteer activity to sort and pack medical supplies, stock inventory and load containers for Project C.U.R.E. Nashville, a charitable project that provides donated medical supplies, equipment and services to doctors and nurses in more than 135 countries. Also, in recognition of Autism Awareness Month, the Company is hosting a toy and school supply drive to support local schools for autistic individuals and has provided support for local business that employs autistic individuals.

Governance

Good governance is one of our core principles, which guides our formulation of corporate policies, internal management and relationships with our stakeholders. Good governance starts with a talented and diverse executive management team, which we have significantly expanded and enhanced over the past few years.

In addition, in February 2022, the Nominating/Corporate Governance Committee, with unanimous Board support, committed to endeavoring to include, and requiring any search firm that it engages to endeavor to include, diverse candidates in initial pools of director nominees if and to the extent Board vacancies should arise.

Board composition and governance highlights include:

Director Independence

- 4 out of our 8 director nominees are independent.
- Our roles of executive chairman of the Board and CEO are separated.
- The independent directors meet regularly in private executive sessions without management.
- We have an independent Lead Director, who presides at the executive sessions of the independent directors.
- All principal committees of the Board are composed exclusively of independent directors.
- The Board has three principal committees: Audit, Compensation, and Nominating/Corporate Governance. The charters of each of these committees were reviewed and revised in February 2022 and can be viewed on our website at www.globalindustrial.com.

Board Oversight of Risk Management

- The Board is responsible for the oversight of the Global Industrial risk management process.
- Risk management is a recurring Board quarterly agenda item and is considered part of business and operations planning.

Other Favorable Corporate Governance Practices

- The Board and each principal Board committee conduct annual evaluations to determine whether it and its committees are functioning effectively. As part of this annual self-evaluation, the Board evaluates whether the current leadership structure continues to be optimal for Global Industrial and our stockholders.
- Our company has one class of shares.
- All directors stand for election annually.

Human Capital Management ("HCM")

Quantitative and Qualitative: Demographics and Wellness

We view responsible human capital management through both a quantitative and qualitative lens. At Global Industrial we believe that the first principle in responsible stewardship of human capital is ensuring that it is composition-based: developing a workforce that represents diversity of gender, race and ethnicity as well as diversity of skill and experience. Pursuit of these diversity goals fulfills a dual purpose of fostering employee wellness and inclusion, thereby enhancing a positive work culture, while also leading to higher quality decision-making that results from considering diverse perspectives and viewpoints.

From a wellness perspective, we also take care to ensure that our employees are cared for. We have onsite gyms in each of our facilities in the United States. We offer comprehensive medical, dental, life and disability insurance benefits, which includes telehealth medicine, that gives all associates the opportunity to consult with a board-certified doctor or a licensed therapist from a phone or secure video. We also sponsor a robust employee assistance program.

The Company has also implemented a number of financial wellness initiatives to support our associates' financial well-being, including our 401(k) matching plan; our Employee Stock Purchase Program (“ESPP”) which offers associates the ability to purchase shares of our common stock at a discount to market prices on a predefined biannual schedule; and a tuition assistance program whereby full-time associates that have worked for the Company for at least three months may submit for reimbursement of academic tuition in their chosen areas of study.

We at Global Industrial view our relationship with our employees as a two-way conversation, and frequently solicit employee feedback on ways to improve the quality of their work experience, both through formal surveys and informal commentary. Feedback received from these surveys has led to the Company’s implementation of various wellness- and productivity-enhancing initiatives, such as those mentioned above.

Our CEO also regularly hosts VOTE (Voice of the Employee Meetings) with small groups and departments to hear from our employees in an effort to align their goals and objectives with the Company’s larger mission. We continue to search for new methods to improve our business, both through individual achievements and through advancement of our goals as an enterprise, and we believe that inviting our associates to join us in that self-reflective conversation will stimulate our success in both domains.

In addition, our CEO hosts quarterly “CEO Livestreams” to update associates on the accomplishments of the prior quarter, and key priorities for the next quarter. The CEO Livestreams also include recognition of certain associates who go above and beyond and set the tone for others to follow their leadership example. Global Industrial also maintains a milestone service awards program that recognizes associates for their long-term service and commitment to the Company. Associates receive a recognition gift starting on their fifth-anniversary and continue to receive a gift for every five years completed thereafter.

Diversity, Equity and Inclusion ("DEI") Initiative

Consistent with the Company's philosophy of inclusion, we continually strive to improve our inclusiveness initiatives, and look forward to further improving our metrics with respect to other historically underrepresented populations within our workforce as we continue to pursue our ESG initiatives.

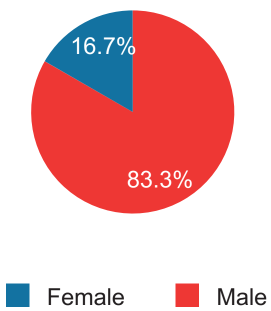
Commitment to Diversity and Inclusion

Our commitment to diversity and inclusion is exemplified in the composition of Global Industrial's workforce. The makeup of our executive management team reflects our commitment to enhancing diversity with respect to gender, ethnicity and professional experience.

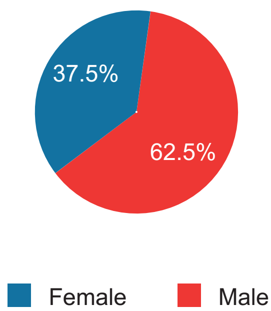
Under the Company's new executive leadership, we have made important strides in gender diversity. Since Mr. Litwin's appointment as CEO in January 2019, diversity of gender on the Company's senior leadership team (comprising our Senior Vice Presidents) has increased by over 20 percentage points.

The Company's significant progression toward gender diversity in its top executive leadership is represented below:

Senior Leadership Team (excluding CEO)
Gender Diversity (Year End 2018)



Senior Leadership Team (excluding CEO)
Gender Diversity (Year End 2021)



Consistent with the Company's philosophy of inclusion, we continually strive to improve our inclusiveness initiatives, and look forward to improving metrics with respect to other historically underrepresented populations within our workforce as we continue to pursue our ESG initiatives. In 2022 thus far, we have hosted Women's Leadership and Black History Month programs, which have been well-received by our associates.

We value not only the diversity of experience these professionals bring to our executive management, but also diversity of perspective they bring to our collective approach to problem solving. This commitment to diversity and inclusion is mirrored in the composition of Global Industrial's workforce. Our worldwide workforce is made up of a diverse group of associates. In our most recent U.S. EEO-1 data, the demographic breakdown for self-reporting associates was 44% female and 56% male, and minorities constituted 55% of our workforce. We believe the diversity of our associates is one of the Company's important strengths.

Director Compensation

General Policy

Our policy is not to pay compensation to directors who are also employees of Global Industrial or any of our subsidiaries for their service as a director. Directors are reimbursed for reasonable travel and out-of-pocket expenses incurred for attending Board and Committee meetings and are covered by our travel accident insurance policy for such travel.

The table below shows the elements and amounts of compensation that we paid our non-management directors for fiscal year 2021.

Compensation Element	Amount ($)
Retainers[(1)]	70,000
Restricted Stock Units[(2)]	50,000
Committee Chair Annual Retainers[(1)]	
Audit Committee	20,000
Compensation Committee	10,000
Nominating/Corporate Governance Committee	10,000
Committee Member Annual Retainers[(1)]	
Audit Committee	10,000
Compensation Committee	5,000
Nominating/Corporate Governance Committee	5,000
Lead Independent Director Retainer[(1)]	20,000

(1) Retainer amounts are paid in quarterly installments.

(2) Each non-management director receives an annual grant of restricted stock units each year immediately following the annual stockholders meeting in an amount equal to $50,000 divided by the closing price per share during the 20 trading days preceding the date of the annual meeting (rounded up to the nearest whole number of shares). Such restricted stock units are generally subject to forfeiture if the holder is not a director of Global Industrial on the date of the second annual meeting following such grant, and cannot be sold while so restricted; such restrictions lapse if the holder dies or becomes disabled or there is a change of control, as defined in the grant agreement. Cash dividend equivalents are paid on unvested restricted stock.

Non-Management Director Compensation in Fiscal Year 2021

The non-management directors received the following compensation during fiscal year 2021:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)[(1)]	Option Awards ($)	All Other Compensation ($)[(2)]	Total ($)
Chad M. Lindbloom	105,000	50,000	-	6,741	161,741
Paul S. Pearlman	90,000	50,000	-	6,741	146,741
Lawrence Reinhold	70,000	50,000	-	6,741	126,741
Robert D. Rosenthal	115,000	50,000	-	6,741	171,741

(1) This column represents the fair value of the stock award on the grant date determined in accordance with the provisions of ASC 718. As per SEC rules relating to executive compensation disclosure, the amounts shown exclude the impact of forfeitures related to service-based vesting conditions. For additional information regarding assumptions made in calculating the amount reflected in this column, please refer to Note 13 to our audited consolidated financial statements, included in our Annual Report on Form 10-K for fiscal 2021.

(2) Dividend equivalent payments on unvested restricted stock.

Executive Officers

There are no arrangements or understandings between any officer and any other person pursuant to which such person was selected as an officer. Biographical information for Messrs. Richard Leeds, Bruce Leeds, and Robert Leeds is on page 14 of this Proxy Statement.

Chief Executive Officer

Biographical Information

Mr. Litwin was appointed Chief Executive Officer of Global Industrial in January 2019. Prior to joining Global Industrial, he was the Chief Executive Officer of Adorama, Inc., a leading multi-channel retailer of professional camera, audio, and video equipment. Previous executive roles included overseeing e-commerce and marketing for Sears Holdings, Inc., Office Depot, and Newark Electronics, Inc., in addition to serving as an advisor to several early stage digital and technology companies. Mr. Litwin received a BS degree from Indiana University, and an MBA in Operations from Loyola University, Quinlan School of Business.

Barry Litwin

Age: 55

Executive Officer of the Company Since 2019

Senior Vice President and Chief Financial Officer

Biographical Information

Thomas Clark was appointed Vice President and CFO of Global Industrial in October 2016. Mr. Clark originally joined Global Industrial in 2007. Prior to being appointed Vice President and CFO, Mr. Clark, served in a number of senior financial positions at Global Industrial, most recently as Controller of the Industrial Products Group. Previously he held the positions of Director of Finance, and Manager of Financial Planning & Analysis at Global Industrial. Mr. Clark received a BA degree and an MBA from the University of Miami.

Thomas Clark

Age 40

Executive Officer of the Company Since 2016

Senior Vice President and Chief Human Resources Officer

Biographical Information

Donna Fielding joined Global Industrial in 2018 as Senior Vice President and Chief Human Resources Officer. Prior to joining Global Industrial, Ms. Fielding worked in various human resource leadership roles in Fortune 500 organizations, including ADP, Credit Suisse, Pfizer and JPMorgan Chase. Ms. Fielding has broad experience in traditional human resources as well as cultural transformation, differentiated and specialized talent models, and integrated human capital solutions. Ms. Fielding received a dual degree BS Business Management and Communication from Adelphi University.

Donna Fielding

Age 51

Executive Officer of the Company Since 2018

Senior Vice President and Chief Sales Officer

Biographical Information

Claudia Hughes joined Global Industrial in 2021 as Senior Vice President and Chief Sales Officer. She was previously Senior Vice President, US Field Sales for Office Depot, where she held positions of increasing responsibility during her 27-year tenure. Ms. Hughes possesses exceptional business skills across B2B Sales, Sales Leadership and Sales Operations, with data driven results. Ms. Hughes received a BS degree from the University of Maryland, College Park.

Claudia Hughes

Age 54

Executive Officer of the Company Since 2021

Senior Vice President and Chief Information Officer

Biographical Information

Manoj Shetty was appointed Senior Vice President and Chief Information Officer of Global Industrial in August 2014. Mr. Shetty originally joined Global Industrial in 2000 and has served in several Information Technology roles since that time. Prior to joining Global Industrial, Mr. Shetty was employed at Mercator (ultimately acquired by IBM) and in the manufacturing sector. Mr. Shetty received a BE (Bachelors in Engineering) from SJCE Mysore (Sri Jayachamarajendra College of Engineering).

Manoj Shetty

Age 61

Executive Officer of the Company Since 2014

Senior Vice President, General Counsel and Corporate Secretary

Biographical Information

Adina Storch joined Global Industrial in 2021 as Senior Vice President, General Counsel and Corporate Secretary. She recently served as the General Counsel, Chief Compliance Officer and Corporate Secretary of Cedar Realty Trust and prior to that was a partner at Kasowitz, Benson, Torres & Friedman LLP. During her career, Ms. Storch has advised domestic and international companies across a range of topics, including capital markets transactions and regulatory compliance matters. Ms. Storch graduated *summa cum laude* from Yale College and received her J.D. from the Yale Law School, where she was a senior editor of The Yale Law Journal.

Adina Storch

Age 50

Executive Officer of the Company Since 2021

Senior Vice President and Chief Merchandising Officer

Alex Tomey

Age 52

Executive Officer of the Company Since 2021

Biographical Information

Alex Tomey joined Global Industrial in 2021 as Senior Vice President and Chief Merchandising Officer. He recently served as Co-Chief Merchandising Officer at Petco and prior to that as Senior Vice President, Product Development and Global Sourcing at DICK'S Sporting Goods. During his career, Mr. Tomey has held various merchandising leadership positions at leading retailers including Kohl's and Walmart. Mr. Tomey has previously held board positions at Petco Mexico and DICK’s Sporting Goods Foundation. Mr. Tomey received a BS from the University of Missouri- Columbia.

Senior Vice President and Chief Marketing Officer

Klaus Werner

Age 54

Executive Officer of the Company Since 2020

Biographical Information

Klaus Werner joined Global Industrial in February 2020 as Senior Vice President and Chief Marketing Officer. Prior to joining Global Industrial, Mr. Werner worked in various senior executive roles in marketing, e-commerce, technology, data and enterprise analytics. During his career he has held leadership positions with HD Supply, Alex Lee, Rosetta, Lowe’s and Bellsouth. Mr. Werner received a BS from Florida Atlantic University and a Master’s Degree from Nova Southeastern University.

Senior Vice President, Operations

Christopher Longhito

Age 41

Executive Officer of the Company Since 2021

Biographical Information

Christopher Longhito joined Global Industrial in 2019 and was promoted to Senior Vice President, Operations in 2021. While at Global Industrial, he has held management roles in purchasing, inventory and customer experience. Prior to joining Global Industrial, Mr. Longhito held various leadership positions in supply chain and inventory management with Drive DeVilbiss Healthcare and Henry Schein. Mr. Longhito received a BBA in Finance from Loyola University.

Compensation Discussion and Analysis

Executive Summary

In this section, we discuss the objectives of our compensation programs and policies, and the reasons why we pay each material element of our executive officers' compensation. Following this discussion, you will find a series of tables containing more specific details about the compensation of our Named Executive Officers, (referred to as "NEOs"), listed below.

Our NEOs in 2021 were as follows:

Name	Title
Richard Leeds	Executive Chairman
Bruce Leeds	Vice Chairman
Robert Leeds	Vice Chairman
Barry Litwin	Chief Executive Officer
Thomas Clark	Senior Vice President and Chief Financial Officer
Eric Lerner*	Former Senior Vice President and General Counsel

* Mr. Lerner served as Senior Vice President and General Counsel of Global Industrial until his departure effective as of October 22, 2021.

Central Objectives and Philosophy of Our Executive Compensation Programs

The Compensation Committee designs competitive compensation packages having the proper amount and mix of short term, annual and long-term incentive programs to serve several important objectives:

- attracting and retaining individuals of superior ability and managerial talent;
- rewarding outstanding individual and team contributions to the achievement of our short and long-term financial and business objectives, including our ACE strategy;
- promoting integrity and good corporate governance;
- motivating our executive officers to manage for sustained growth and financial performance, and enhanced stockholder value, for the long-term benefit of our stockholders, customers and employees; and
- mitigating risk and reducing risk taking behavior that might negatively affect financial results, without diminishing the incentive nature of the compensation (as described below).

Pay and Governance Practices

Our executive compensation program includes a number of features intended to reflect best practices in the market and to help ensure that the program reinforces our stockholders' interests, including:

WHAT WE DO:	WHAT WE DON'T DO:
✓ **Pay for Performance Alignment:** We align our executive compensation with stockholder returns by providing a significant portion of our named executive officers' compensation in the form of at-risk awards tied to our short- and long-term strategy and measurable performance. In addition, a portion of our executives' compensation is given in the form of equity that vests ratably over several years to encourage retention and further reinforce stockholder alignment.	X **No Excessive Perquisites, and No Contractual Tax Gross-Ups on Golden Parachutes:** We do not provide any excessive perquisites to our named executive officers or directors, nor do our executive employment agreements provide for golden parachute tax gross-ups.
✓ **Caps on Individual Incentive Awards:** We include caps on individual payouts in our annual and long-term incentive plan.	X **No Stock Trading Plans Without Committee Approval and Oversight:** Our directors and executive officers are prohibited from entering securities trading plans pursuant to SEC Rule 10b5-1 without the pre-approval of our Nominating/Corporate Governance Committee.
✓ **Annual Compensation Committee Assessments:** Each year, the Compensation Committee assesses its: (i) structure, (ii) performance, (iii) role and responsibilities articulated in the Committee charter, (iv) composition, and (v) meeting conduct.	X **No Compensation or Incentives that Encourage Unnecessary or Excessive Risk-Taking:** While our compensation program rewards our senior management for achievement of short- and long-term strategic and operational goals as measured through achievement of multiple operational metrics, our Compensation Committee reviews market considerations, internal considerations and the long-term interests of our stockholders, to ensure that excessively risky behaviors are not incentivized.
✓ **"Double-trigger" Change in Control Provisions for Equity Awards:** In the event of a change in control, acceleration of vesting of long-term incentive awards will not occur unless there is also a qualifying termination of employment within a specified period following the change in control.	X **No Supplemental Retirement Benefits for Executives:** We do not have any supplemental executive retirement or other nonqualified deferred compensation plans.
✓ **Independent Compensation Committee Advised by Independent Compensation Consultant:** The Compensation Committee, like all of our principal Board committees, comprises solely independent directors, and retains an independent compensation consultant to advise it, as needed, on market compensation trends, and best pay practices.	X **No Liberal Share Recycling:** Shares tendered or held back for taxes or to cover the exercise price of an option will not be added back to the reserve pool under our equity plans. Similarly, shares we reacquire in the open market will not be added to the reserve pool.

Risk Management and Pay Alignment

We believe our programs encourage and reward prudent business judgment and appropriate risk-taking over the long-term. We believe the following factors are effective in mitigating risk relating to our compensation programs including the risk that an executive will take action that is detrimental to our long-term interests in order to increase the executive's short-term performance-based compensation:

- ***Governance and Management Processes.*** Our Board is responsible for overseeing, and together with our Audit Committee, monitors the risk management processes associated with our operations, and together with our Audit Committee focuses on the most significant risks facing Global Industrial, seeking to ensure that appropriate general and specific risk mitigation considerations are implemented by management and considered in our business and operations planning. Our Compensation Committee is responsible for considering risk mitigation issues and for including strategies to mitigate risk in our compensation programs.

- ***Regular Oversight.*** Risk management is regularly overseen by the Board and Audit Committee on a quarterly basis, covering particular risk management matters in connection with general oversight and approval of corporate matters, and through discussions relating to material risks affecting Global Industrial presented by management and by our Finance, Legal, Risk Management/Insurance and Internal Audit departments. The Compensation Committee members also receive these presentations and take risk mitigation into account in designing our compensation programs.

- ***Multiple Performance Factors.*** We use multiple performance factors that encourage executive officers to focus on the overall health of the business rather than on a single financial measure.

- ***Award Cap.*** Our annual Non-Equity Incentive Plans for senior executive officers cap the maximum award payable to any individual.

- ***Long-Term Equity Compensation.*** Our executives and a limited number of key business leaders receive stock options and/or restricted stock units in varying amounts in accordance with a metrics-driven and goal-oriented, benchmarked approach. All awards are subject to year- long vesting periods, deferred distribution in the case of restricted stock unit awards granted in 2020 and thereafter, and since 2019 may include performance criteria in the vesting formula. We believe the long-term vesting period for stock options and restricted stock unit grants causes our executives to focus on long-term achievements and on building stockholder value. We anticipate continuing to make such use of equity awards as an important component of our compensation programs in the future.

Elements of Our Executive Compensation Programs

To promote the objectives described above, our executive compensation programs consist of the following principal elements:

- Base salary;
- Non-Equity Incentive Compensation;
- Special Bonus (in special circumstances);
- Equity-Based Incentives; and
- Benefits, Perquisites and Other Compensation

In 2020, the Compensation Committee developed general guidelines, policies and formulas for allocating compensation among current and long-term compensation, mix of equity and non-equity compensation and fixed and variable cash compensation. The Compensation Committee from time to time adjusts different elements of compensation based upon its evaluation of our key business objectives and related compensation goals set forth above. We do not have a formal policy regarding internal pay equity. In addition, we provide our stockholders, pursuant to SEC regulation, with a non-binding "say on pay" advisory vote on our executive compensation every three years. While the Compensation Committee considers the results of the stockholder "say on pay" vote, the voting results are only one among many factors considered by the Compensation Committee in evaluating our compensation principles. design and practices.

Base Salary. Historically, base salary levels were primarily determined based on individual and Global Industrial performance as well as an objective assessment of the average prevailing salary levels for comparable companies in our geographic regions (based on industry, revenues, number of employees, and similar factors), derived from widely available published reports. Such reports do not identify the component companies. Beginning for 2020, the Compensation Committee, assisted by the Compensation Committee's compensation consultant, adopted a more objective salary determination process primarily based on benchmarking our executive officer's salaries against the salary levels of similar executives via an extensive library of compensation surveys as well as against comparable companies, principally based on industry, revenues, and number of employees. This peer set was further supplemented by companies in our geographic regions as well as other public company competitors that may not have otherwise been included. *See* discussion below of "Compensation Consultant" and "Peer Companies".

Non-Equity Incentive Compensation. Incentive cash compensation of our executive officers (excluding Messrs. Richard, Robert and Bruce Leeds) under the 2019 senior executive compensation plan (which operated under our 2010 LTIP) and under the 2020 and 2021 senior executive compensation plan (which operate under our 2020 LTIP) is based primarily upon an evaluation of Global Industrial performance as it relates to five general business areas:

- Financial Performance metrics, such as the measurement of growth of the achievement of the annual operating plan for net sales, gross profit, gross margin, SG&A, operating income, and operating margin.
- Customer Performance accomplishments such as the acquisition rate of new business customers, the retention rate of customers, sales growth of key customer segments, e-commerce conversion rates, and overall customer satisfaction scores.
- Operational Performance metrics inclusive of on-time delivery rates, customer service productivity scores, distribution center cost control, improvements in key safety metrics inclusive of reductions in OSHA Recordable events.
- Human capital metrics inclusive of management of employee turnover rates, employee engagement scores, and overall cost management of compensation expense in the organization.
- Accomplishment of Key Strategic Initiatives such as management of the organization's technology roadmap, expansion of its private brand business, and its execution of new product and customer vertical introductions.

An overriding principle in the evaluation of Global Industrial's Performance is the responsible management of good corporate governance and oversight, encompassing legal and regulatory compliance and adherence to Global Industrial policies including the timely filing of periodic reports with the SEC, compliance with the Sarbanes-Oxley Act, maintaining robust internal controls, OSHA compliance, environmental, employment and health/safety laws and regulations compliance (including in connection with pandemic preparation and mitigation) and enforcement of our corporate ethics policy.

Each of the Financial and Key Functional goals are subjectively approved by the Compensation Committee annually, based on Global Industrial's changing needs from time to time, and are intended to encourage cross-functional efforts by our management team to support projects that benefit Global Industrial. Detailed discussion of these goals can be found below in the discussion of the 2021 senior executive compensation plan.

Our performance goals may be expressed (i) with respect to Global Industrial as a whole or with respect to one or more divisions or business units, (ii) on a pre-tax or after-tax basis, and (iii) on an absolute and/or relative basis. The performance goals may (i) employ comparisons with past performance of Global Industrial (including one or more divisions) and/or (ii) employ comparisons with the current or past performance of other companies.

To the extent applicable, the measures used in performance goals set under the 2010 LTIP and in the 2020 LTIP are determined in a manner consistent with the methods used in our SEC reporting on Forms 10-K and 10-Q, except that adjustments will be made for certain items, including special, unusual or non-recurring items, acquisitions and dispositions and changes in accounting principles.

Pursuant to SEC rules, and except for disclosure of our actual performance relative to any actually achieved 2021 and future financial targets, Global Industrial is not disclosing the specific performance targets and actual performance measures for the financial goals used in our senior executive compensation plans because they represent confidential financial information that Global Industrial does not disclose to the public, and Global Industrial believes that disclosure of this information would cause us competitive harm. In addition, we do not disclose the specific subjective non-financial goals, since they may directly relate to strategic initiatives, plans and tactics being undertaken by our business and may indicate where we intend to devote our resources. We believe that our competitors having detailed knowledge of where we are devoting our strategic resources and management emphasis could give our competitors an advantage and be harmful to our competitive position.

Financial targets are set such that only exceptional performance will result in payouts above the target incentive and poor performance will result in diminished or no incentive payment. We set the financial target performance goals at a level for which there is a reasonably challenged chance of achievement based upon the range of assumptions used to build our annual budget and forecasted performance. We did not perform specific analysis on the probability of the achievement of the financial target performance goals, given that the market is difficult to predict. Rather, we relied upon our experience in setting the goals guided by our objective of setting a reasonably attainable and motivationally meaningful goal. We set the non-financial goals (which are established by the Compensation Committee and measured by the management of Global Industrial and the assessment is approved by the Compensation Committee in four incremental levels of achievement, as discussed below) to reflect a reasonable degree of difficulty to achieve substantial performance.

Special Bonuses. From time to time, the Compensation Committee may make special awards to our executive officers, in order to reward special achievement in the year that was not covered by the senior executive plan for that year. These awards may take the form of cash bonuses or equity awards and were granted pursuant to the 2010 LTIP and predecessor plans, and any 2022 grants would be awarded under the 2020 LTIP.

Equity-Based Incentives. Equity based compensation provides an incentive for executive officers to manage Global Industrial with a view to achieving results which would increase our stock price over the long-term and, therefore, the return to our stockholders. Historically equity grants included only time-based vesting conditions, but in 2019, 2020 and 2021 certain executive officers and other members of management received equity grants that included both time-based and performance-based vesting conditions.

Outstanding equity-based incentives consist of:

- non-qualified stock options granted at 100% of the stock’s fair market value on the grant date (based on the NYSE closing price of our common stock on that date), subject to repricing as occurred in 2019; and
- restricted stock units granted subject to vesting conditions including both time and / or performance criteria (and beginning in 2020 subject to deferred delivery of vested restricted stock unit awards) constitute the long-term incentive portion of our executive compensation package.

The Compensation Committee is cognizant of the timing of the grant of stock based compensation in relation to the publication of Global Industrial earnings releases and other public announcements and aims to grant equity on a consistent basis each year at the time of its first quarter Board and Committee meetings.

Benefits, Perquisites and Other Compensation. Global Industrial provides various employee benefit programs to our associates, including executive officers such as:

- medical, dental, life and disability insurance benefits;
- our 401(k) plan, which includes Global Industrial matching contributions;
- our Employee Stock Purchase Program ("ESPP") which offers employees the ability to purchase shares of our common stock at a discount to market prices on a predefined biannual schedule;
- payment of dividend equivalent payments on non-vested and non-delivered RSUs;
- automobile allowances and related reimbursements to all executive officers and certain other members of Global Industrial's management team which are not provided to all employees; and
- severance payments, and/or change of control payments pursuant to negotiated employment agreements with Global Industrial (described below).

Global Industrial does not provide any pension benefits or deferred compensation under any defined contribution or other plan on a basis that is not tax-qualified.

Other than the Company's 401(k) programs, the Company does not provide supplemental retirement benefits.

Tax Deductibility Considerations. Section 162(m) of the Internal Revenue Code (the “Code”) limits to $1,000,000 the U.S. federal income tax deductibility of compensation paid in one year to a company's executive officers. While the Code limits the deductibility of compensation paid to our named executive officers, our Compensation Committee will-consistent with its past practice-continue to retain flexibility to design compensation programs that are in the best long-term interests of Global Industrial and our stockholders, with deductibility of compensation being one of a variety of considerations taken into account.

Anti-Hedging and Anti-Pledging Policy. The Company does not have a policy regarding the ability of its employees to hedge or pledge Company securities, including with respect to the types of transactions identified in Item 407(i)(1) of Regulation S-K.

Role of the Compensation Committee and CEO in Compensation Decisions

The Compensation Committee's role and responsibility covers several distinct aspects of setting compensation:

- review and approve the compensation of the Executive Chairman, Vice Chairmen and CEO;
- approve, upon the recommendation of the CEO (following consultation with the Executive Chairman and Vice Chairmen), (a) the annual total compensation of the other executive officers of Global Industrial, including non-equity incentive and bonus compensation, (b) the annual compensation of certain other members of Global Industrial's management team, and (c) all individual equity incentive grants; and
- together with the CEO, review and make periodic recommendations to the Board with respect to our general compensation, benefits and perquisite policies and practices (including with respect to risk management), including our stock-incentive based compensation plan.

Engagement of Compensation Consultant

The Compensation Committee is empowered to retain third-party compensation consultants to provide assistance with respect to compensation strategies, market practices, market research data and our compensation goals. In March 2019, in coordination with and at the recommendation of Global Industrial's Chief Human Resources Officer, and with the approval of the Board, the Compensation Committee directly retained a compensation consultant (EA Compensation Resources d/b/a Compensation Resources, the "Compensation Consultant") to advise on and provide data as it relates to corporate executive and senior management compensation for 2020, and the Board consulted with the Compensation Consultant regarding compensation for independent directors and through a separate engagement approved by the Board, the Chief Human Resources Officer and other members of executive management directly engaged a different team within the Compensation Consultant to advise on compensation strategy for a broader employee population as well as to review and advise upon the structure of our sales commission and compensation plans. In 2020, upon the recommendation of the Chief Human Resources Officer, Global Industrial entered into a monthly retainer agreement with EA Compensation Resources to provide position slotting and benchmarking for new roles and provide guidance on overall compensation strategy.

In consultation with the Compensation Consultant, the Compensation Committee and management focused on the following factors in redesigning our equity compensation philosophy and practices:

- determining the market competitiveness and structure of Global Industrial's executive salaries, as well as of other salaried positions;
- evaluating the appropriate mix of fixed and variable cash compensation;
- evaluating the mix of equity and non-equity compensation;
- developing a long-term equity incentive plan design and implementation strategy to align with the key strategies of Global Industrial to attract, retain, and reward management for performance as well as to further align management with our stockholders; and
- creating a stronger link between incentive compensation and performance, for both equity and non-equity incentive compensation.

Market Comparison

In performing its work in 2019 the Compensation Committee made use of surveys and analyses prepared by the Compensation Consultant to benchmark Global Industrial's compensation arrangements against those of peer group companies based on revenue, industry segment and geographic location ("core peers"). An additional set of peers were identified from a "controlled company" and comparable talent pool perspective ("non-core peers"), in order to gain best practice information from companies against whom we compete for talent. We did not use the non-core peers as salary benchmark data. The Compensation Committee further analyzed compensation based on our position descriptions and not historical compensation levels.

The peer group companies used by the Compensation Committee in its 2019 benchmarking analysis were as follows:

Peer Group Companies	2019 Revenue		Peer Group Companies	2019 Revenue	
1-800-Flowers.com, Inc.	$	1,248,623,000	Lifetime Brands Inc.	$	734,900,000
Amazon.com Inc.	$	280,522,000,000	Lowe's Companies Inc.	$	72,148,000,000
Bluelinx Holdings Inc.*	$	2,637,268,000	MSC Industrial Direct Co Inc.	$	3,363,800,000
DXP Enterprises, Inc*	$	1,300,000,000	Office Depot, Inc.	$	10,600,000,000
Foundation Building Materials Inc.	$	2,200,000,000	Pool Corp.*	$	3,199,517,000
GMS Inc.*	$	3,116,032,000	Siteone Landscape Supply Inc.*	$	2,360,000,000
H&E Equipment Services Inc.*	$	1,300,000,000	The Hain Celestial Group Inc.	$	2,302,468,000
HD Supply Holdings Inc.	$	6,146,000,000	The TJX Companies, Inc.	$	41,700,000,000
Henry Schein Inc.	$	9,985,803,000	Tyson Foods, Inc.	$	42,405,000,000
Honeywell International Inc.	$	36,709,000,000	W.W. Grainger Inc.	$	11,500,000,000
Huttig Building Products Inc.*	$	812,000,000	Walmart Inc.	$	524,000,000,000
Kaman Corp.*	$	761,608,000	Watsco, Inc.	$	4,770,362,000

* core peers

The decisions made by the Compensation Committee following its work in respect of our NEOs are described below under 2021 senior executive compensation plan.

2010 and 2020 Long-Term Incentive Plans

Basic Features and Types of Awards

In 2010, the Board of Directors and our stockholders approved the 2010 Long-Term Incentive Plan (the “2010 LTIP”) in order to promote the interests of Global Industrial and our stockholders. The 2010 LTIP expired on April 23, 2020 and accordingly, it could not be used for future awards after that date. The grants made in 2020 and the prior years described below were made under the 2010 LTIP before it expired and were the last grants to be made under the 2010 LTIP.

In March 2020 our Board adopted the Global Industrial Company 2020 Omnibus Long-Term Incentive Plan (the “2020 LTIP”), which was approved by our stockholders in June 2020. Both the 2010 LTIP and the 2020 LTIP provide substantially the same terms and conditions for the awarding of all forms of cash, equity and non-equity executive compensation, the details of which are addressed in the annual senior executive compensation plans, as described in this Proxy Statement.

Both the 2010 LTIP and the 2020 LTIP are intended to help us (i) attract and retain exceptional directors, including independent directors, executive personnel and other key employees, including consultants and advisors to Global Industrial and its affiliates; (ii) motivate such award recipients by means of performance-related incentives to achieve longer-range performance goals; and (iii) enable such recipients to participate in the long-term growth and financial success of Global Industrial.

Due to the timing, the salaries, non-equity compensation and equity grants paid or made in 2020 (including in respect of 2019 performance) prior to March 2020 were originally awarded under the 2010 LTIP, and the salaries, non-equity compensation and equity grants paid or made after March 2020 or in 2021 (including in respect of 2020 performance) were awarded under the 2020 LTIP.

The following is a summary of the principal provisions of the 2010 LTIP and of the 2020 LTIP (the “LTIP Plans”).

The LTIP Plans set the basic parameters of our compensation policies and approach to executive compensation, and the annual senior executive compensation plans adopted by the Compensation Committee under the 2010 LTIP implement that approach by linking compensation to achievement of Global Industrial's goals as the needs of our business change over time. We believe having consistent compensation policies that permit our compensation programs to adjust to address constantly evolving market conditions allows us to readily address the business challenges we face and motivate our employees to overcome them.

The LTIP Plans provide for the granting of various equity or cash based awards ("Award"), subject to certain limits including a maximum of 1,500,000 shares (or $10,000,000 in the case of cash performance awards) per individual per year. Under the 2020 LTIP. an aggregate of 7,500,000 shares of common stock were authorized for stock based Awards, of which as of April 12, 2022 7,204,745 shares remained available for future issuance. The 2010 LTIP expired in April 2020 without issuing additional awards.

Future awards under the 2020 LTIP may be:

- incentive stock options;
- non-qualified stock options;
- stock appreciation rights;
- restricted stock;
- restricted stock units;
- cash performance awards (which may take the form of non-equity incentive compensation under the senior executive compensation plans or may be in the form of special cash "bonuses"); or
- other stock-based awards.

In the Summary Compensation Table, cash awards granted as non-equity incentive compensation under the senior executive compensation plan for that year are reported as such in that column, and special cash bonuses awarded other than pursuant to the parameters of the senior executive compensation plan are reported as such in the "Bonus" column.

Administration of Equity Plans

The Compensation Committee has the authority to administer, interpret and construe any provision of the LTIP Plans (and the annual senior executive compensation plan adopted under it) and to adopt such rules and regulations for administering the LTIP Plans and the senior executive compensation plans as it deems necessary or appropriate. All decisions and determinations of the Compensation Committee are final, binding and conclusive on all parties.

Further, the Compensation Committee has sole discretion over the terms and conditions of any Award, including:

- the persons who will receive Awards;
- the type of Awards granted;
- the number of shares subject to each Award;
- exercise price of an Award;
- expiration dates;
- vesting schedules;
- distribution and delivery schedules;
- forfeiture provisions;
- conditions on the achievement of specified performance goals for the granting or vesting of options, restricted stock, restricted stock units or cash Awards; and
- other material features of Awards.

The Compensation Committee or the Board may delegate to executive officers the authority to designate Award recipients, but the Compensation Committee must grant all Awards to those individuals.

Individual Achievement and Global Industrial Performance

In determining the compensation of a particular executive officer, the Compensation Committee takes into account the ways in which our executive officers most directly impact our business and seeks to correlate their compensation objectives to the ways they can be effectively motivated, and their contribution objectively measured. Accordingly, the senior executive compensation plans adopted under the LTIP Plans give varied weights and consideration to the executive's specific corporate responsibilities and in some cases, the individual officer's performance metrics.

Beginning in 2019, all executive officers, that participate in incentive compensation, are aligned based upon the financial performance of the consolidated Global Industrial group, and each of our executive officers that participate in incentive compensation (other than the CEO) has personal achievement targets that support one or more of the scorecards described below.

Common Elements of the 2019, 2020 and 2021 Senior Executive Compensation Plans

Certain features of the 2019, 2020 and 2021 senior executive compensation plans, such as performance categories, annual caps and partial achievement adjustment mechanisms, are the same under each Plan, and are discussed here for ease of reference.

As explained below, in determining non-equity incentive compensation the financial goals are accorded a more significant weighting factor than the non-financial goals, reflecting the Compensation Committee's belief that the financial goals are the most critical to enhancing stockholder value, maintaining long-term growth, and remaining competitive, and furthermore provide the funding for implementing the strategic accomplishments and corporate governance goals. Achievement and over-achievement of the financial goals results in incremental increases to the available incentive compensation pool in which the participating executives share.

Certain new features and modifications to existing features of our senior executive compensation plans were introduced for the 2020 year, such as using annual rather than quarterly achievement measurement periods, expansion of the number of recipients of equity incentive grants, changes to the relative weighting of Company and personal goals, tiered (by position) allocation of non-equity and equity incentive compensation components, tiered (by position) standard equity award grant levels and award ranges, minimum and maximum levels of non-equity award payouts, deferred delivery of vested restricted stock units and benchmarking.

Global Industrial Consolidated Financial Goals for 2019, 2020 and 2021. Each participant may have different relative weights of key financial metrics, but financial goals will be quantitatively measured in the following key financial measurements that are calculated in a manner consisted with GAAP performance.

- *Adjusted Operating Income Performance.* The Compensation Committee believes this is the most important individual component and aligns the interests of our executives with those of our stockholders, in addition to building long-term value. Adjusted Operating Income is defined as operating income adjusted for unusual or nonrecurring items as determined by our Compensation Committee.
- *Net Sales Performance.* The Compensation Committee believes sales performance is key to Global Industrial achieving the scale necessary to remain competitive with larger companies. Sales are defined as sales revenue net of returns on a constant currency basis. Sales are further adjusted for the impact of any acquisition or disposition which is completed during the plan year.
- *Gross Profit and Gross Margin Performance*. The Compensation Committee believes that gross profit / margin performance will provide an objective basis to measure management's ability to successfully grow its Private Brand business, manage efficient discounting rates with its customers, and manage the inflationary cost environment inclusive of the impact of Tariffs, and other supply chain related inflation
- *SG&A Cost Management.* The Compensation Committee believes that measuring SG&A on an absolute, as well as relative percentage of sales basis, is an important metric for participants to manage costs and invest in key initiatives prudently throughout the course of each year

Global Industrial Consolidated Non-Financial Goals for 2019, 2020 and 2021. Each participant may have different relative weights of these key metrics, but the specific goals and measurement of accomplishments of these goals are shared across all participants in the Company's senior executive compensation plans.

Non financial goals are keyed to customer, operational and human capital metrics as well as the successful implementation of certain strategic initiatives, For more information, *see* 2021 Senior Executive Compensation Plan; 2021 Performance Against Objectives on page 50 of this Proxy Statement.

Business Unit or Individual Financial and Non-Financial Goal for 2019, 2020 and 2021. These objectives are comprised of a variety of measurable strategic, financial and operational targets and initiatives including sales growth and margin improvement, cost management, process improvement, corporate development, and others as deemed appropriate by the CEO in consultation with the Compensation Committee. In each case, the selected objectives are considered relevant to the scope of each executive's functional areas of operation and are designed to support the accomplishment of the Company's Consolidated Financial and Strategic Goals and to incentivize management to accomplish the businesses' strategic plan.

Targets, Caps and Adjustment Mechanisms. Achievement of each of the target financial goals generates a variable non-equity incentive payment target (base case); reduced amounts are payable on a pro rata basis for each financial goal component and on a partial basis on the non-financial goal components. The 2019, 2020 and 2021 senior executive compensation plans impose a cap on the total non-equity incentive compensation that could be payable to each executive officer based upon the relative weights of each component.

Beginning in 2019, participants other than the CEO are subject to a double trigger mechanism to determine what portion of target bonus is available to be earned, prior to assessing the accomplishment of each assigned metric. In 2019, threshold bonus eligibility was established at 55% achievement of Operating Income Performance which resulted in 10% of target bonus eligible to be earned. For each 5% increase in achievement an additional 10% of target bonus would become eligible. This scale continued in a linear fashion until the company reached 100% achievement of its operating income goal which resulted in 100% of the target bonus becoming eligible to be earned. Above target performance resulted in a 5% positive variance for each 5% increase to operating income achievement. This continued until a cap was reached with 150% of target bonus eligible to be earned if the Company generated operating income 50% greater than its operating plan. In 2020, the company increased both the floor as well as the cap available, with threshold bonus eligibility beginning when the company achieves 80% of its Operating Income Target which would result in 50% of target bonus becoming eligible. The scale increased and allowed for 175% of target bonus becoming eligible if the company achieved 150% of its operating plan.

Due to specific provisions within the CEO's Employment Agreement, he is subject to a different calculation mechanic for his financial Objectives, which is comprised of accomplishment of Sales and Operating Income targets.

Global Industrial Consolidated Sales Target Financial Components for 2019, 2020, and 2021 unless otherwise stated

- Sales target amount is payable starting at achievement of in excess of 80% of the sales target financial goal component amount.
- Sales target amount is capped at 102%, of the sales target financial goal component amount.
- Each 1% variance in actual achievement below the 100% level will generate a 5% negative variance in the target non-equity incentive amount.
- Each 1% variance in actual achievement above the 100% level generates a 5% positive variance in the target non-equity incentive amount.
- No non-equity incentive compensation is payable in respect of the sales target if achievement is 80% or less of the sales target while increased payments (up to 110% f of the target non-equity incentive compensation amount for this financial component) are payable on a pro rata basis for over achievement of the sales target component.

Global Industrial Consolidated Adjusted Operating Income Financial Components for 2019, 2020, and 2021 unless otherwise stated

- Compensation associated with the adjusted operating income goal is payable at a level of 100% if the target is achieved.
- In 2019, each $1,500,000 variance in actual achievement below the 100% level will generate a 5% negative variance in the target non-equity incentive compensation amount. For the 2020, and 2021 year this scale was modified to eliminate the fixed dollar variance of $1,500,000 and was replaced with a scale which generated a 5% negative variance in non-equity incentive compensation for each 1% performance below operating income target.
- In 2019, each $1,500,000 variance in actual achievement above the 100% level will generate a 5% positive variance in the target non-equity incentive compensation amount up to 115% of the target non-equity incentive compensation amount for this financial component. For the 2020, and 2021 year this scale was

modified to eliminate the fixed dollar variance of $1,500,000 and was replaced with a scale which generated a 5% positive variance in non-equity incentive compensation for each 1% performance above operating income target.

- Global Industrial Consolidated Non-Financial Goals. The non-financial goals are measured based on whether or not the goal is either accomplished or not accomplished during the fiscal year. Accomplishment can be measured based on the percentage of the goal completed, or, if not quantitative, on a subjective basis based upon a fulsome assessment by the Compensation Committee, with target non-equity incentive compensation paid out accordingly. Non Financial Goals have a minimum payment of 0% and a maximum payment of 100% for full or overachievement.

Compensation Committee Discretion. The Compensation Committee has the discretion to adjust financial targets based on such events as acquisitions or other one-time charges or gains, or other unforeseen circumstances that can skew normal operating results; exercises of such discretion are noted below. Targets and non-equity incentive compensation are also subject to adjustment to prevent unreasonable results in the strict application of these formulas. Executives must generally be employed with Global Industrial at the time the incentive compensation is paid out to receive the payment, though the Compensation Committee has discretion to waive this requirement. The Compensation Committee exercised its discretion in 2019.

2021 Senior Executive Compensation Plan

In February 2021, pursuant to the 2020 LTIP, our Compensation Committee, with input from our CEO established our 2021 senior executive compensation plan (“2021 Plan”). The 2021 Plan pertains specifically to the payment of non-equity incentive compensation to executive officers for 2021 and provides for equity compensation as well. Certain key features new features and modifications to features of our 2019 Plan were introduced for the 2020 year, and are also used in the 2021 Plan, such as using annual rather than quarterly achievement measurement periods for all participants, expansion of the number of recipients of equity incentive grants, changes to the relative weighting of Company and personal goals, tiered (by position) allocation of non-equity and equity incentive compensation components, tiered (by position) standard equity award grant levels and award ranges, minimum and maximum levels of non-equity award payouts, deferred delivery of vested restricted stock unit, and peer benchmarking. In addition, performance metrics, caps, and measurement criteria were also modified for 2020. These features are also used in our 2022 senior executive compensation plan, adopted in February 2022 (the "2022 Plan").

Pursuant to his Employment Agreement, our CEO does not participate in the senior executive compensation plan on the same basis as our other executive officers. *See* a description of Mr. Litwin’s employment and compensation arrangements on page 57 of this Proxy Statement.

2021 Plan Key Features

Starting with the 2020 Plan and continuing with the 2021 Plan, the Compensation Committee changed the relative weightings of Company and personal goals; prior to 2021 such goals were weighted in varying degrees for different executive officers and other employees. In 2020, for our executive officers that participate in incentive compensation (other than the CEO) we have assigned weights of 70% to achieving shared Company objectives and 30% to achieving personal goals in order to earn incentive compensation awards, to better align our employees’ interests with Global Industrial’s objectives. As described below, the Compensation Committee has assigned measurable personal objectives and business unit goals for each executive officer, aligning them in supporting Global Industrial’s core business strategies and 2021 Operating Plan. Other executives, business unit leaders and key contributors have varying tiered weighting levels taking into account their positions and total compensation arrangements. These weightings and approach are also used in our 2022 Plan.

In addition, executive officers, including our NEOs, have a greater percentage of their total compensation “at risk” in the form of variable compensation (non-equity and equity incentive compensation) than do our other employees.

The Compensation Committee determined that increased use of equity compensation and regular, defined annual equity grants would be in the best interests of Global Industrial and would enhance stockholder value by aligning the long-term interests of a larger group of senior executives, business unit leaders and key managers with Global Industrial’s goals and objectives. We anticipate following this approach under the 2022 Plan and in the future.

The key features adopted by the Compensation Committee under the 2020 Plan and continuing with the 2021 Plan are as follows:

- ***Measurement Period:*** We measure financial, strategic, operational and other objectives on an annual rather than quarterly basis, so that our employees will place greater focus on the long-term, cross-functional initiatives we have undertaken as part of our Accelerate the Customer Experience (ACE) and Operational Excellence Strategies.
- ***Expanded pool of equity recipients:*** We have increased the number of recipients of equity incentive grants to better align a larger group of senior executives, business unit leaders and key managers with Global Industrial's goals and objectives. The Compensation Committee also believes that providing equity awards to key employees will assist Global Industrial in recruiting and retaining high quality members of management.
- ***Annual awards of target non-equity incentive compensation:*** We will make annual awards of non-equity compensation within ranges tiered by position. For executive officers (other than the CEO), the non-equity incentive compensation award is targeted to 50% of annual base salary.
- ***Annual awards of target equity incentive compensation:*** We will make annual awards of equity compensation within ranges tiered by position. For executive officers (other than the CEO), equity awards generally can range from 0 to 75% of target non-equity compensation (or more in exceptional circumstances). Awards will be denominated as 50% stock options and 50% performance restricted stock units (number of shares based on relative fair market value including applying Black-Scholes formula for options valuation).
- ***Payout Limits:*** Minimum and maximum levels of non-equity award payouts continue to be features of the 2021 Plan, as modified; *see* discussion below.
- ***Vesting of equity incentive compensation tied to performance:*** Other than the CEO, we have provided that restricted stock unit awards will vest annually in amounts tied to achievement of financial targets for that year, annual adjusted operating income growth plus 10 percentage points). Recipients will have up to four years to earn the full grant based upon annual performance for each year.
- ***Deferred delivery of vested restricted stock units:*** We have deferred delivery of any tranches of vested restricted stock unit awards until the earlier of the grant's expiration date or 45 days following termination of employment.
- ***Benchmarking:*** In order to set our compensation arrangements in line with market conditions and best practices and to continue to attract and retain quality employees, we have benchmarked our compensation practices against carefully chosen peer companies.
- ***Alignment of all executive officers, including the CEO, of performance against Global Industrial's Balanced Scorecard including the five key components of 1) Financial Performance, 2) Customer Experience, 3) Operational Excellence, 4) Human Capital Management, and 5) Strategic Plan Implementation:*** As the CEO is not measured against Individual Objectives, the allocation of weighting between each component is different than the rest of the executive officers.
- ***Threshold Operating Income Performance to determine Eligible Bonus:*** Other than the CEO, Global Industrial must achieve at least 80% of its targeted adjusted operating income dollars for the year in order for any non-equity incentive compensation to be earned. 80% Achievement will result in an eligible bonus pool of 50% of the target bonus amount. 100% Achievement will result in an eligible bonus pool of 100% of the target bonus amount. 150% Achievement will result in the maximum eligible bonus pool of 175% of target bonus amount. The eligible bonus increases in a linear fashion between 80% and 100% Achievement and accelerates between 100% and 150% Achievement. These thresholds determine the maximum amount of non-equity incentive that could be earned. Actual earnings will be based upon the accomplishments of the Financial, Non-Financial, and Individual Objectives Score Card.

The above features of the 2021 Plan are also used in the 2022 Plan.

Global Industrial Financial Scorecard

For 2021, the Compensation Committee approved a Financial Scorecard comprised of targets for Revenue, Gross Profit Dollars, Gross Margin Percent, SG&A, Adjusted Operating Income, and Adjusted Operating Margin. For our CEO, 80% of his target non-equity compensation is tied to Financial Objectives (60% is tied to the achievement of Adjusted Operating Income and 20% is tied to the achievement of sales objectives). For our other NEOs, 42% of their target non-equity compensation is tied to the achievement of the Financial Scorecard. For each of the metrics, Revenue, Gross Profit Dollars, SG&A Budget, and Adjusted Operating Income are weighted at 8.4% each, while Gross Margin % and Adjusted Operating Margin % are weighted at 4.2% each. These goals are all monitored for achievement on a quarterly bases and final achievement is assessed on an annual basis.

Global Industrial Non-Financial Scorecards

For 2021, the Compensation Committee set the non-financial goals component to align with the accomplishment of key strategic initiatives for Global Industrial. For each component of the Non-Financial Scorecard, 5% and 7% of target non-equity incentive compensation is targeted for the CEO and other NEOs respectively. The Non-Financial Scoreboard percentages are set forth in the table below and the components are:

- Customer Scorecard: measures achievement of new customer, customer retention, account growth, web conversion and customer satisfaction targets.
- Operational Scorecard: measures achievement of order handling, customer service response, shipment costs, freight expense and safety targets.
- Human Capital Scorecard: measures achievement of employee retention, sales compensation, salary efficiency, talent management and employee satisfaction targets and projects.
- Strategy and Operating Initiatives Scorecard: measures achievement of gross margin initiatives, new product and private brand growth, technology enhancements and our ACE initiative targets.

Individual Senior Executives' Objectives Scorecard

Each of our executive officers, other than the CEO, has personal achievement targets that support one or more of the Scorecards described above. 30% of each of their target non-equity incentive compensation is based on achieving these individual targets and 70% is based on the shared Scorecard achievements. In most cases achievement is measured objectively and in some cases is assessed subjectively by the Compensation Committee if a specific quantitative measurement is not available.

Mr. Litwin’s 2021 non-equity incentive compensation is set under his employment agreement (described on page 57 of this Proxy Statement). In 2021, Mr. Litwin’s non-equity incentive compensation is based 20% on achieving sales targets, 60% based on achieving operating income targets, and 20% based on the Non-Financial Scorecard achievements.

Please *see* the discussion below regarding the individual goals set for Mr. Clark.

Under the 2021 Plan, the Compensation Committee set the following non-equity incentive target amounts, non-equity incentive compensation cap percentages and relative percentages weights for each plan component for each of our senior executives (other than our CEO, whose arrangements are set under his employment agreement) in 2021 who are participating in our incentive compensation plans. Messrs. Richard, Robert and Bruce Leeds no longer participate in incentive compensation awards. In addition, as Mr. Lerner served as Senior Vice President and General Counsel of Global Industrial until October 22, 2021, he did not participate in the 2021 senior executive compensation plan.

Name	Target ($)	Cap (%)	Financial Scorecard (%)	Customer Scorecard (%)	Operational Scorecard (%)	Human Capital Scorecard (%)	Strategic Plan Implementation Scorecard (%)	Individual Objectives (%)
Barry Litwin	1,227,900	111	80	5	5	5	5	0
Thomas Clark	252,800	175	42	7	7	7	7	30

2021 Performance Against Objectives

The following table sets out the achievement level (presented as a percentage of target) for each plan component as well as the relative payout ratio earned based on the mechanics of each plan component. The aggregate payouts, expressed in dollars, appear in the Summary Compensation Table on page 53 of this Proxy Statement.

	Financial Scorecard (%)		Customer Scorecard (%)		Operational Scorecard (%)		Human Capital Scorecard (%)		Strategic Plan Implementation Scorecard (%)		Business Unit/ Individual Objectives (%)		Weighted Average Eligible Non-Equity Incentive Compensation (%)
Name	Actual	Payout Ratio	Actual	Payout Ratio	Actual	Payout Ratio	Actual	Payout Ratio	Actual	Payout Ratio	Actual	Payout Ratio	
Barry Litwin	92.1	60	77	77	57	57	100	100	89	89	N/A	N/A	64.2
Thomas Clark	95.2	70.5	77	59.7	57	44.2	100	77.5	89	69	100	77.5	70.4
Eric Lerner	Not applicable, as Mr. Lerner served as Senior Vice President and General Counsel of Global Industrial until his departure effective as of October 22, 2021												

In determining the compensation of our CEO for fiscal year 2021 and approving the compensation of our executive officers, the Compensation Committee considered that management had performed well in addressing a unique national and international business and economic environment as the Coronavirus Pandemic continued to impact businesses while new challenges of supply chain disruptions and significant inflation exploded across the United States. The Compensation Committee recognized that management had converted to a new third-party logistics provider in the first quarter which generated significant transitional costs, and successfully managed a year with significant price variance due to the rapid inflation of certain key transportation costs, primarily associated with ocean freight. The compensation further considered that the selling environment was rapidly shifting away from certain product lines such as PPE that dominated 2020, and back to more traditional core product lines as well as the challenges associated with maintaining in stock position due to disruption and delays across each node of the supply chain. Taking all factors into consideration, the Compensation Committee decided to not exercise discretion, but rather maintained all financial and non-financial goals as established in the beginning of the year. Based on the company's performance, the Compensation Committee believes that compensation levels for fiscal year 2021 were consistent with the philosophy and objectives of our compensation programs.

Global Industrial Consolidated Net Sales target for 2021 was set based upon Global Industrial's continuing operations. The payout ratio based upon underachievement to plan was 75% for our CEO and 70% for other participants

Global Industrial Consolidated Adjusted Operating Income target for 2021 was set based upon Global Industrial's continuing operations. The payout ratio based upon underachievement to plan was 55% for our CEO and 70% for other participants.

Based upon the assessment of other Financial Goals assigned to Mr. Clark, the weight average payout ratio was 70.5% inclusive of the results of Net Sales and Operating Income described above.

Global Industrial's Non-Financial Score Card Goals included key objectives surroundings actions and KPIs related to four key pillars: Customer, Operations, Human Capital, and Strategy. Within the Customer pillar, goals related to new customer acquisition, customer retention, customer conversion, as well as overall customer satisfaction. Within the Operations pillar, goals related to on-time delivery, contact center efficiency, safety, and cost control. Within the Human Capital pillar, key objectives included employee engagement scores, cost containment, and the launch of a new commission program for its sales team. Finally, within the Strategy pillar, objectives included, new product launch targets, growth of private label sales, and achievement of key technology roadmap milestones associated with the development of a new e-commerce experience and other strategic projects. Achievement of each metric included payout ratios ranging from 50%, when 50% of the target was achieved, to 100% when at least 97% of the target was achieved. Payout ratios for each component can be found on the table on page 50 of this Proxy Statement.

Each of the executive officers (other than our CEO) were responsible for five measurable initiatives linked to our 2021 Operating Plan. Our CEO assessed and the Compensation Committee agreed that Mr. Clark fully achieved his individual goals which included providing key departmental FP&A support, implementing technology solutions that allowed for real time visibility of key cost drivers, managing the control and risk environment, and management of key working capital goals. It was determined that Mr. Clark should be awarded his full target associated with this component of his non-equity incentive compensation based upon achieving 100% of his objectives on a weighted average basis.

Based upon the performance of Adjusted Operating Income, each senior executive other than the CEO, was eligible to earn 77.5% of their target bonus. The relative payout ratios described above for Mr. Clark include the impact of this of 77.5% eligibility in each occurrence. As such and in the combination of the assessment of each component of non-equity incentive compensation, Mr. Clark earned 70% of his original target bonus. The 2021 threshold, target and maximum non-equity incentive amounts for each of our Named Executive Officers are found in the Grants of Plan-Based Awards table on page 54 of this Proxy Statement.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the above Compensation Discussion and Analysis with management. Based on its review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Proxy Statement and incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2021.

Submitted by the Compensation Committee of the Board,
Chad M. Lindbloom (Chairman)
Paul S. Pearlman
Robert D. Rosenthal

Compensation Committee Interlocks and Insider Participation

At the end of fiscal year 2021, the members of Global Industrial's Compensation Committee were Messrs. Lindbloom, Pearlman and Rosenthal.

Mr. Litwin resigned from the Compensation Committee effective when he became CEO of Global Industrial on January 7, 2019 and Mr. Pearlman was appointed a member of the Compensation Committee effective as of such date.

Except as noted above with Mr. Litwin, Global Industrial does not employ any current (or former) member of the Compensation Committee and no current (or former) member of the Compensation Committee has ever served as an officer of Global Industrial.

In addition, none of our current (or former) directors serving on the Compensation Committee has any relationship that requires disclosure under SEC regulations.

Executive Compensation

Summary Compensation Table

The following table sets forth the compensation earned by the Named Executive Officers for fiscal years 2021, 2020, and 2019:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)	Total ($)
Richard Leeds Executive Chairman	2021	950,000					30,000(4)	980,000
	2020	950,000					30,000	980,000
	2019	950,000					30,000	980,000
Bruce Leeds Vice Chairman	2021	950,000					30,000(4)	980,000
	2020	950,000					30,000	980,000
	2019	950,000					30,000	980,000
Robert Leeds Vice Chairman	2021	950,000					30,000(4)	980,000
	2020	950,000					30,000	980,000
	2019	950,000					30,000	980,000
Barry Litwin(5) Chief Executive Officer	2021	909,600		850,000	150,000	787,700	297,200(6)	2,994,500
	2020	866,300		700,000		1,271,800	205,400(6)	3,043,500
	2019	793,300	614,000	700,000	969,700	902,100	128,200	4,107,300
Thomas Clark Senior Vice President and Chief Financial Officer	2021	505,600		94,800	94,800	177,900	51,800(7)	912,900
	2020	481,500		90,300	90,100	289,600	39,800(7)	991,300
	2019	450,000		241,300	303,500	171,300	72,700	1,238,800
Eric Lerner(8) Former Senior Vice President and General Counsel	2021	538,500					986,900(9)	1,525,400
	2020	601,800		67,700	67,500	361,900	44,800	1,143,700
	2019	601,800		295,000	320,100	229,000	76,300	1,522,200

(1) This column represents the fair value of the stock award on the grant date determined in accordance with the provisions of ASC 718. As per SEC rules relating to executive compensation disclosure, the amounts shown exclude the impact of forfeitures related to service-based vesting conditions. For additional information regarding assumptions made in calculating the amount reflected in this column, please refer to Note 13 to our audited consolidated financial statements, included in our Annual Report on Form 10-K for fiscal year 2021.

(2) This column represents the fair value of the stock option on the grant date determined in accordance with the provisions of ASC 718. As per SEC rules relating to executive compensation disclosure, the amounts shown exclude the impact of forfeitures related to service-based vesting conditions. These amounts were calculated using the Black-Scholes option-pricing model. For additional information regarding assumptions made in calculating the amount reflected in this column, please refer to Note 13 to our audited consolidated financial statements, included in our Annual Report on Form 10-K for fiscal year 2021.

(3) The 2019 figures in this column represent the amount earned in fiscal year 2019 (although paid in fiscal year 2020) pursuant to the 2019 senior executive compensation plan; and the 2020 figures in this column represent the amount earned in fiscal year 2020 (although paid in fiscal year 2021) pursuant to the 2020 senior executive compensation plan; and the 2021 figures in this column represent the amount earned in fiscal year 2021 (although paid in fiscal year 2022) pursuant to the 2021 senior executive compensation plan. For more information, *see* Grants of Plan-Based Awards on page 54 of this Proxy Statement. Because these payments were based on predetermined performance metrics, these amounts are reported in the Non-Equity Incentive Plan column.

(4) Auto-allowance.

(5) The amount presented for 2019 is Mr. Litwin's $825,000 base salary pro-rated for 2019.

(6) Includes auto-allowance ($30,000), transportation related expenses ($52,500), gross-up on transportation related expenses ($59,500), Global Industrial 401(k) contributions ($6,400) and dividend equivalent payments on unvested restricted stock ($148,800).

(7) Includes auto-allowance ($14,400), Global Industrial 401(k) contributions ($6,400), and dividend equivalent payments on unvested restricted stock ($31,000).

(8) Mr. Lerner served as Senior Vice President and General Counsel of Global Industrial until his departure effective as of October 22, 2021.

(9) Pursuant to Mr. Lerner's employment agreement, on October 22, 2021, he became entitled to receive the following payments: (i) one year's base salary ($601,800), (ii) the average annual non-equity incentive compensation paid to Mr. Lerner for fiscal years 2019 and 2020 ($295,500) and (ii) reimbursement of medical and dental insurance payments under COBRA for twelve months ($37,300). In addition to the payments described in footnote 8, also includes, auto-allowance ($15,000), Global Industrial 401(k) contributions ($6,400), and dividend equivalent payments on unvested restricted stock ($30,900).

Grants of Plan-Based Awards

The following table sets forth the estimated possible payouts under the cash incentive awards granted to our Named Executive Officers in respect of 2021 performance under the 2021 senior executive compensation plan.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards
		Threshold ($)	Target ($)	Maximum ($)				
Barry Litwin	-	110,500	1,228,000	1,364,300				
Thomas Clark	-	63,200	252,800	442,400				
Eric Lerner	N/A	N/A	N/A	N/A				

(1) Amounts presented assume payment of threshold, target and maximum awards at the applicable level.

Outstanding Equity Awards at Year-End for Fiscal Year 2021

The following table sets forth information regarding stock option and restricted stock awards previously granted to our Named Executive Officers which were outstanding at the end of fiscal year 2021.

The market value of the unvested stock award is based on the closing price of one share of our common stock as of December 31, 2021, the last trading day of the fiscal year 2021, which was $40.90.

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Un-exercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Barry Litwin	20,000	60,000(1)	23.14	01/07/29	18,150(2)	742,300
	8,465	0(3)	44.17	02/21/31	21,204(4)	867,200
					18,752(5)	767,000
					3,396(6)	138,900
Thomas Clark	2,500	0(3)	6.01(7)	02/01/26	4,495(8)	183,800
	25,000	0(3)	6.02(7)	11/10/26	2,374(9)	97,100
	18,711	6,237(10)	23.72	01/17/29	2,146(11)	87,800
	2,462	7,383(3)	23.65	02/10/30		
	0	5,350(3)	44.17	02/21/31		
Eric Lerner	10,000	0(12)	23.72	01/20/22		

(1) Options vest as follows: 20% of the stock options will vest on the first anniversary of the grant date, 20% will vest on the 2nd anniversary and 10% will vest on each subsequent anniversary of the grant date. The grant date was January 17, 2019.

(2) Restricted stock units vest as follows: 6,051 units on January 7, 2020; 6,050 units on January 7, 2021; 6,050 units on January 7, 2022; 6,050 units on January 7, 2023; and 6,050 units on January 7, 2024.

(3) Options vest 25% per year over four years from date of grant. The grant date for each option is ten years prior to the option expiration date.

(4) Restricted stock units vest as follows: 7,068 units on January 7, 2021; 7,068 units on January 7, 2022; 7,068 units on January 7, 2023; and 7,068 units on January 7, 2024.

(5) Restricted stock units vest as follows: 4,688 units on January 7, 2022; 4,688 units on January 7, 2023; 4,688 units on January 7, 2024; and 4,688 units on January 7, 2025.

(6) Restricted stock units vest as follows: 849 units on February 21, 2022; 849 units on February 21, 2023; 849 units on February 21, 2024; and 849 units on February 21, 2025.

(7) On January 17, 2019, the exercise price of each outstanding Employee Stock Option (right to buy) was amended to reduce such exercise price by $2.30.

(8) Performance stock units vest over four years through 2022 based upon year over year growth in Adjusted Operating Income.

(9) Performance stock units vest over four years through 2023 based upon year over year growth in Adjusted Operating Income.

(10) Options vest 25% per year over four years from December 31, 2018. The grant date was January 17, 2019.

(11) Performance stock units vest over four years through 2024 based upon year over year growth in Adjusted Operating Income.

(12) Options vest 25% per year over four years from date of grant. Mr. Lerner served as Senior Vice President and General Counsel of Global Industrial until his departure effective as of October 22, 2021, and on October 22, 2021 the vested portions of his options were exercisable for up to three months, and the unvested portion were forfeited.

Option Exercises and Stock Vested For Fiscal Year 2021

The table below shows stock options that were exercised, and restricted stock units that vested, during fiscal year 2021 for each of our Named Executive Officers:

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Barry Litwin	817	17,043	6,050(1) 7,068(2)	230,400 0
Thomas Clark	0	0	3,845(3) 1,443(4)	169,800 0
Eric Lerner	12,500 6,250 1,846 2,500 800 260 400 1,294	437,100 211,200 38,500 52,500 16,800 5,300 7,900 26,200	4,701(3) 1,082(4)	207,600 43,600

(1) Restricted stock units vest as follows: 6,051 units on January 7, 2020; 6,050 units on January 7, 2021; 6,050 units on January 7, 2022; 6,050 units on January 7, 2023; and 6,050 units on January 7, 2024.

(2) Restricted stock units vest as follows: 7,068 units on January 7, 2021; 7,068 units on January 7, 2022; 7,068 units on January 7, 2023; and 7,068 units on January 7, 2024.

(3) Pursuant to a grant of performance-based restricted stock units on January 17, 2019.

(4) Pursuant to a grant of performance-based restricted stock units on February 10, 2020. Value realized on vesting of this award is deferred until the earlier of a four year vesting period or termination of employment.

Employment Arrangements with Named Executive Officers

The 2021 salary levels discussed below reflect the Compensation Committee’s view that such levels are appropriate in light of the current business performance and expected performance in 2021, and takes into account the other compensation elements applicable to each employee.

Richard Leeds – Richard Leeds has no employment agreement and is an “at will” employee. Base salary accounted for 97% of Mr. Leeds total cash compensation for 2021. Mr. Leeds’ base salary for 2022 is set at $950,000.

Bruce Leeds – Bruce Leeds has no employment agreement and is an “at will” employee. Base salary accounted for 97% of Mr. Leeds total cash compensation for 2021. Mr. Leeds’ base salary for 2022 is set at $950,000.

Robert Leeds – Robert Leeds has no employment agreement and is an “at will” employee. Base salary accounted for 97% of Mr. Leeds total cash compensation for 2021. Mr. Leeds’ base salary for 2022 is set at $950,000.

Barry Litwin – Global Industrial entered into an employment agreement with Mr. Litwin to employ him as Chief Executive Officer, commencing January 7, 2019. The agreement provides for a minimum annual base salary of $825,000 and an annual cash bonus (the “Bonus”) in an amount to be determined by Global Industrial under its senior executive compensation plan, which Bonus generally will range from 0%-150% of Mr. Litwin’s annual base salary, with an on-target performance payout of 135% of annual base salary, assuming Mr. Litwin meets the performance objectives (including the financial and other performance objectives) established for him by Global Industrial. In addition, Mr. Litwin is entitled to a car allowance. Base salary accounted for 46% of Mr. Litwin’s total cash compensation for 2021. Mr. Litwin's salary for 2022 is set at $955,000. Compensation that may become payable following the termination of his employment or a change in control of Global Industrial, are discussed below under Potential Payments Upon Termination of Employment or Change in Control on page 58 of this Proxy Statement.

Thomas Clark – Mr. Clark has no employment agreement and is an “at will” employee. Base salary accounted for 69% of Mr. Clark’s total cash compensation for 2021. Mr. Clark’s non-equity incentive compensation for 2021, like that of our other senior executives, was determined as described above under the heading 2021 Senior Executive Compensation Plan. Mr. Clark’s base salary for 2022 is set at $518,200. Compensation that may become payable following the termination of his employment or a change in control of Global Industrial, is discussed below under Potential Payments Upon Termination of Employment or Change in Control on page 58 of this Proxy Statement.

Eric Lerner – Global Industrial entered into an employment agreement with Mr. Lerner on April 12, 2012. The agreement provided for a minimum base salary of $480,000 (which may be increased at the discretion of Global Industrial) and a bonus (which the agreement states is expected to be at least equal to 50% of the base salary) assuming Mr. Lerner met certain performance objectives (under a 2020 amendment to the agreement, 70% of such bonus was based on the performance objectives for Global Industrial under its senior executive cash bonus plan for the applicable year and 30% of such bonus was based on the achievement of performance objectives established for him by Global Industrial). He was entitled to receive a car allowance. Base salary accounted for 35.3% of Mr. Lerner's total cash compensation for 2021. Mr. Lerner served as Senior Vice President and General Counsel of Global Industrial until October 22, 2021, and compensation became payable to Mr. Lerner on October 22, 2021 as described under Potential Payments Upon Termination of Employment or Change in Control on page 60 of this Proxy Statement.

Potential Payments Upon Termination of Employment or Change in Control

Cash Distributions Upon Termination

Barry Litwin. Mr. Litwin's employment agreement is terminable upon death or total disability, by Global Industrial for "cause" (as defined) or without cause, or by Mr. Litwin voluntarily for any reason or for "good reason" (as defined). In the event of termination for death, total disability, cause or voluntary termination by Mr. Litwin Global Industrial will owe no further payments other than as applicable under disability or medical plans and any accrued but unused vacation time (up to four weeks). In the event of termination for death or total disability, Mr. Litwin would also receive the pro rata portion of any bonus which would otherwise be paid to him if such termination had not occurred. If Mr. Litwin resigns for good reason or if Global Industrial terminates him for any reason other than total disability, death or cause, he shall also receive in addition to the payments described above for other terminations, severance payments equal to 12 months' base salary, the target bonus which would otherwise be paid for the year in which termination occurred, and a reimbursement of costs for COBRA insurance coverage for twelve months.

Equity Distributions Upon Termination

Barry Litwin. Pursuant to the restricted stock unit agreement with Mr. Litwin (dated January 7, 2019, January 7, 2020, January 7, 2021, and February 21, 2021): (i) if Mr. Litwin is terminated for cause, any unvested portion of his restricted stock units will terminate and be forfeited; (ii) if the named executive's employment is terminated without cause or for good reason within twelve months following a change in control, he will become immediately vested in all non-vested units and will become immediately entitled to a distribution of that number of shares of common stock of Global Industrial that are represented by those vested restricted stock units; and (iii) if Mr. Litwin's employment is terminated due to total disability or death, his estate or designated beneficiary(ies), whichever is applicable, will become immediately vested in all non-vested units and will become immediately entitled to a distribution of that number of shares of common stock of Global Industrial that are represented by those vested restricted stock units. In addition, in the event of termination without cause or by Mr. Litwin for good reason, the next immediate tranche of granted restricted stock that would otherwise have vested if employment had not been so terminated shall accelerate and be vested as of the date of termination.

Pursuant to the stock option agreements with Mr. Litwin (dated January 7, 2019 and February 21, 2021), if Mr. Litwin's employment is terminated without cause or for good reason within twelve months for the agreement dated January 7, 2019, or within six months for the agreement dated February 21, 2021, following a "change in control", Mr. Litwin will become immediately vested in all outstanding unvested stock options, and all of Mr. Litwin's outstanding options shall remain exercisable in accordance with their terms, but in no event for less than 90 days after such termination. In addition, with respect to Mr. Litwin's stock option agreement dated January 7, 2019, in the event of termination without cause or by Mr. Litwin for good reason, the next immediate tranche of granted options that would otherwise have vested if employment had not been so terminated shall accelerate and be vested as of the date of termination.

Thomas Clark. As with the other senior executives of the Company, pursuant to the performance restricted stock unit agreements with Mr. Clark (dated January 17, 2019, February 10, 2020 and February 21, 2021): (i) if the senior executive is terminated for cause, any unvested portion of his/her/their performance restricted stock units will terminate and be forfeited; (ii) if the senior executive's employment is terminated without cause or for good reason within six months following a change in control, he/she/they will become immediately vested in all non-vested units and will become immediately entitled to a distribution of that number of shares of common stock of Global Industrial that are represented by those vested performance restricted stock units; and (iii) if the applicable senior executive's employment is terminated due to total disability or death, his/her/their estate or designated beneficiary(ies), whichever is applicable, will become immediately vested in all non-vested units and will become immediately entitled to a distribution of that number of shares of common stock of Global Industrial that are represented by those vested performance restricted stock units.

Pursuant to the stock option agreements with Mr. Clark (dated November 10, 2016, January 17, 2019, February 10, 2020 and February 21, 2021), if Mr. Clark's employment is terminated without cause or for good reason within six months following a "change in control", Mr. Clark will become immediately vested in all outstanding unvested stock options, and all of Mr. Clark's outstanding options shall remain exercisable in accordance with their terms, but in no event for less than 90 days after such termination.

Pursuant to our standard option agreements, in the event the employment of any of our senior executives, including Messrs. Litwin and Clark, is terminated for any reason other than death, total disability or cause, the vested portions of his/her/their options will be exercisable for up to three months, and the unvested portion will be forfeited. In the event of death or total disability, the vested portion of his/her/their options will be exercisable for up to one year, and the unvested portion will be forfeited. In the event of termination for cause, all unexercised options (vested and unvested) will be forfeited.

The tables below describe potential payments and benefits payable upon termination of employment or change in control as of January 1, 2022, the last day of fiscal year 2021 to the named executive officers listed, and using the closing price of our common stock on December 31, 2021, the last trading day of fiscal year 2021. These amounts are estimates and the actual amounts to be paid can only be determined at the time of the termination of employment or the date of the change in control. We also retain the discretion to provide additional payments or benefits to any of our named executive officers upon any termination of employment or change in control.

Barry Litwin

	Termination by Global Industrial without "Cause" or Resignation by Employee for "good reason" ($)	Termination Due to Death or Total Disability ($)	Change In Control Only ($)	Termination by Global Industrial without "Cause" or Resignation by Employee for "good reason" within a certain period of time following a Change in Control ($)
Cash Compensation (Salary & Non-Equity Incentive Compensation)	2,137,600(1)	1,228,000(2)	-	2,137,600(1)
Value of Accelerated Vesting of Stock Option Awards	355,200(3)	-	-	1,065,600(4)
Value of Accelerated Vesting of Restricted Stock Unit Awards	763,000(5)	1,752,400(6)	-	1,752,400(6)
Medical and Other Benefits	46,900(7)	-	-	46,900(7)
Total	**3,302,700**	**2,980,400**	**-**	**5,002,500**

(1) Represents one year's base salary ($909,600) and target bonus for fiscal year 2021 ($1,228,000).

(2) Represents target bonus for fiscal year 2021 ($1,228,000).

(3) Represents accelerated vesting of 10,000 stock options. Pursuant to Mr. Litwin's stock option agreement (dated January 7, 2019), if Mr. Litwin's employment is terminated without cause or for good reason, the next immediate tranche of granted options that would otherwise have vested if employment had not been so terminated shall accelerate and be vested as of the date of termination.

(4) Represents accelerated vesting of 60,000 stock options. Pursuant to Mr. Litwin's stock option agreement (dated January 7, 2019), if Mr. Litwin's employment is terminated without cause or for good reason within twelve months following a "change in control", he will become immediately vested in all outstanding unvested stock options, and all of Mr. Litwin's outstanding options shall remain exercisable in accordance with their terms, but in no event for less than 90 days after such termination. Pursuant to Mr. Litwin's stock option agreement (dated February 21, 2021), if Mr. Litwin's employment is terminated without cause or for good reason within six months following a "change in control", he will become immediately vested in all outstanding unvested stock options, and all of Mr. Litwin's outstanding options shall remain exercisable in accordance with their terms, but in no event for less than 90 days after such termination.

(5) Represents accelerated vesting of 18,655 unvested restricted stock units. Pursuant to Mr. Litwin's restricted stock unit agreements (January 7, 2019, January 7, 2020, January 7, 2021, and February 21, 2021), if Mr. Litwin's employment is terminated without cause or for good reason, the next immediate tranche of granted restricted stock that would otherwise have vested if employment had not been so terminated shall accelerate and be vested as of the date of termination.

(6) Represents accelerated vesting of 42,847 unvested restricted stock units. Pursuant to Mr. Litwin's restricted stock unit agreement (dated January 7, 2019, January 7, 2020, January 7, 2021 and February 24, 2021), if Mr. Litwin's employment is terminated without cause or for good reason within twelve months following a "change in control" or if Mr. Litwin's employment is terminated due to death or total disability, all non-vested units shall accelerate and be vested as of the date of termination.

(7) Represents reimbursement of medical and dental insurance payments under COBRA for twelve months.

Thomas Clark

Type of Payment	Termination by Global Industrial without "Cause" or Resignation by Employee for "good reason" ($)	Termination Due to Death or Total Disability ($)	Change In Control Only ($)	Termination by Global Industrial without "Cause" or Resignation by Employee for "good reason" within a certain period of time following a Change in Control ($)
Cash Compensation (Salary & Non-Equity Incentive Compensation)	-	-	-	-
Value of Accelerated Vesting of Stock Option Awards	-	-	-	234,500[(1)]
Value of Accelerated Vesting of Restricted Stock Unit Awards	-	-	-	-
Value of Accelerated Vesting of Performance Restricted Stock Unit Awards	-	263,800(2)	-	263,800[(2)]
Medical and Other Benefits	-	-	-	-
Total	**-**	**263,800**	**-**	**498,300**

(1) Represents accelerated vesting of 18,970 stock options. Pursuant to Mr. Clark's stock option agreements (dated January 17, 2019, February 10, 2020 and February 21, 2021), if Mr. Clark's employment is terminated without cause or for good reason within six months following a "change in control", he will become immediately vested in all outstanding unvested stock options, and all of Mr. Clark's outstanding options shall remain exercisable in accordance with their terms, but in no event for less than 90 days after such termination.

(2) Represents accelerated vesting of 6,450 unvested performance restricted stock units. Pursuant to Mr. Clark's performance restricted stock unit agreement (dated January 17, 2019, February 10, 2020 and February 21, 2021), if Mr. Clark's employment is terminated without cause or for good reason within six months following a "change in control" or if Mr. Clark's employment is terminated due to death or total disability, all non-vested units shall accelerate and be vested as of the date of termination.

Payments to Former NEOs

Eric Lerner. As previously disclosed by Global Industrial, we exercised our rights under Mr. Lerner's employment agreement with Global Industrial and Mr. Lerner's departure from Global Industrial was effective October 22, 2021. Pursuant to his employment agreement on October 22, 2021, he became entitled to receive, (i) all accrued but unpaid base salary and car allowance through October 22, 2021, (ii) any accrued but unused vacation time (up to four weeks) and (iii) payments equal to (a) one year's base salary ($601,800) and the average annual non-equity incentive compensation paid to Mr. Lerner for fiscal years 2019 and 2020 ($295,500) and (b) reimbursement of medical and dental insurance payments under COBRA for twelve months ($37,300). In addition, on October 22, 2021 pursuant to option agreements entered into with Mr. Lerner (dated May 2, 2015, February 1, 2016, January 17, 2019 and February 10, 2020), the vested portions of his options were exercisable for up to three months, and the unvested portion were forfeited.

CEO Pay Ratio Disclosure

As permitted under the SEC rules, in order to identify our “median employee” to compare to our CEO, we took into account our entire employee population (other than our CEO) at December 31, 2021, located in the United States, Canada, and India, including full, part-time employees and temporary/seasonal employees (1,480 employees). We used the compensation components utilized in the Summary Compensation Table on page 53 of this Proxy Statement for the period from January 1, 2021 to December 31, 2021 as the compensation measure to identify the median employee, and the median employee’s compensation. We annualized total compensation for those employees who commenced work during 2021 and excluded our cost of providing health and wellness benefits for all employees.

The pay ratio specified below is a reasonable estimate calculated in a manner that is intended to be consistent with Item 402(u) of Regulation S-K under the Exchange Act. In calculating Total Compensation for our median employee and CEO, we included, among other things, base salary, overtime, incentive payments, and stock-based compensation (based on the grant date fair value of awards granted during 2021); therefore, the CEO's Total Compensation for purposes of this calculation matches the Total Compensation described in the Summary Compensation Table on page 53 of this Proxy Statement.

The median team member's estimated Total Compensation for 2021 was $49,500. The ratio of CEO pay to median team member pay is estimated to be 60 to 1.

Proposal No. 2 – Ratification of Ernst & Young LLP as the Company's Independent Auditor

The Audit Committee of the Board is directly responsible for the appointment, compensation, retention and oversight of the Company's independent auditor and approves the audit engagement letter with Ernst & Young LLP and its audit fees. The Audit Committee has appointed Ernst & Young LLP as the Company's independent auditor for fiscal year 2022 and believes that the continued retention of Ernst & Young LLP as our independent auditor is in the best interest of Global Industrial and our stockholders.

While not required by law, we are asking our stockholders to ratify the appointment of Ernst & Young LLP as the Company's independent auditor for fiscal year 2022 at the Annual Meeting as a matter of good corporate governance. If stockholders do not ratify this appointment, the Audit Committee will consider whether it is appropriate to appoint another audit firm. Even if the appointment is ratified, the Audit Committee in its discretion may appoint a different audit firm at any time during the fiscal year if it determines that such a change would be in the best interest of Global Industrial and our stockholders.

We expect representatives of Ernst & Young LLP to be present at the Annual Meeting. They will have an opportunity to make a statement if they desire to do so and to respond to appropriate questions from stockholders.

Fees Paid to our Independent Auditor

The following table sets forth the fees billed to us by Ernst & Young LLP for services in fiscal year 2021 and 2020, all of which were pre-approved by the Audit Committee:

Fee Category	2021 ($)	2020 ($)
Audit fees[(1)]	1,279,100	1,238,500
Audit-related fees[(2)]	0	12,250
Tax fees[(3)]	0	0
All other fees[(4)]	5,000	5,000
Total	**1,284,100**	**1,255,750**

(1) In accordance with the SEC's definitions and rules, "audit fees" are fees that were billed to Global Industrial by Ernst & Young LLP for the audit of our annual financial statements, to be included in the Form 10-K, and review of financial statements included in the Form 10-Qs; for the audit of our internal control over financial reporting with the objective of obtaining reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects; for the attestation of management's report on the effectiveness of internal control over financial reporting; and for services that are normally provided by the auditor in connection with statutory and regulatory filings or engagements.

(2) "Audit-related fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and internal control over financial reporting, including services in connection with assisting Global Industrial in our compliance with our obligations under Section 404 of the Sarbanes-Oxley Act and related regulations.

(3) Ernst & Young LLP did not provide any professional services for tax compliance, planning or advice in 2021 or 2020.

(4) Consists of fees billed for other professional services rendered to Global Industrial.

Audit Committee Pre-Approval Policy

The Audit Committee is responsible for approving every engagement of Global Industrial's independent auditor to perform audit or non-audit services on behalf of Global Industrial or any of its subsidiaries before such auditors can be engaged to provide those services. The Audit Committee does not delegate its pre-approval authority. The Audit Committee is not permitted to engage the independent auditor to perform any non-audit services proscribed by law or regulation. The Audit Committee has reviewed the services provided to Global Industrial by Ernst & Young LLP and believes that the non-audit/review services it has provided are compatible with maintaining the auditor's independence.

The Board Recommends That You Vote "FOR" the Ratification of the Appointment of Ernst & Young LLP as the Company's Independent Auditor for Fiscal Year 2022 (Proposal No. 2)

Report of the Audit Committee

The Audit Committee of the Board operates under its charter, which was originally adopted by the Board in 2000, is reviewed annually, and was most recently revised in February 2022. As set forth in its charter, the Audit Committee's job is one of oversight. Management is responsible for Global Industrial's financial statements, internal accounting and financial controls, the financial reporting process, the internal audit function and compliance with our policies and legal requirements. Our independent auditors are responsible for performing independent audits of our consolidated financial statements and the effectiveness of our internal controls in accordance with standards of the Public Company Accounting Oversight Board (United States) and for issuance of reports thereon; they also perform limited reviews of our unaudited quarterly financial statements.

The Audit Committee's responsibility is to engage the independent registered public accountants, monitor and oversee these accounting, financial and audit processes and report its findings to the full Board. It also investigates matters related to our financial statements and controls as it deems appropriate. In the performance of these oversight functions, the members of the Audit Committee rely upon the information, opinions, reports and statements presented to them by Global Industrial management and by the independent registered public accountants, as well as by other experts that the Audit Committee hires.

The Audit Committee met with our independent auditors to review and discuss the overall scope and plans for the audit of our consolidated financial statements for the year ended December 31, 2021. The Audit Committee has considered and discussed with management and the independent auditors (both alone and with management present) the audited financial statements as well as the independent auditors' evaluation of our internal controls and the overall quality of our financial reporting.

Management represented to the Audit Committee that our consolidated financial statements for fiscal year 2021 were prepared in accordance with U.S. generally accepted accounting principles. In connection with these responsibilities, the Audit Committee met with management and Ernst & Young LLP to review and discuss the December 31, 2021 audited consolidated financial statements. The Audit Committee also discussed with Ernst & Young LLP the matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standard No. 1301, Communications with Audit Committees. The Audit Committee also received written disclosures and the letter from Ernst & Young LLP required by Rule 3526 of the Public Company Accounting Oversight Board (Communications with Audit Committees Concerning Independence), and the Audit Committee discussed with Ernst & Young LLP the firm's independence.

Based on the review of the representations of management, the discussions with management and the independent registered public accountants and the review of the Report of Ernst & Young LLP, Independent Registered Public Accounting Firm, to the Committee, the Audit Committee recommended to the Board that the financial statements of Global Industrial for fiscal year 2021 as audited by Ernst & Young LLP be included in Global Industrial's Annual Report on Form 10-K filed with the SEC.

Submitted by the Audit Committee of the Board,
Chad M. Lindbloom (Chairman)
Paul S. Pearlman
Robert D. Rosenthal

Security Ownership Information

The following table provides certain information regarding the beneficial ownership of Global Industrial common stock as of April 12, 2022, by:

- our directors;
- our executive officers named in the Summary Compensation Table on page 53 of this Proxy Statement;
- all current executive officers and directors as a group; and
- each person known by us to own beneficially more than 5% of our outstanding common stock

A person has beneficial ownership of shares if the person has voting or investment power over the shares or the right to acquire such power in 60 days. Investment power means the power to direct the sale or other disposition of the shares. Except as otherwise described in the notes below, information on the number of shares beneficially owned is as of April 12, 2022, and the listed beneficial owners have sole voting and investment power. A total of 37,916,603 shares of our common stock were outstanding as of April 12, 2022.

The address for each beneficial owner, unless otherwise noted is c/o Global Industrial Company, 11 Harbor Park Drive, Port Washington, NY 11050.

Security Ownership of Certain Beneficial Owners and Management

Name of Beneficial Owner	Shares of Common Stock (a)	Restricted Stock Units vesting within 60 days (1)	Stock Options currently exercisable or becoming exercisable within 60 days(1)	Percent of Common Stock
Richard Leeds(2)	15,789,310	-	-	41.64%
Bruce Leeds(3)	11,971,126	-	-	31.58%
Robert Leeds(4)	15,733,110	-	-	41.49%
Barry Litwin	33,234	-	32,117	*
Chad M. Lindbloom	2,260	2,561	-	*
Paul S. Pearlman	2,688	2,561	-	*
Lawrence Reinhold	28,688	2,561	-	*
Robert D. Rosenthal	72,499	2,561	10,000	*
Thomas Clark	25,851	-	52,472	*
All of our current directors and executive officers (16 persons)	25,019,139	10,244.00	121,034	66.99%

(a) Amounts listed in this column may include shares held in partnerships or trusts that are counted in more than one individual's total.

* less than 1%

(1) In computing the percentage of shares owned by each person and by the group, these restricted stock units and stock options, as applicable, were added to the total number of outstanding shares of common stock for the percentage calculation.

(2) Includes 1,650,497 shares owned by the Bruce Leeds Declaration of Trust, a trust for the benefit of Mr. Leeds and of which Mr. Leeds is the trustee; 853,243 shares owned by the Bruce Leeds 2020 GRAT #2, a trust for the benefit of Mr. Leeds and of which Mr. Leeds is the trustee; and 50,000 shares owned by trusts for the benefit of Mr. Leeds' family members for which Mr. Leeds acts as trustee. Also includes an aggregate of 8,657,589 shares owned by trusts for the benefit of Mr. Leeds' family members for which Mr. Leeds acts as co-trustee; 519,800 shares owned by Aspire Partners L.P., the general partner of which is limited liability company equally owned by Mr. Leeds and two other members; 238,583 shares owned by Generation Partners, L.P., the general partner of which is limited liability company equally owned by Mr. Leeds and two other members; and 1,414 shares owned by 2nd Generation Partners LLC, a limited liability company equally owned by Mr. Leeds and two other members.

(3) Includes 1,306,125 shares owned by Mr. Leeds individually; 1,104,457 shares owned by the Richard Leeds 2020 GRAT #2, a trust for the benefit of Mr. Leeds and of which Mr. Leeds is the trustee; and 50,000 shares owned by trusts for the benefit of Mr. Leeds' family members for which Mr. Leeds acts as trustee. Also includes an aggregate of 12,333,081 shares owned by trusts for the benefit of reporting person's family members for which Mr. Leeds acts as co-trustee, 519,800 shares owned by Aspire Partners L.P., the general partner of which is limited liability company equally owned by Mr. Leeds and two other members; 238,583 shares owned by Generation Partners, L.P., the general partner of which is limited liability company equally owned by Mr. Leeds and two other members; 235,850 shares owned by GML Partners LP, of which a limited liability company controlled by Mr. Leeds is a general partner; and 1,414 shares owned by 2nd Generation Partners LLC, a limited liability company equally owned by Mr. Leeds and two other members.

(4) Includes 1,059,396 shares owned by the Robert Leeds Declaration Of Trust, a trust for the benefit of Mr. Leeds and of which Mr. Leeds is the trustee; 528,567 shares owned by the Robert Leeds 2020 GRAT #2, a trust for the benefit of Mr. Leeds and of which Mr. Leeds is the trustee; and 50,000 shares owned by trusts for the benefit of Mr. Leeds' family members for which Mr. Leeds acts as trustee. Also includes an aggregate of 13,335,350 shares owned by trusts for the benefit of Mr. Leeds' family for which Mr. Leeds acts as trustee or co-trustee: 519,800 shares owned by Aspire Partners L.P., the general partner of which is limited liability company equally owned by Mr. Leeds and two other members; 238,583 shares owned by Generation Partners, L.P., the general partner of which is limited liability company equally owned by Mr. Leeds and two other members; and 1,414 shares owned by 2nd Generation Partners LLC, a limited liability company equally owned by Mr. Leeds and two other members.

Security Ownership of Certain Beneficial Owners

Name of Beneficial Owner	Shares of Common Stock (a)	Percent of Common Stock
Mawer Investment Management Ltd. (1) 600, 517 – 10th Avenue SW Calgary, Alberta, Canada T2R 0A8	2,223,583	5.86%

(1) Based on information supplied by Mawer Investment Management Ltd. in a Schedule 13G filed with the SEC on February 10, 2022.

Equity Compensation Plans

This table contains information as of December 31, 2021 about Global Industrial's equity compensation plans, all of which have been approved by Global Industrial's stockholders:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders	463,304	$24.28	7,334,548
Equity compensation plans not approved by stockholders	-	-	-
Total	463,304	$24.28	7,334,548

Certain Relationships and Related Transactions

Related Person Transaction Policy

Our written corporate approval policy requires transactions with related persons, to be reviewed and approved or ratified by the following persons on an escalating basis:

- ✓ our General Counsel,
- ✓ our CFO,
- ✓ our CEO, and
- ✓ our Nominating/Corporate Governance Committee.

In this regard, all such transactions are first discussed with the CFO and are submitted to the General Counsel's office, including for an initial determination of whether such further related person transaction review is required.

We utilize the definition of related persons under applicable SEC rules, defined as any executive officer, director or nominee for director of Global Industrial, any beneficial owner of more than 5% of the outstanding shares of our common stock, or any immediate family member of any such person.

In reviewing these transactions, we strive to assure that the terms of any agreement between Global Industrial and a related party is at arm's length, fair and at least as beneficial to Global Industrial as could be obtained from third parties.

The Nominating/Corporate Governance Committee, in its discretion, may consult with third-party appraisers, valuation advisors or brokers to make such determination.

Transactions with Related Persons

Lease. On December 14, 2016, Global Equipment Company Inc., a wholly owned indirect subsidiary of Global Industrial entered into an amended and restated lease (the "Lease") for its Port Washington, NY headquarters (the "Headquarters"). Global Industrial has leased the Headquarters since September 1988 from an entity owned by Messrs. Richard, Bruce and Robert Leeds, directors and officers of, and together with their respective affiliated entities majority stockholders of, Global Industrial (the "Landlord"). The Lease has an initial term of ten years, with two option periods to extend the lease for additional periods of five years under each option and provides that it is intended to be a "triple net" lease with Global Equipment Company Inc. to pay, or reimburse Landlord for paying, all costs and operating expenses, including taxes, insurance and maintenance expenses, associated with the Lease and the Headquarters. The Lease was reviewed and approved in accordance with the corporate approval policy noted above for related party transactions. Lease payments totaled $1,007,642 for fiscal year 2021.

Stockholders Agreement. Certain members of the Leeds family (including Messrs. Richard, Bruce and Robert Leeds) and family trusts of Messrs. Richard, Bruce and Robert Leeds entered into a stockholders agreement pursuant to which the parties agreed to vote in favor of the nominees for the Board designated by the holders of a majority of the shares held by such stockholders at the time of our initial public offering of the shares. In addition, the agreement prohibits the sale of the shares without the consent of the holders of a majority of the shares held by all parties to the agreement, subject to certain exceptions, including sales pursuant to an effective registration statement and sales made in accordance with Rule 144. The agreement also grants certain drag-along rights in the event of the sale of all or a portion of the shares held by holders of a majority of the shares. As of the end of fiscal year 2021, the parties bound to the stockholders agreement beneficially owned 25,221,028 shares subject to such agreement (constituting approximately 66.6% of the shares outstanding).

Pursuant to the stockholders agreement, Global Industrial granted to the parties demand and incidental, or "piggy-back," registration rights with respect to the shares. The demand registration rights generally provide that the holders of a majority of the shares may require, subject to certain restrictions regarding timing and number of shares that Global Industrial register under the Securities Act all or part of the shares held by such stockholders. Pursuant to the incidental registration rights, Global Industrial is required to notify such stockholders of any proposed registration of any shares under the Securities Act and if requested by any such stockholder to include in such registration any number of shares of shares held by it subject to certain restrictions. Global Industrial has agreed to pay all expenses and indemnify any selling stockholders against certain liabilities, including under the Securities Act, in connection with the registration of shares pursuant to such agreement.

Additional Matters

Solicitation of Proxies

The cost of soliciting proxies for the Annual Meeting will be borne by Global Industrial. In addition to solicitation by mail and over the Internet, solicitations may also be made by personal interview, fax and telephone. Arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy material to their principals and Global Industrial will reimburse them for expenses in so doing.

Consistent with our voting procedure, directors, officers and other regular employees of Global Industrial, as yet undesignated, may also request the return of proxies by telephone or fax, or in person.

Submitting Stockholder Proposals and Director Nominations for the Next Annual Meeting

Stockholder proposals intended to be included in our proxy statement for the 2023 Annual Meeting, including proposals for the nomination of directors, must be received by December 28, 2022 to be considered for the 2023 Annual Meeting pursuant to Rule 14a-8 under the Exchange Act.

Stockholders proposals submitted in accordance with our bylaws and applicable law should be mailed to Global Industrial Company, Attention: Investor Relations, 11 Harbor Park Drive, Port Washington, NY 11050.

In addition to satisfying the foregoing requirements and other procedures set forth in our bylaws, to comply with the universal proxy rules (once effective), stockholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than April 7, 2023 for the 2023 Annual Meeting.

Other Matters

The Board does not know of any matter other than those described in this Proxy Statement that will be presented for action at the Annual Meeting. If other matters properly come before the Annual Meeting, the persons named as proxies intend to vote the shares they represent in accordance with their judgment.

A COPY OF OUR FORM 10-K FOR FISCAL YEAR 2021 IS INCLUDED AS PART OF OUR ANNUAL REPORT ALONG WITH THIS PROXY STATEMENT, WHICH ARE AVAILABLE AT www.proxyvote.com OR ON OUR WEBSITE AT www.globalindustrial.com.

Available Information

We maintain a website at www.globalindustrial.com. We file reports with the SEC and make available free of charge on or through our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including all amendments to those reports. These are available as soon as is reasonably practicable after they are filed with the SEC. All reports mentioned above are also available from the SEC's website (www.sec.gov). The information on our website or any report we file with, or furnish to, the SEC is not part of this Proxy Statement.

Householding

The Company may elect to send a single copy of its 2021 Annual Report and this Proxy Statement to any household at which two or more stockholders reside, unless one of the stockholders at such address notifies the Company that he or she desires to receive individual copies. This "householding" practice reduces the Company's printing and mailing costs. Stockholders who participate in householding will continue to receive separate proxy cards. Stockholders may request to discontinue or re-start householding, or to request a separate copy of the 2021 Annual Report or this Proxy Statement, as follows:

- stockholders owning shares through a broker, bank or other holder of record should contact such record holder directly; and
- stockholders of record should write to the Company at 11 Harbor Park Drive, Port Washington, New York 11050, Attention: Investor Relations. The Company will promptly deliver such materials upon request.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 1-13792

Global Industrial Company

(Exact name of registrant as specified in its charter)

Delaware	**11-3262067**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11 Harbor Park Drive
Port Washington, New York 11050
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(516) 608-7000**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $ .01 per share	GIC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company, and "emerging growth company" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer ☐	Accelerated Filer ☒
Non-Accelerated Filer ☐	Smaller reporting company ☐
	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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2021, which is the last business day of the registrant's most recently completed second fiscal quarter, was approximately $438,303,939. For purposes of this computation, all executive officers and directors of the Registrant and all parties to the Stockholders Agreement dated as of June 15, 1995 have been deemed to be affiliates. Such determination should not be deemed to be an admission that such persons are, in fact, affiliates of the Registrant.

The number of shares outstanding of the registrant's common stock as of March 11, 2022 was 37,906,657 shares.
Documents incorporated by reference: Portions of the Proxy Statement of Global Industrial Company relating to the Annual Meeting of Stockholders to be held in 2022 are incorporated by reference in Part III hereof.

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PART I

Unless otherwise indicated, all references herein to Global Industrial Company (sometimes referred to as "Global Industrial," the "Company," or "we") include its subsidiaries.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of that term in the Private Securities Litigation Reform Act of 1995 (Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Additional written or oral forward-looking statements may be made by the Company from time to time in filings with the Securities and Exchange Commission or otherwise. Any such statements that are not historical facts are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are based on management's estimates, assumptions and projections and are not guarantees of future performance. Forward-looking statements may include, but are not limited to statements regarding: i) projections or estimates of revenue, income or loss, exit costs, cash flow needs and capital expenditures; ii) fluctuations in general economic conditions, including effects of rising inflation; iii) future operations, such as risks regarding strategic business initiatives, plans relating to new distribution facilities, plans for utilizing alternative sources of supply in response to government tariff and trade actions and/or due to supply chain disruptions arising from the Coronavirus pandemic, war, geopolitical conflicts and plans for new products or services; iv) plans for acquisition or sale of businesses, including expansion or restructuring plans; v) financing needs, and compliance with financial covenants in loan agreements; vi) assessments of materiality; vii) predictions of future events and the effects of pending and possible litigation; and viii) assumptions relating to the foregoing. In addition, when used in this report, the words "anticipates," "believes," "estimates," "expects," "intends," and "plans" and variations thereof and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified based on current expectations. Consequently, future events and results could differ materially from those relating to or underlying the forward-looking statements contained in this report. Statements in this report, particularly in "Item 1. Business," "Item 1A. Risk Factors," "Item 3. Legal Proceedings," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," and the Notes to Consolidated Financial Statements describe certain factors, among others, that could contribute to or cause such differences.

Forward-looking statements in this report are based on the Company's beliefs and expectations as of the date of this report and are subject to risks and uncertainties which may have a significant impact on the Company's business, operating results or financial condition. Investors are cautioned that these forward-looking statements are inherently uncertain and undue reliance should not be placed on them. We undertake no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unexpected events, except to the extent required under applicable law.

Risk Factors Summary (see Item 1A. Risk Factors, below): Other factors that may affect our future results of operations and financial condition include, but are not limited to, unanticipated developments in any one or more of the following areas, as well as other factors which may be detailed from time to time in our Securities and Exchange Commission filings, which we summarize below:

- general economic conditions, such as customer inventory levels, consumer prices and inflation, interest rates, borrowing ability and economic conditions in the manufacturing and/or distribution industries generally, as well as government spending levels will continue to impact our business;
- delays in the timely availability of products from our suppliers has in the past and could in the future delay receipt of needed product, resulting in delayed or lost sales;
- global supply chains and the timely availability of products, particularly products, or product components used in domestic manufacturing, imported from China and other Asian nations as well as from other countries, have been, and in the future could continue to be adversely affected by allocation restrictions of difficult to source products by our vendors;
- quarantines, factory slowdowns or shutdowns, border closings and travel restrictions resulting from the Coronavirus pandemic have in the past and could in the future adversely affect the timely availability of products, resulting in delayed or lost sales;
- the imposition of tariffs and other trade barriers, as well as retaliatory trade measures, have caused us to raise the prices on certain of our products and seek alternate sources of supply, which could negatively impact our sales or disrupt our operations if we are not able to mitigate these measures;

- our use of alternate sources of supply, such as utilizing new vendors in additional countries, entails various risks, such as identifying, vetting and managing new business relationships, reliance on new vendors and maintaining quality control over their products, and protecting our intellectual property rights;
- increases in freight and shipping costs, including fuel costs, could affect our margins to the extent the increases cannot be passed along to customers, as has occurred in the past;
- extreme weather conditions have delayed or disrupted global product supply chains and have affected our ability to timely receive and ship products, which have and could adversely impact sales;
- other critical factors affecting the shipping and distribution of products imported to the United States by us or our domestic vendors, such as a global shortage in availability of shipping containers, shipping port congestion, and pandemic related labor shortages, have in the past and could in the future adversely affect the timely availability of products, resulting in delayed or lost sales, as well as adversely affecting our margins;
- our reliance on common carrier delivery services for shipping inventoried merchandise to customers;
- our reliance on drop ship deliveries directly to customers by our product vendors for products we do not hold in inventory;
- our ability to maintain available capacity in our distribution operations for stocked inventory and to enable on time shipment and deliveries, such as by timely implementing additional temporary or permanent distribution resources, whether in the form of additional facilities we operate or by outsourcing certain functions to third-party distribution and logistics partners;
- we compete with other companies for recruiting, training, integrating and retaining talented and experienced employees, particularly in markets where we and they have central distribution facilities; and this aspect of competition is aggravated by the current tight labor market in the U.S. for such jobs and at a time this market is undergoing competitive changes due to the Coronavirus pandemic;
- risks involved with e-commerce, including possible loss of business and customer dissatisfaction if outages or other computer-related problems should preclude customer access to our products and services;
- our information systems and other technology platforms supporting our sales, procurement and other operations are critical to our operations and disruptions or delays have occurred and could occur in the future, and if not timely addressed could have a material adverse effect on us;
- a data security breach due to our e-commerce, data storage or other information systems being hacked by those seeking to steal Company, vendor, employee or customer information, or due to employee error, resulting in disruption to our operations, litigation and/or loss of reputation or business;
- managing various inventory risks, such as being unable to profitably resell excess or obsolete inventory and/or the loss of product return rights from our vendors;
- meeting credit card industry compliance standards in order to maintain our ability to accept credit cards;
- rising interest rates, increased borrowing costs or limited credit availability, could impact both our and our customers' ability to fund purchases and conduct operations in the ordinary course;
- pending or threatened litigation and investigations, and other government actions, such as anti-dumping, unclaimed property, or trade and customs actions by U.S. or foreign governmental authorities, have occurred in the past and although had no material impact to our business, there can be no assurance that such events would not have such impact on our business and results of operation.

Item 1. Business.

General

Global Industrial Company, through its operating subsidiaries, is a value-added industrial distributor of more than a million industrial and maintenance, repair and operation ("MRO") products in North America going to market through a system of branded e-commerce websites and relationship marketers. The Company was incorporated in Delaware in 1995. Certain predecessor businesses which now constitute the Company's operations have been in business since 1949. Our headquarters office is located at 11 Harbor Park Drive, Port Washington, New York.

Continuing operations

The Company offers more than one million industrial and MRO products, including its own Global Industrial exclusive brands, which are marketed in North America. These industrial and MRO products are manufactured by other companies. Some products are manufactured for us as a white label product and some are manufactured to our own design: these products are marketed as private brand under the trademarks: *Global™, GlobalIndustrial.com™, Nexel™ Paramount™ and Interion™.*

See Note 5 to the consolidated financial statements included in Item 15 of this Form 10-K for additional financial information about our business as well as information about our geographic operations.

Accelerating the Customer Experience

The Company's multi-year business strategy is focused on Accelerating our Customers Experience (“ACE”). The ACE initiative, which guides our actions across the business, and specifically in our customer end-to-end purchase, service, and delivery experience, has at its core building of customer loyalty and trust by addressing unique customer needs through a responsive and tailored sales, product, and service experience. We build customer loyalty and trust through personalized and high touch customer interactions that often feature strong one to one relationships. The Company's digital and multi-channel sales model drives customer acquisition and with rigorous vetting we are able to identify opportunities for product category expansion, particularly private brand products. Category expansion with our customers drives repeat orders and increases their annual and average spend. We maximize customer satisfaction and loyalty by coupling close customer relationships with product expertise, efficient and competitive fulfillment and delivery and exceptional customer service.

WE CAN SUPPLY THAT®

Products

Our broad product offering and focus on responsiveness to our customers is captured in our promise “*We Can Supply That®*”. We offer our customers a competitive assortment of leading products and services, a sales force with deep product knowledge and expertise, and timely and relative industry and product content via *The Knowledge Center*. Our go to market strategy also focuses on leveraging our deep product knowledge and experience by seeking to expand our higher margin private brand line of Global products by adding additional products and product categories. We have over one million brand name and private brand products available through our e-commerce sites and have access to over 1.7 million products in our database. We endeavor to expand and keep current the breadth of our product offerings to fulfill the increasingly wide range of product needs of our customers, and periodically remove certain products from our offering to improve efficiencies or to address vendor or market changes. Sourcing hard to find or non-standard product helps to differentiate our business from our competitors and we believe provides us with a competitive advantage.

The Company has focused on offering competitive pricing, high service levels, broad and deep product offering, extensive product and sales expertise, and most importantly a private brand offering that provides high quality with an attractive price point. Products generally are categorized within the following categories: storage and shelving, safety and security, carts and trucks, HVAC and fans, furniture and decor, material handling, janitorial and facility maintenance, workbenches and shop desks, tools and instruments, plumbing and pumps, office and school supplies, packaging and shipping, lighting and electrical, food service and retail, medical and laboratory, motors and power transmission, building supplies, machining, fasteners and hardware, vehicle maintenance, and raw materials. We have become a destination and trusted supplier of these products and continue to evaluate expansion within key end markets.

Sales and Marketing

We market our products primarily to business customers, which include for-profit businesses, state, local, and private educational organizations and government entities including federal, state, and local municipalities. We have an established multi-faceted direct marketing system and customer life cycle marketing program which tends to begin with customer acquisition via keyword or branding search, supported by strategic account managers, leading e-commerce and account management tools, and deep pre and post sales product expertise which are intended to drive customer retention and penetration and to maximize sales. We continuously evaluate and adjust our marketing spend as well as the organization of our selling resources in order to best service our existing customers, as well as to optimize customer acquisition.

Relationship Marketers

Our relationship marketers focus their efforts on our business customers by establishing a personal relationship between such customers and a Global Industrial account manager. Our sales force is made up of wide range of broad based and specialized account managers including dedicated Public Sector Account Managers focusing on government, education, and other municipal customers, Commercial Account Managers focusing on business customers generally organized by end market or geography and Strategic Account Managers focusing on our most complex enterprise accounts. The sales force is supported by Business Development Representatives, Territory Sales Managers, and other Subject Matter Experts who support the end to end customer life cycle management. The goal of the relationship marketing sales force is to increase the purchasing productivity of current customers and to actively solicit newly targeted prospects to become customers. With access to the records we maintain, our relationship marketers are prompted with product suggestions to expand customer order values. We also have the ability to provide such customers with electronic data interchange ("EDI") ordering and customized billing services, customer savings reports and stocking of specialty items specifically requested by these customers. Our relationship marketers' efforts are supported by e-mail campaigns and periodic catalog mailings, both of which are designed to generate inbound telephone sales, and visits to our interactive websites, which allow customers to purchase products directly online. We believe that the integration of our multiple marketing methods enables us to more thoroughly penetrate our business, educational and government customer base. We believe increased internet exposure leads to more internet-related sales and also generates more inbound telephone sales; just as we believe email campaigns, and to a lesser extent catalog mailings, which feature our websites results in greater internet-related sales.

E-commerce

We currently operate multiple e-commerce sites, including:

www.globalindustrial.com
www.globalindustrial.ca
www.industrialsupplies.com

We are continually upgrading the capabilities and performance of these websites in our significant markets. In 2020 we enhanced our website for full ADA/508 compliance, expanded customer self service functions such as SMS notifications, added proactive notifications through Global Assist (order tracking on the web) and added the ability to create quotes and product reviews. In addition we have upgraded the look and functionality of our mobile site. In 2021, we launched a new search engine as well as reorganizing the full category hierarchy and taxonomy of our product offering in an effort to drive improved search, conversion rates, and overall user experience.

Our internet sites feature over one million MRO and industrial and general business supplies. Our customers have around-the-clock, online access to purchase products and we have the ability to create targeted promotions for our customers' interests.

In addition to our own e-commerce websites, we have partnering agreements with several of the largest internet shopping and search engine providers who feature our products on their websites or provide "click-throughs" from their sites directly to ours. These arrangements allow us to expand our customer base at an economical cost.

Signature Campaigns

We have realigned our marketing efforts, seasonal product offering, and go to market strategy around enterprise wide strategic marketing campaigns. In 2020, this began with the *Restore, Return and Rebound* signature campaign addressing customer needs for returning to operations post pandemic and then followed with a *Ready, Set, Vaccinate* campaign introduced to assist hospitals and other health agency customers prepare for administering vaccines to the public. We continued these campaigns into 2021 with our *We Got This* campaign which is aimed at helping our customers navigate the recent supply chain disruptions that have made sourcing key products more challenging.

Catalogs

As the Company increased its focus on online and e-commerce advertising, marketing and sales activities over the years, its use of hard copy catalogs decreased as compared to earlier periods, but over the last several years, it has distributed a stable number of regular and specialty catalogs, postcards, and other physical mail and anticipates continuing to do so in the near term.

Customer Service, Order Fulfillment and Support

Since 2019 we have launched several initiatives with our vendors and freight partners, and in our own distribution centers, to improve our customer’s experience such as our Voice of the Customer initiative, involving phone and online surveys to obtain our customer’s input on their experiences with us and our products to ensure we deliver on the promise, to better focus our sales, service and marketing efforts on our customers' needs and to target areas of improvement to enhance the overall customer experience. These efforts continued through 2021, and we further added additional improvements to the experience including offering 24x7 chat supported by both AI chatbots and live chats with our associates.

A growing proportion of our orders are received electronically via internet, extranet, EDI, customer punch out catalog, online chat, or through broadly utilizing vendor and customer portals such as Ariba or Coupa. These E-orders represented over 56% of our transaction count for the year ended December 31, 2021 compared to over 48% for the year ended December 31, 2019, the last year prior to the pandemic. The balance of our orders are received by telephone to our inbound call center, direct dial to our inside account management team, placement through one of our field sales representatives, and to a small extent via fax. We generally provide toll-free telephone number access for our customers in countries where it is customary. Certain domestic call centers are linked to provide telephone backup in the event of a disruption in phone service.

The Company utilizes a sourcing strategy encompassing sales of in stock items that are either national brands, private brand, or white label products as well as supplementing its stocking strategy with product fulfilled directly by our vendor partners via a drop ship relationship. In stock items tend to be higher in velocity, higher in gross margin, and offer a higher service level to our customers. In stock items are distributed via a network of five large distribution centers in the U.S. located in the Northeast, Midwest, West, Southeast and South Central regions and two additional smaller distribution facilities in Canada. Product deliveries to our customers are made through a nationwide network of common carriers that we contract with directly in order to establish and maintain high service levels and enhance operational efficiencies. We tend to stock items in our distribution center, and invest the requisite working capital in inventory position, after demonstrating sales volume success in the drop ship sales of that item effected through our suppliers. Orders are generally shipped by third-party delivery services and we maintain relationships with thousands of distributors and product vendors in the United States and Canada.

We maintain a database of commonly asked questions for our technical support representatives, enabling them to respond quickly to similar questions. We conduct regular on-site training seminars for our sales representatives to help ensure that they are well trained and informed regarding our latest product offerings.

Suppliers

We purchase substantially all of our products and components directly from both large and small manufacturers as well as large wholesale distributors. No supplier accounted for 10% or more of our product purchases in 2021, 2020 and 2019. Most private brand products are manufactured by third parties to our specifications.

Competition and Other Market Factors

Industrial Products

The market for the sale of industrial products in North America is highly fragmented and is characterized by multiple distribution channels such as small dealerships, direct mail distribution, internet-based resellers, large warehouse stores and retail outlets. We face competition from large diversified MRO distributors such as Uline Inc, Grainger Inc., MSC Industrial Direct Inc., Fastenal Inc., and other large retailers, including Amazon. We also face competition from manufacturers’ own sales representatives, who sell industrial equipment directly to customers, and from regional or local distributors. Many purchasers begin sourcing products via search engine or mobile application on desktops, laptops, or mobile devices. In the industrial products market, customer purchasing decisions are primarily based on price, product selection, product availability, level of service, access to open account terms, and convenience. We believe that direct marketing via sales representatives, the internet and catalogs are effective and convenient distribution methods to reach both our core small and mid-sized customer as well as large enterprises. Further we believe that our customer engagement approach allows for high levels of service to accounts that may purchase high volume capital or durable goods infrequently or that place many small orders for supplies and other consumables that require a wide selection of products. In addition, because the industrial products market is highly fragmented and generally less brand oriented, we believe it is well suited to private brand and white label products.

Human Capital Resources

As of December 31, 2021, we employed a total of approximately 1,480 associates, of whom 1,310 were in North America and 170 were in Asia. Approximately 42% of our associates are customer facing including customer service, quota bearing sales representatives, inbound call center representatives, and other pre and post sales management and support. Approximately 36% of our team members are employed within distribution, logistics, and fulfillment areas, while 22% of our associate base works within administrative functions including: IT, Marketing, Product Management, Human Resources, Accounting and Finance, Legal and Risk Management and general administrative and management roles.

Our worldwide workforce is made up of a diverse group of associates. In our most recent U.S. EEO-1 data, the associate demographic breakdown for individuals reporting was 44% female and 56% male and minorities constituted 55% of our workforce. We believe our diversity of associates is one of the Company's considerable strengths and that our demographics are consistent with our competitors in the sales and distribution space. Our employees are not subject to collective bargaining agreements. The Company has not experienced work stoppages and we believe relationships with our employees are good.

Environment, Health and Safety: Government Regulation

Employee health and safety is a top priority for the Company, and was a key factor in our safely navigating the pandemic thus far. As an essential business our distribution centers remained open during the pandemic and our office facilities remained open in locations where social distancing and local regulations permitted. Safety protocols we established to keep our employees safe include:

- Implementing Covid-19 related controls to address social distancing, intense cleaning of common areas, and enhanced use of personal protective equipment.
- Providing face masks, gloves and sanitizing products for employees' use.
- Limiting all but essential travel for all employees.
- Providing paid time off for employees with suspected and confirmed Covid-19 illness and for contact tracing.
- Providing paid time off for employees to receive and recover from the vaccine.
- Providing incentive bonuses to encourage employees to become vaccinated.
- Restricting access to our facilities to essential visitor personnel.
- Implementing remote work and in office rotation policies to effect social distancing.

Our safety teams and local safety committees provide oversight, training, education and compliance guidance, as well as workers compensation remediation advice, to our management teams and directly to our workforce. Our Environmental Health and Safety group is responsible for overseeing product safety and compliance programs and initiatives including compliance with various EPA, FDA and hazmat regulations that apply to certain of the products we offer.

Under various national, state and local environmental laws and regulations in North America and Asia, a current or previous owner or operator (including the lessee) of real property may become liable for the costs of removal or remediation of hazardous substances at such real property. Such laws and regulations often impose liability without regard to fault. We lease all of our facilities. In connection with such leases, we could be held liable for the costs of removal or remedial actions with respect to hazardous substances that escape into the environment. Although we have not been notified of, and are not otherwise aware of, any material real property environmental liability, claims or non-compliance, there can be no assurance that we will not be required to incur remediation or other costs in connection with real property environmental matters in the future.

Seasonality

Seasonality does have some effect on the Company's sales. Certain product lines are highly seasonal in nature, including HVAC products, snow removal products and outdoor furniture and equipment. In addition, certain customer segment buying cycles, including those of education and government, may tend to be more seasonal than others. Given these trends, financial results tend to vary quarter to quarter with sales and operating margin in the second and third quarters moderately higher than those in the first and fourth quarters respectively.

Discontinued operations

For information regarding certain discontinued operations and former lines of business, see Item 7, "Management's Discussions and Analysis of Financial Condition and Results of Operations" and Note 6 to the consolidated financial statements included in Item 15 of this Form 10-K.

Available Information

We maintain an internet website at www.investors.globalindustrial.com. We file reports with the Securities and Exchange Commission (“SEC”) and make available free of charge on or through this website our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, including all amendments to those reports, as well as any other materials filed with (or furnished to) the SEC. These are available as soon as is reasonably practicable after they are filed with the SEC. All reports mentioned above are also available from the SEC’s website (www.sec.gov). The information on our website is not part of this or any other report we file with, or furnish to, the SEC.

Our Board of Directors has adopted the following corporate governance documents with respect to the Company (the “Corporate Governance Documents”):

- Corporate Ethics Policy for officers, directors and employees
- Charter for the Audit Committee of the Board of Directors
- Charter for the Compensation Committee of the Board of Directors
- Charter for the Nominating/Corporate Governance Committee of the Board of Directors
- Corporate Governance Guidelines and Principles

In accordance with the listing standards of the New York Stock Exchange, each of the Corporate Governance Documents is available on our Company website (www.investors.globalindustrial.com) under the heading "Governance-Governance Documents".

Item 1A. Risk Factors.

There are a number of factors and variables described below that may affect our future results of operations and financial condition. Other factors, of which we are currently not aware or that we currently deem immaterial, may also affect our results of operations and financial position.

Risks Related to the Economy and Our Industries

- *General economic conditions, including those that can result in decreased customer confidence and spending,could result in our failure to achieve our historical sales growth rates and profit levels. Pandemics, such as the global coronavirus outbreak have and threatens to continue to disrupt global supply chains, including those we rely on in China, which could materially adversely affect our operations.*

  Both we and our customers are subject to global political, economic and market conditions, including trade and tariff uncertainties, customer inventory levels in the marketplace, borrowing ability, economic conditions in the manufacturing and/or distribution industries, increases in inflation, interest rates, freight costs and energy costs, as well as the impact of natural disasters, military actions, wars, cyber attacks, the threat of terrorism and global pandemics or other health crises. Our consolidated results of operations are directly affected by economic conditions in North America, and our supply chain for imported product is affected by conditions in Asia (particularly China).

  In this regard, global supply chains and the timely availability of products, particularly products, or product components used in domestic manufacturing, imported from China and other Asian nations have been and could again be materially disrupted by quarantines, factory slowdowns or shutdowns, border closings, and travel restrictions resulting from the Covid-19 pandemic. These events have and may continue to result in imported products not being timely received and resultant delayed or lost sales. We depend to a significant extent on products imported from China for our private brand lines, and on domestic manufacturers who utilize components imported from Asia. While we have experienced lost sales due to the Covid-19 pandemic and are making efforts to secure satisfactory levels of inventory, certain of our vendors have indicated they continue to experience constrained supply and are deferring delivery dates, and there can be no assurance that our supply chain will not experience further disruptions significant enough to adversely affect our operations.

We have in the past experienced a decline in sales as a result of poor economic conditions and the lack of visibility relating to future orders (as well as due to the other risks discussed below). Our results of operations depend upon, among other things, our ability to maintain and increase sales volumes with existing customers, our ability to limit price reductions and manage price increases, our ability to manage freight and shipping costs and maintain our margins, our ability to attract new customers and increase our market share, and the financial condition of our customers. A decline in the economy that adversely affects our customers, causing them to limit or defer their spending or that hampers their ability to pay for products would likely adversely affect our sales, prices and profitability as well. We cannot predict with any certainty whether we will be able to maintain or improve upon historical sales volumes with existing customers, maintain or grow our historical margins, and whether we will be able to attract new customers.

In response to economic and market conditions, from time to time we have undertaken initiatives to reduce our cost structure where appropriate, including workforce reductions. However, these actions may not be sufficient to meet current and future changes in economic and market conditions and allow us to continue to achieve the growth rates and levels of profitability we experienced in the past.

- *Geopolitical instability outside of the U.S. may adversely impact the U.S. and global economies.*

Many economies have experienced, and continue to experience, geopolitical instability, financial turmoil, high unemployment, soaring inflation and interest rates, and a significant depreciation of their local currencies. Policies of advanced economies have a profound effect on emerging markets, and ramifications of any trade war involving an advanced economy, like of that between the U.S. and China, could further contribute to the adverse economic and political conditions of emerging and developed economies.

We source a substantial portion of our products from manufacturers that are located in China. This concentration exposes us to risks associated with doing business globally, including changes in tariffs. The Office of the United States Trade Representative previously identified certain Chinese imported goods for additional tariffs to address China's trade policies and practices. These tariffs could have a material adverse effect on our business and results of operations. Additionally, the current administration has canceled tariff exclusions that provided tariff relief to certain products and has yet to signal whether it will reinstate such exclusions or further alter existing trade agreements and terms between China and the U.S., including limiting trade with China, adjusting the current tariffs on imports from China and potentially imposing other restrictions on exports from China to the U.S. Consequently, it is possible that tariffs may be imposed on products imported from foreign countries, including China, or that our business will be affected by retaliatory trade measures taken by China or other countries in response to existing or future tariffs. This may cause us to raise prices or make changes to our operations, any of which could have a material adverse effect on our business and results of operations.

In addition, the recent Russian invasion of Ukraine and the response of the international community has given rise to potential global security issues that may adversely affect international business and economic conditions. The short and long-term implications of the Russia-Ukraine conflict are difficult to predict at this time. The imposition of sanctions and counter sanctions may have an adverse effect on energy and economic markets generally and could result in an even greater impact related to global supply chain and energy prices. In addition, a prolonged war in Ukraine may have adverse impacts on cyber security, global supply chains, inflationary pressures and interest rates and engender volatility in commodities and other markets, any of which could negatively affect our business. The disruption to regional and global economies could have an enduring impact on regional and global economies, and consequently, a materially adverse impact on our operations and profitability. However, due to the highly uncertain and dynamic nature of these events, it is not currently possible to estimate with any reliable measure of certainty the impact of the Russia - Ukraine war on our business.

- *Adverse weather events or natural disasters, as well as pandemics such as the coronavirus, could negatively affect or disrupt our operations. We may be affected by global climate changes or by legal, regulatory or market responses to such potential change.*

Certain areas in which we operate are susceptible to severe weather events, such as hurricanes, winter storms, tornadoes and floods which can impact any of our locations as well as shipping ports and distribution centers. These events, as well as pandemics, have in the past and may in the future disrupt our locations and the supply chains dependent on such shipping ports and distribution centers. In this regard, we experienced product delivery and shipping delays due to the disrupted global product supply chains which affected our ability to timely receive and ship products, which could adversely impact sales.

Our ability to provide efficient distribution of core business products from our third-party drop ship distribution centers is critical to our business strategy. Disruptions at distribution centers or shipping ports, or the unavailability of employees needed by us or third parties to operate key functions at such locations, has and in the future may affect our ability to both maintain core products in inventory and deliver products to our customers on a timely basis, which may in turn adversely affect our results of operations. We cannot predict whether or to what extent damage caused by these events will affect our operations or the economies in regions where we operate. These adverse events could result in disruption of our operations, our purchasing or distribution capabilities, interruption of our business that exceeds our insurance coverage, our inability to collect from customers and increased operating costs. Our business or results of operations may be adversely affected by these and other negative effects of these events.

- *The imposition of tariffs and other trade barriers, as well as retaliatory trade measures, have caused us to raise the prices on certain of our products and seek alternate sources of supply, which could negatively impact our sales or disrupt our operations.*

Our industry is subject to risks associated with U.S. and foreign laws relating to importing products, including quotas, duties, tariffs or taxes, as well as other charges or restrictions, which could adversely affect our ability to import products at desired cost or volume levels.

The United States has enacted three sets of tariffs on a variety of foreign sourced goods which have impacted a number of the private brand products we source directly from China as well as third-party branded products our U.S. suppliers source from China. We strategically increased prices in an effort to offset the incremental costs on certain products and shift certain products to alternative sources where available. Our use of alternate sources of supply, such as utilizing new vendors in additional countries, entails various risks, such as identifying, vetting and managing new business relationships, reliance on new vendors, maintaining quality control over their products, and protecting our intellectual property rights.

These tariffs have increased and will continue to increase our costs of procurement. If the Company is able to adequately review its supply chain and monitor sell prices in the market, and successfully work with suppliers to mitigate costs, the Company does not expect any material impact on its business from the tariff actions and continues to believe that any impact from the tariffs currently in effect will be gradual and not material to the business, although there can be no assurance that this will be the case.

There can also be no assurance that we will be able to effectively or expeditiously mitigate these trade challenges, which could disrupt our operations, negatively impact our sales and would have a material adverse effect on our financial results. However, we do not believe that we will be disproportionately impacted by these costs as compared to our competitors, and we will continue to evaluate marketplace conditions and implement other actions or strategies as the need arises.

Finally, we cannot predict whether additional U.S. and foreign customs quotas, duties (including anti-dumping or countervailing duties), tariffs, taxes or other charges or restrictions, requirements as to where raw materials must be purchased, additional workplace regulations or other restrictions on our imports will be imposed in the future and if so, what effect such actions would have on our costs of operations.

- *There is a highly competitive labor market for certain employees we hire, which can impact our growth plans.*

Many of our competitors also compete with us for recruiting and retaining talented and experienced employees, particularly in markets where we and they have significant distribution facilities. We have also experienced high levels of turnover in our warehouse/distribution operations, consistent with current market conditions. This aspect of competition is aggravated by the current tight labor market in the U.S. for such jobs due to the continued impacts of the Covid-19 pandemic. There can be no assurance the Company will be able to timely recruit, train and retain employees sufficient to support its growth strategies or will not have to incur increased compensation costs in order to do so. Our results of operations have been and in the future could be adversely affected by increased costs due to increased competition for employees, higher employee turnover or increased employee benefit costs. In the event of significant numbers of employees having to miss work due to a widespread health situation or pandemic such as the coronavirus, we may not be able to quickly source replacement or temporary workers, which could adversely affect our operations, particularly in our distribution centers.

- *Our industry is evolving and consolidating, which could adversely affect our business and financial results.*

The MRO and industrial equipment industry are consolidating as customers are increasingly aware of the total costs of fulfillment and of the need to have consistent sources of supply at multiple locations. This consolidation has and will continue to cause the industry to become more competitive as greater economies of scale are achieved by competitors, or as competitors with new lower cost business models are able to operate with lower prices.

- *Volatility in commodity prices may adversely affect gross margins.*

  Some of our products contain significant amounts of commodity-priced materials, such as steel, copper, petroleum derivatives or rare earth minerals, and are subject to price changes based upon fluctuations in the commodities market. Fluctuations in the price of fuel could affect transportation costs. Our ability to pass on such increases in costs in a timely manner depends on market conditions. The inability to pass along cost increases could result in lower gross margins. In addition, higher prices could impact demand for these products, resulting in lower sales volumes. If commodity prices, including the price of oil, were to remain at elevated levels this could result in higher supply and transportation costs, which could have a material adverse affect on our business and results of operations.

- *Events such as acts of war or terrorism, natural disasters, data security breaches, changes in law, or large losses could adversely affect our insurance coverage and insurance expense, resulting in an adverse effect on our profitability and financial condition.*

  We insure for certain property and casualty risks consisting primarily of physical loss to property, business interruptions resulting from property losses, worker's compensation, comprehensive general liability, and auto liability. Insurance coverage is obtained for catastrophic property and casualty exposures as well as those risks required to be insured by law or contract. Although we believe that our insurance coverage is reasonable, significant events such as acts of war and terrorism, economic conditions, data security breaches, judicial decisions, legislation, natural disasters and large losses could materially affect our insurance obligations and future expense. Furthermore, the occurrence of an uninsured significant event could materially adversely affect our business and results of operations.

- *Environmental Matters*

  Under various national, state and local environmental laws and regulations in North America, a current or previous owner or operator (including the lessee) of real property may become liable for the costs of removal or remediation of hazardous substance at such real property. Such laws and regulation often impose liability without regard to fault. We lease all of our facilities. In connection with such leases, we could be held liable for the costs of removal or remedial actions with respect to hazardous substances. Although we have not been notified of, and are not otherwise aware of, any material real property environmental liability, claim or non-compliance, there can be no assurance that we will not be required to incur remediation or other costs in connection with real property environmental matters in the future. If such costs were to prove material, our operating results could be adversely affected.

Risks Related to Our Company and our Business

- *Our ability to maintain capacity at and forecast the needs of our warehousing and distribution facilities can impact our business and results of operations.*

  Our ability to maintain available capacity in our distribution operations for stocked inventory and to enable on time shipment and deliveries, such as by timely implementing additional distribution resources, whether in the form of expanded or additional temporary and permanent facilities we operate or by outsourcing certain functions to third-party distribution and logistics partners, is critical to our ability to service our growing business. If we do not accurately forecast our future warehousing and distribution center needs, and then timely plan, fund on budget, launch and efficiently operate new distribution resources and facilities when needed, our operations and financial results could be materially adversely impacted. In addition, expanding and/or enhancing our distribution network would have an adverse impact on operating expenses as a percentage of sales, inventory turnover, and working capital requirements in the periods prior to and for some time following the commencement of operations for each such expansion or enhancement.

- *We rely on third-party suppliers for most of our products and services. The loss or interruption of these relationships could impact our sales volumes, the levels of inventory we must carry, and/or result in sales delays and/or higher inventory costs from new suppliers.*

  We purchase a portion of our products from major distributors and directly from large manufacturers who may deliver those products directly to our customers ("drop ship"), as well as from smaller more regional vendors. These drop ship delivery relationships enable us to make available to our customers a wide selection of products without having to maintain large amounts of inventory. The termination or interruption of our relationships with any of these drop ship suppliers could materially adversely affect our business.

We purchase a number of our products, particularly private brand and white label products, from vendors located outside of the United States. Raw material costs used in our vendors' products (steel, tungsten, etc.) and energy costs have significantly increased and may continue to increase, which has resulted and may continue to result in increased production costs for our vendors, which they seek to pass along to us. Difficulties encountered by one or several of these suppliers could halt or disrupt production and delay completion or cause the cancellation of our orders. Delays or interruptions in the transportation network could result in loss or delay of timely receipt of product required to fulfill customer orders. Our ability to find qualified vendors who meet our standards and supply products in a timely and efficient manner is a significant challenge, especially with respect to goods sourced from outside the U.S. In this regard, in response to the tariffs imposed by the U.S. on goods imported from China, we are seeking alternative sources of supply, such as utilizing new vendors in additional countries, which entails various risks, such as identifying, vetting and managing new business relationships, reliance on these new vendors maintaining quality control over their products, and protecting our intellectual property rights.

Political or financial instability, merchandise quality issues, product safety concerns, trade restrictions, work stoppages, tariffs, foreign currency exchange rates, transportation capacity and costs, inflation, civil unrest, war or other conflicts, outbreaks of pandemics and other factors are beyond our control. These and other issues affecting our vendors could materially adversely affect our revenue and gross profit.

See also the risk factor *"General economic conditions, including those that can result in decreased customer confidence and spending, could result in our failure to achieve our historical sales growth rates and profit levels"* above for a discussion regarding the risks posed by the spread of the coronavirus on our supply chain and general economic activity.

- *We rely on third-party suppliers for shipping and delivery services and managing the logistics of a distribution business can impact our results of operations and margins.*

We face certain risks due to our reliance on common carrier delivery services for shipping inventoried merchandise to customers and our reliance on drop ship deliveries directly to customers by our product vendors for products we do not hold in inventory (such as freight cost increases, timely delivery and customer service, delays due to work stoppages, etc.). We also must effectively manage our ability to maintain available capacity in our distribution operations for stocked inventory and to enable on time shipment and deliveries, such as by timely implementing additional or alternative distribution resources, whether in the form of additional facilities we operate or by outsourcing certain functions to third-party distribution and logistics partners.

Increases in freight and shipping costs charged to us by third parties could adversely affect our margins to the extent the increases cannot be passed along to customers, and factors affecting the shipping and distribution of products imported to the United States by us or our domestic vendors, such as the current shortage in global availability of shipping containers, the current port congestion and global logistical delays and pandemic related labor shortages, have in the past and could in the future adversely affect the timely availability of products, resulting in delayed or lost sales, as well as adversely affecting our margins.

The fuel costs of our independent freight companies have been volatile. Our vendors and independent freight carriers typically look to pass increased costs along to us through price increases. When we are forced to accept these price increases, we may not be able to pass them along to our customers, resulting in lower margins.

- *Changes in customer, product, vendor, sourcing or channel sales mix, could cause the gross margin and ultimately operating margins to decline; failure to mitigate these pressures could adversely affect our operating results and financial condition.*

Our gross margins are dependent on the mix of products we sell, decisions to drop ship rather than stock products in our distribution centers, decisions to offer private brand alternatives or branded offerings, price changes by manufacturers, and pricing actions by competitors. In addition, we could be adversely affected by a continuation of our customers' shift to lower-priced products.

- *We rely to a great extent on our information and telecommunications systems, and significant system failures or outages, or our failure to properly evaluate, upgrade or replace our systems, or the failure of our security/safety measures to protect our systems and websites, could have an adverse effect on our results of operations.*

We rely on a variety of information and telecommunications systems including internally developed software, third-party purchased software and third-party cloud-based software in order to manage our business, including our customer, vendor, employee, facilities, finance, management and corporate operations. Our success is dependent in large part on the accuracy and proper use of our information systems, including our telecommunications systems, which are utilized in all aspects of our business. To manage our growth, we need to continually evaluate the effectiveness and adequacy of our existing systems and procedures to ensure they are keeping pace with changes in our business. These systems, whether internally developed, purchased or cloud-based may need to be modified, upgraded or replaced from time to time. System modifications, upgrades or replacements involve costs as well as the risk of implementation delays and not operating as intended. We rely on third parties such as telecommunication carriers, internet service providers and our own employees to provide the technology services and expertise on which we depend. There are risks that third parties may incur outages or circumstances where they cannot provide the services we require as intended or that our employees do not have the expertise to remediate system outages or technical problems that may arise. We have experienced some delays and operational problems in implementing new IT systems in the past. We anticipate that we will regularly need to make capital expenditures to upgrade and modify our management information systems, including software and hardware, as we grow and the needs of our business change. We have disaster recovery systems and system backups are routinely done for certain critical systems, but not for every system. The occurrence of a significant system failure, electrical or telecommunications outages or our failure to ensure our IT employees are properly trained and technically proficient, or that our systems are adequate, effective and beneficial to our business, or our failure to expand or successfully implement new systems could have a material adverse effect on our results of operations.

- *Use of Cloud-Based Systems and Infrastructure Provided by Third Parties Present Significant Risks to Our Business.*

Certain of our operating systems and management information systems resources and storage reside on a leading cloud-based platform operated by a well-known third-party provider of technology services. This managed cloud-based platform is operated on a “infrastructure as a service” (“IAAS”) model. Accordingly, exposure to third-party service outages and data loss, or a failure of the network or loss of connectivity can adversely affect our business. In addition, since the data resides on the cloud, we and our customers are forced to rely on the physical and information security of the vendor to protect their valuable information. There can be no assurance that the cloud-based systems on which we rely will not experience such outages or failures or that data privacy/information security will not be breached.

- *Data and security breaches, and other disruptions in our information technology systems, could compromise confidential or private information and expose us to liability, which could cause our business and reputation to suffer*.

Our operations are dependent upon information technology that encompasses all of our major business functions. We use our information systems to, among other things, monitor our supply chain, make purchasing decisions, manage and replenish inventories, coordinate our sales and marketing activities, fill and ship customer orders on a timely basis and to monitor and record our financial transactions and results of operations. These systems also process, transmit and store sensitive electronic data, including employee personal information, supplier and customer records, allow vendors and customers to register on our portals and websites, as applicable, or otherwise allow third parties to communicate or interact with us. In addition, we depend on IT systems of third parties, to, among other things, market and distribute products, to operate our websites, host and manage our services, store data, and process transactions. We may share information with these third parties that participate in certain aspects of our business, and we obtain external auditor certification on the controls and security of any significant outsourced service provider according to the SSAE 18 standard. However, there is always a risk that the confidentiality of data held or accessed by them may be compromised.

In processing our sales orders, we often collect personal information and transmit credit card information of our customers. If there was a security breach resulting in unauthorized access to or use of such information, we could be subject to claims for identity theft, unauthorized purchases and claims alleging misrepresentation of our privacy and data security practices or other related claims. While the Company believes it conforms to appropriate Payment Card Industry (“PCI”) security standards, any breach involving the loss of credit card information may lead to significant PCI related fines. In the event of a severe breach, credit card providers may prevent our accepting of credit cards.

We measure our data security effectiveness through industry accepted methods and remediate significant findings. We maintain and routinely test backup systems and disaster recovery, along with external network security penetration testing by an independent third-party as part of our business continuity preparedness. We also have processes in place to prevent disruptions resulting from the implementation of new software and systems of the latest technology. We have implemented solutions, processes, and procedures to help mitigate the risk of cyber-attacks, such as conducting annual vulnerability testing, and in 2018 engaged consultants to assist us in implementing stronger security measures, identifying remediation initiatives and establishing emergency response plans, but there can be no assurance these efforts will successfully deter future cyber-attacks. Our Board of Directors is responsible for oversight of the activities of our IT department (which reports to our Chief Executive Officer) and receives periodic presentations from our Chief Information Officer that cover, among other things, data security and cyber liability matters.

Although our IT systems are protected through various network security measures, our facilities and systems, and those of our third-party service providers with which we do business, may nevertheless be vulnerable to security breaches, cyber-attacks (any adverse event that threatens the confidentiality, integrity or availability of our information resources) vandalism, power outages, natural disasters, computer system failures, telecommunication or network failures, computer viruses, malware, misplaced or lost data, programming and/or human errors or other similar events. From time to time, we have experienced efforts by unknown persons, including “bots”, to access or breach our information systems, and these efforts can be expected to continue in the future. Furthermore, the recent military conflict between Ukraine and Russia, and the potential for retaliatory acts of cyberwarfare from Russia against U.S. companies in response to increasing sanctions on Russia could result in increased cyber-attacks against us. While we have successfully defended against such efforts in the past, there can be no assurance we will be able to protect sensitive data and/or the integrity of the Company's information systems and to defend against such efforts in the future.

Any security breach involving the misappropriation, loss or other unauthorized disclosure of our confidential information or confidential information of our customers, employees, or suppliers, whether by us or by our third-party service providers, could disrupt our business, expose us to risks of litigation (such as customer or third-party claims that their data has been compromised) and liability, result in a loss of assets or cause reputational damage, and otherwise have a material adverse effect on our operations and financial condition. Any substantial disruption of our systems could impair our ability to process orders, maintain proper levels of inventories, manage customer billings and collections, prepare and present accurate financial statements and related information, and otherwise materially adversely affect our ability to manage our business.

We maintain cyber liability risk insurance, but this insurance may not be sufficient to cover all of our losses from any future breaches of our systems, or to cover the cause of the future specific situation/loss at hand. In addition, as privacy and information security laws and standards evolve, we may need to incur significant additional investment in technology and other processes to meet new legal requirements.

- *Our foreign product procurement operations are subject to risks such as foreign regulatory trade and customs requirements such as the tariffs and duties matters discussed above, and the political and economic conditions of the jurisdictions from which we procure products.*

Because we sell products all across North America and procure product from abroad, including from China, we operate internationally and as a result, we are subject to risks associated with doing business globally, such as risks related to the differing legal, political and regulatory requirements and economic conditions of many jurisdictions. Risks inherent to operating internationally include:

- Changes in a country’s economic or political conditions;
- Tariff and trade uncertainties;
- Changes in foreign currency exchange rates;
- Difficulties with staffing and managing international relationships;
- Unexpected changes in regulatory requirements;
- Changes in transportation and shipping costs; and
- Enforcement of intellectual property rights.

The functional currencies of our businesses outside of the U.S. are the local currencies. Changes in exchange rates between these foreign currencies and the U.S. Dollar will affect the recorded levels of our assets, liabilities, net sales, cost of goods sold and operating margins and could result in exchange gains or losses. The primary currencies to which we have exposure are the Canadian Dollar and the Indian Rupee. Our operating results and profitability may be affected by any volatility in currency exchange rates and our ability to manage effectively our currency transaction and translation risks. For example, we currently have operations located in countries outside the United States, and non-U.S. sales accounted for approximately 6.5% of our net sales from continuing operations during 2021. To the extent the U.S. dollar strengthens against foreign currencies, our foreign revenues and profits will be reduced when translated into U.S. dollars.

- *We are exposed to various inventory risks, such as being unable to profitably resell excess or obsolete inventory and/or the loss of product return from our vendors; such events could lower our gross margins or result in inventory write-downs that would reduce reported future earnings.*

  Our inventory is subject to risk due to changes in market demand for particular products. If we fail to manage our inventory of older products we may have excess or obsolete inventory. We may have limited rights to return purchases to certain suppliers. The elimination of purchase return privileges could lower our gross margin or result in inventory write-downs.

  We also take advantage of attractive product pricing by making opportunistic bulk inventory purchases; any resulting excess and/or obsolete inventory that we are not able to re-sell could have an adverse impact on our results of operations. Any inability to make such bulk inventory purchases may significantly impact our sales and profitability.

- *Concentration of Ownership and Control Limits Stockholders Ability to Influence Corporate Actions.*

  Richard Leeds, Robert Leeds, and Bruce Leeds (each are brothers and directors and executive officers of the Company), together with trusts for the benefit of certain members of their respective families and other entities controlled by them, control approximately 66.6% of the voting power of our outstanding common stock. Due to such holdings, the Leeds brothers together with these trusts and entities are able to determine the outcome of virtually all matters submitted to stockholders for approval, including the election of directors, the appointment of management, amendment of our articles of incorporation, significant corporate transactions (such as a merger or other sale of our company or our assets), the payments of dividends on our common stock and the entering into of extraordinary transactions. Under NYSE rules, as a company of which more than 50% of the voting power is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain NYSE corporate governance standards, including the requirements (1) that a majority of its board of directors consist of independent directors, (2) that its board of directors have a compensation committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (3) that its board of directors have a nominating and corporate governance committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. As a "controlled company", the Company has elected to opt-out of the first of these. The Company does however currently have an independent Compensation Committee and Corporate Governance and Nominating Committee.

- *Risk of Thin Trading and Volatility of our Common Stock Could Impact Stockholder Value*

  Our common stock is currently listed on the NYSE and is thinly traded. Volatility of thinly traded stocks is typically higher than the volatility of more liquid stocks with higher trading volumes. The trading of relatively small quantities of shares of common stock by our stockholders may disproportionately influence the price of those shares in either direction. This may result in volatility in our stock price and could exacerbate the other volatility-inducing factors described below. The market price of our common stock could be subject to significant fluctuations as a result of being thinly traded.

- *Goodwill and intangible assets may become impaired resulting in a charge to earnings.*

  The Company has made acquisitions in the past and these acquisitions resulted in the recording of significant intangible assets and/or goodwill. We are required to test goodwill and intangible assets annually to determine if the carrying values of these assets are impaired or on a more frequent basis if indicators of impairment exist. If any of our goodwill or intangible assets are determined to be impaired, we may be required to record a significant charge to earnings in the period during which the impairment is discovered. Although the carrying amounts of intangible assets and goodwill are relatively small as of December 31, 2021, to the extent the Company makes acquisitions in the future there could again be material amounts of such assets recorded and subject to future impairment testing.

- *Our business is dependent on certain key personnel, including the recent engagement of new senior executives.*

  Our business depends largely on the efforts and abilities of certain key senior management employees. Recruiting and retaining qualified personnel is and will continue to be critical to our success. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with sufficient skills and experience required to successfully run our business. We may be unable to hire, train, retain, or motivate these key personnel on acceptable terms given the intense competition among numerous companies for similar personnel. Our inability to attract and retain such personnel could have a material adverse effect on our business and financial results.

- *We are subject to litigation risk due to the nature of our business, which may have a material adverse effect on our results of operations and business.*

  From time to time, we are involved in lawsuits or other legal proceedings arising in the ordinary course of our business. These include patent, trademark or other intellectual property matters, employment law matters, states sales tax claims on internet/e-commerce transactions, product liability, commercial disputes, consumer sales practices, or other matters. In addition, as a public company we could from time to time face claims relating to corporate or securities law matters. The defense and/or outcome of such lawsuits or proceedings could have a material adverse effect on our business. See “Legal Proceedings”.

- *We exited our France business in 2018 and our North American Technology Products Group ("NATG") business in 2015 and could incur costs in excess of our estimated exit expenses.*

  The Company has completed the wind-down activities related to the sale of the France business, but may incur additional charges related to statutory tax and other indemnities given at closing. The Company has substantially completed the wind-down activities related to the NATG business, although certain NATG activities related to sublet facilities continue. The Company expects that total additional NATG exit costs incurred during 2022 or later may aggregate up to $0.5 million, which will be presented in discontinued operations. There can be no assurance the Company will be able to timely exit its existing NATG lease commitments at currently recorded cost levels. Failure to achieve these expectations will result in increased cash exit costs for the Company.

- *We may encounter difficulties with acquisitions and other strategic transactions which could harm our business.*

  We expect to pursue acquisitions and other strategic transactions that we believe will either expand or complement our business in new or existing markets or further enhance the value and offerings we are able to provide to our existing or future potential customers.

  Acquisitions and other strategic transactions involve numerous risks and challenges, including the following:

  - diversion of management’s attention from the normal operation of our business;
  - potential loss of key associates and customers of the acquired companies;
  - difficulties managing and integrating operations in geographically dispersed locations;
  - the potential for deficiencies in internal controls at acquired companies;
  - increases in our expenses and working capital requirements, which reduce our return on invested capital;
  - lack of experience operating in the geographic market or industry sector of the acquired business; and
  - exposure to unanticipated liabilities of acquired companies.

  To integrate acquired businesses, we must implement our management information systems, operating systems and internal controls, and assimilate and manage the personnel of the acquired operations. The difficulties of this integration may be further complicated by geographic distances. The integration of acquired businesses may not be successful may take longer or be more difficult, time-consuming or costly to accomplish than anticipated and could result in disruption to other parts of our business. These and other factors could harm our ability to achieve anticipated levels of profitability at acquired operations or realize other anticipated benefits of an acquisition, and could adversely affect our consolidated business and operating results and could result in disruption to other parts of our business.

- *Our operations are subject to the effects of a rising rate of inflation.*

  The United States has recently experienced historically high levels of inflation. According to the U.S. Department of Labor, the annual inflation rate for the United States was approximately 7.0% for the twelve months ended December 31, 2021. Inflationary pressures have increased our costs, including for those for transportation and labor. To the extent we are unable to offset these cost increases through higher prices or other measures, our operating results may be adversely affected.

- *Changes in accounting standards or practices, as well as new accounting pronouncements or interpretations, may require us to account for and report our financial results in a different manner in the future, which may be less favorable than the manner used historically.*

A change in accounting standards or practices can have a significant effect on our reported results of operations. New accounting pronouncements and interpretations of existing accounting rules and practices have occurred and may occur in the future. Changes to existing rules may adversely affect our reported financial results.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We operate our business from numerous facilities in North America and Asia. These facilities include our headquarters location, administrative offices, telephone call centers and distribution centers. Certain facilities handle multiple functions. All of our facilities are leased.

North America

As of December 31, 2021, we have seven operational distribution centers in North America which aggregate approximately 2.6 million square feet of space.

Our headquarters, administrative offices and call centers aggregate approximately 192,000 square feet of space.

The Company has one Business to business call center and one warehouse from its discontinued NATG business that are sublet. These properties aggregate to approximately 0.4 million square feet of space.

Asia

As of December 31, 2021, we leased three administrative offices in Asia aggregating approximately 16,300 square feet of space.

Please refer to Note 4 to the consolidated financial statements for additional information about leased properties.

Item 3. Legal Proceedings.

For a description of the Company's legal proceedings, see Note 15, Commitments, Contingencies and Other Matters, of Notes to Consolidated Financial Statements.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Global Industrial's common stock is traded on the New York Stock Exchange ("NYSE") under the symbol “GIC.” The following table sets forth the high and low closing sales price for the common stock and the dividends declared per share for each quarter during 2021 and 2020.

	High	Low	Dividends
2021			
First Quarter	$ 44.96	$ 35.36	$ 0.16
Second Quarter	45.72	32.62	0.16
Third Quarter	40.10	34.61	0.16
Fourth Quarter	44.82	37.75	1.16
2020			
First Quarter	$ 25.62	$ 14.82	$ 1.14
Second Quarter	21.87	15.82	0.14
Third Quarter	23.44	18.82	0.14
Fourth Quarter	37.20	22.94	2.14

On December 31, 2021, the last reported sale price of our common stock on the NYSE was $40.90 per share. As of December 31, 2021, we had 175 shareholders of record.

In February 2022, the Company's Board of Directors declared a regular cash dividend of $0.18 per share to common stock shareholders of record at the close of business on February 28, 2022, payable on March 7, 2022.

Depending in part upon profitability, the strength of our balance sheet, our cash position and the need to retain cash for the development and expansion of our business, we anticipate continuing a regular quarterly dividend in the future, subject to availability limitations under our credit facilities. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Financial Condition, Liquidity and Capital Resources” and Note 9 of “Notes to Consolidated Financial Statements”.

Information regarding securities authorized for issuance under equity compensation plans and a performance graph relating to the Company’s common stock is set forth in the Company’s Proxy Statement relating to the 2022 Annual Meeting of Stockholders and is incorporated by reference herein.

Purchases of Equity Securities

In July 2018, the Company's Board of Director's approved a share repurchase program with a repurchase authorization of up to two million shares of the Company's common stock. Under the share repurchase program, the Company is authorized to purchase shares from time to time through open market purchases, tender offerings or negotiated purchases, subject to market conditions and other factors.

During 2021, no shares were repurchased. During 2020, the Company repurchased 392,337 common shares for $7.2 million under its share repurchase authorization. The maximum number of shares that may yet be purchased under the program total approximately 1,375,000.

Item 6. Reserved

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Overview

Global Industrial Company, through its subsidiaries, is a value-added industrial distributor of more than one million industrial and maintenance, repair and operation ("MRO") products in North America going to market through a system of branded e-commerce websites and relationship marketers.

Continuing Operations

The Company sells a wide array of industrial and MRO products, which are marketed in North America. These industrial and MRO products are manufactured by other companies. Some products are manufactured for us and sold as a white label product, and some are manufactured to our own design and marketed as private brand products under the trademarks: *Global™, GlobalIndustrial.com™, Nexel™ Paramount™ and Interion™.*

Discontinued Operations

The Company's discontinued operations include the results of the North American Technology Group ("NATG") business sold in December 2015 (see Note 1 and Note 6 to the Consolidated Financial Statements).

Operating Conditions

The North American industrial products market is highly fragmented and we compete against numerous competitors in multiple distribution channels. Industrial products distribution is working capital intensive, requiring us to incur significant costs associated with the warehousing of many products, including the costs of maintaining inventory, leasing warehouse space, inventory management systems and employing personnel to perform the associated tasks. We supplement our on-hand product availability by maintaining relationships with major distributors and manufacturers, utilizing a combination of stock and drop-shipment fulfillment.

The primary component of our operating expenses historically has been employee-related costs, which includes items such as wages, commissions, bonuses, employee benefits and equity-based compensation, as well as marketing expenses, primarily comprised of digital marketing spend, and occupancy related charges associated with our leased distribution and call center facilities. We continually assess our operations to ensure that they are efficient, aligned with market conditions and responsive to customer needs.

The discussion of our results of operations and financial condition that follows will provide information that will assist in understanding our financial statements, the factors that we believe may affect our future results and financial condition as well as information about how certain accounting policies and estimates affect the consolidated financial statements.

The Company has elected to omit discussion of the earliest year presented, December 31, 2019, in MD&A. This discussion can be found in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in Form 10-K for the year ended December 31, 2020, filed on March 18, 2021.

Business Outlook

As we look to 2022, the Company is focused on the continued execution of our customer centric strategy, specifically in areas such as sales, marketing, private brand, digital transformation and distribution; all of which are targeted to help drive better execution, enhance our ability to deliver an exceptional customer service experience and support growth for the future. As the Company continues to take steps to deliver efficiency improvements through various technology and automation opportunities, we expect our capital expenditures in 2022 to be in the range of $7.0 to $9.0 million.

Highlights from 2021

The following discussion of our results of operations and financial condition will provide information that will assist in understanding our financial statements and information about how certain accounting principles and estimates affect the consolidated financial statements. This discussion should be read in conjunction with the consolidated financial statements included herein.

- Consolidated sales increased 3.3% to $1.06 billion in U.S. dollars compared to $1.03 billion last year. Sales increased 5.0% on an average daily sales basis. Average daily sales is calculated based upon the number of selling days in each period, with Canadian sales converted to US dollars using the current year's average exchange rate. Fiscal year 2021 had four fewer selling days than 2020.
- Consolidated operating income increased 4.6% to $88.0 million compared to $84.1 million last year.
- Net income per diluted share from continuing operations increased 9.5% to $1.84 compared to $1.68 last year.

Results of Operations[1]

Key Performance Indicators (in millions):

	Years Ended December 31		Change
	2021	2020	2021 vs. 2020
Results of continuing operations:			
Consolidated net sales	$ 1,063.1	$ 1,029.0	3.3 %
Consolidated gross profit	$ 374.3	$ 356.9	4.9 %
Consolidated gross margin	*35.2 %*	*34.7 %*	*0.5 %*
Consolidated SD&A costs	$ 286.3	$ 272.8	4.9 %
Consolidated SD&A costs as % of sales	*26.9 %*	*26.5 %*	*0.4 %*
Consolidated operating income	$ 88.0	$ 84.1	4.6 %
Consolidated operating margin from continuing operations:	*8.3 %*	*8.2 %*	*0.1 %*
Effective income tax rate	20.0 %	23.7 %	(3.7) %
Net income from continuing operations	$ 70.1	$ 64.1	9.4 %
Net margin from continuing operations	*6.6 %*	*6.2 %*	*0.4 %*
Net income from discontinued operations, net of tax	$ 33.2	$ 1.3	NM

NM - not meaningful

1 *Global Industrial Company manages its business and reports using a 52-53 week fiscal year that ends at midnight on the Saturday closest to December 31. For clarity of presentation, fiscal years are described as if they ended on the last day of the respective calendar month. Fiscal years 2021 and 2020 ended on January 1, 2022 and January 2, 2021, respectively. The year ended 2021 included 52 weeks and 2020 included 53 weeks.*

Management’s discussion and analysis that follows will include current operations and discontinued operations.

NET SALES

The Company's net sales increased 3.3% to $1.06 billion compared to $1.03 billion in the prior year. The Company's performance continued to benefit from investments in our private brand offerings, as 2021 private brand offerings made up over 45% of net sales, and was its fastest growing sourcing channel. During 2021 the Company experienced disruptions in its supply chain, including container shortages, high levels of port congestion, and disruptions to the domestic less-than-truckload ("LTL") carrier network. These disruptions caused extended lead times for product order fulfillment and resulted in an increase in open orders for both stock and drop ship offerings. Net sales were negatively impacted as the conversion of customer demand to net sales was slower than the Company's typical conversion cycle. Net sales from our Canada business grew 13.6%, 6.3% on a local currency basis, compared to prior year. U.S. revenue increased 2.7% compared to prior year. Consolidated sales increased 5.0% on an average daily sales basis compared to prior year. There were 4 fewer selling days in 2021 compared to 2020.

GROSS MARGIN

Gross margin is dependent on variables such as product mix including sourcing and category, competition, pricing strategy, vendor volume rebates, freight pricing decisions including the use of free or other promotional freight plans, freight cost inflation including both domestic outbound freight as well as international inbound ocean freight, inventory valuation and obsolescence and other variables, any or all of which may result in fluctuations in gross margin. The Company expects to see continued margin variability due to the current economic environment, inflationary pressures on both transportation and raw material costs, changes in mix as a result of the normalization of our customer's demand of personal protective equipment ("PPE") and other related products and historical seasonality.

Gross margin was 35.2% compared to 34.7% in the prior year primarily driven by improvements in price rationalization, as well as a product mix shift to in stock and private brand products and the higher margins these sourcing channels provide as compared to nationally branded products fulfilled through a drop ship model. The Company did experience a number of margin pressures during 2021 including increased LTL freight costs during the first quarter, costs related to its transition to a new 3PL partner, ocean freight costs throughout the year, and approximately $3.5 million write down of PPE inventory as the demand for these pandemic related supplies declined over the course of the year. We expect continued inflationary cost pressures from both ocean freight and domestic freight costs but remain confident that efforts to optimize price as well as further grow our private brands will help offset these increases.

SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES (“SD&A”), EXCLUDING SPECIAL GAINS AND CHARGES

Selling, distribution and administrative expenses totaled $286.3 million and $272.8 million for the years ended December 31, 2021 and 2020, respectively.

SD&A costs as a percentage of sales increased in 2021 compared to 2020 by 40 basis points. This increased SD&A reflects increased marketing investment to support both core and private brand product lines, growth initiatives, as well as increased distribution center compensation. Significant cost increases related to increased salary, temporary labor, recruitment and other employee related costs of approximately $9.4 million, as distribution center labor availability continues to remains tight, offset by cost savings due to lower variable bonus, commissions and equity compensation expenses of approximately $6.3 million related to the Company's financial performance. Other cost increases related to our in-person national trade show held in the fourth quarter of 2021 compared to the virtual event held last year of approximately $1.2 million and increased internet advertising spend of approximately $3.4 million, increased consulting and professional fees of approximately $1.5 million primarily related to our customer centric strategy initiatives, increased facility costs of approximately $2.0 million and increased dues and subscription fees of approximately $1.4 million.

DISCONTINUED OPERATIONS

The Company's discontinued operations include the results of the NATG businesses sold in December 2015 (see Note 1 and Note 6 to the Consolidated Financial Statements).

During 2021, the Company recorded net income in its discontinued operations of approximately $33.2 million primarily related to the resolution of certain liabilities of these previously discontinued operations of $31.7 million, restitution receipts, net of related professional fees, of approximately $12.0 million and recorded approximately $10.7 million for the provision for income taxes.

OPERATING MARGIN

The Company's operating margin increased 10 basis points in 2021 compared to 2020, driven by improved gross margin that resulted primarily from the product mix shift to in stock and private brand products and efficiencies in our marketing efforts. Operating margin in 2021 was negatively impacted by PPE inventory write downs of approximately $3.5 million and continued freight pricing pressures.

INTEREST AND OTHER EXPENSE, NET

Interest and other expense, net from continuing operations was $0.1 million for 2021 and 2020. The Company also recorded foreign exchange losses of approximately $0.3 million in 2021 and $0.0 million for 2020.

INCOME TAXES

The Company recorded net tax expense in continuing operations for 2021 of $17.5 million, or 20.0%, and a net tax expense in discontinued operations of $10.7 million. Tax expense from continuing operations was primarily the result of pretax income in the U.S. and India operations, including tax expense for certain U.S. states. The tax rate was benefited by the reversal of valuation allowances against the Company's Canadian net operating loss carryforward and other deferred tax assets of approximately $3.4 million, as the Company now believes it is more likely than not that all of the net operating losses of the Canadian subsidiary will be utilized. Tax expense from continuing operations was also benefited by approximately $0.8 million of stock option exercises. Non-deductible expenses, including executive compensation, was approximately $0.4 million. Tax expense in discontinued operations is attributed to pretax income recorded in the discontinued North American Technology Products Group business.

The Company recorded net tax expense in continuing operations for 2020 of $19.9 million, or 23.7%, and a net tax expense in discontinued operations of $0.5 million. Tax expense from continuing operations was primarily the result of pretax income in the U.S. and India operations, including tax expense for certain U.S. states. The tax rate was benefited by pre-tax income in Canada of approximately $3.2 million as the Company had a full valuation allowance against the deferred tax assets, including net operating losses, of its Canadian subsidiary and taxable income is fully offset by these net operating losses. Tax expense from continuing operations was also benefited by approximately $0.6 million of stock option exercises and dividend equivalent payments. Non-deductible expenses, including executive compensation, was approximately $0.7 million. Tax expense in discontinued operations is attributed to pretax income recorded in the discontinued North American Technology Products Group business.

Financial Condition, Liquidity and Capital Resources

Selected liquidity data (in millions):

	December 31,		
	2021	2020	$ Change
Cash and cash equivalents	$ 15.4	$ 22.4	$ (7.0)
Accounts receivable, net	$ 106.8	$ 102.3	$ 4.5
Inventories	$ 172.8	$ 132.3	$ 40.5
Prepaid expenses and other current assets	$ 6.4	$ 6.8	$ (0.4)
Accounts payable	$ 114.4	$ 125.4	$ (11.0)
Accrued expenses and other current liabilities	$ 50.5	$ 50.7	$ (0.2)
Short-term debt	$ 4.5	0.0	$ 4.5
Operating lease liabilities	$ 10.5	$ 10.3	$ 0.2
Working capital	$ 121.5	$ 77.4	$ 44.1

Historical Cash Flows

	Year Ended December 31,	
	2021	2020
Net cash provided by operating activities from continuing operations	$ 47.6	$ 67.3
Net cash provided by operating activities from discontinued operations	$ 2.2	$ 0.9
Net cash used in investing activities from continuing operations	$ (3.4)	$ (2.7)
Net cash used in financing activities from continuing operations	$ (55.0)	$ (138.8)
Effects of exchange rates on cash	$ 0.0	$ 0.1
Net decrease in cash and cash equivalents	$ (8.6)	$ (73.2)

Our primary liquidity needs are to support working capital requirements in our business, including inflationary cost pressures within inventory, funding recently declared and any future dividends, funding capital expenditures, debt repayment, continuing investment in upgrading and expanding our technological capabilities and information technology infrastructure specifically related to our e-commerce shopping experience, sales force productivity and automation, continuing investment in upgrading and expanding our distribution footprint and funding acquisitions. We rely principally upon operating cash flows to meet these needs. We currently believe that current cash on hand and cash flow from operations and our availability under our credit facility will be sufficient to fund our working capital and other cash requirements for at least the next twelve months. We believe our current capital structure and cash resources are adequate for our internal growth initiatives. To the extent our growth initiatives expand, including major acquisitions, we would seek to raise additional capital. We believe that, if needed, we can access public or private funding alternatives to raise additional capital.

Our working capital increased $44.1 million primarily related to increased inventory balances and lower accounts payable and accrued expense balances. Our inventory balance increase is primarily associated with increased cost of capitalized freight associated with increased costs of inbound ocean freight, as well as expansion of safety stock and in transit inventory associated with the extended lead times caused by supply chain disruptions both at origin as well as at port in the United States. Accounts receivable days outstanding were 38.0 in 2021 compared to 37.4 in 2020. Inventory turns were 4.7 in 2021 compared to 5.3 in 2020 and accounts payable days outstanding were 69.1 in 2021 compared to 68.3 in 2020. We expect that future accounts receivable, inventory and accounts payable balances will fluctuate with net sales and the product mix of our net sales.

Operating Activities

Net cash provided by operating activities from continuing operations was $47.6 million attributable to cash generated from net income adjusted by other non-cash items which provided $76.3 million in 2021 compared to $73.6 million provided by these items in 2020. This increase is primarily related to the higher net income from continuing operations in 2021 compared to 2020. Offsetting this increase are the changes in our working capital accounts, which used $28.7 million in cash compared to $6.3 million used in 2020, primarily the result of changes in the inventory, accounts receivable, accounts payable and accrued expenses, other current liabilities and non-current liabilities balances in 2021. Net cash provided by operating activities from discontinued operations was $2.2 million and $0.9 million in 2021 and 2020, respectively.

Investing Activities

Net cash used in investing activities from continuing operations totaled $3.4 million and $2.7 million for 2021 and 2020, respectively. In 2021 and 2020, investing activities were primarily related to leasehold improvements, warehouse machinery and equipment, molds and computer equipment.

Financing Activities

Net cash used in financing activities was $55.0 million and $138.8 million in 2021 and 2020, respectively. In 2021, net cash used in financing activities primarily related to the special dividend of $1.00 per share declared in December 2021, and the regular quarterly dividends of $0.16 per share, which totaled approximately $62.5 million. During 2021, the Company had net borrowings under its credit facility of approximately $4.5 million and proceeds from the issuance of common stock from stock option exercises, net of payments for payroll taxes through shares withheld, totaled $1.9 million and proceeds from the issuance of common stock from our employee stock purchase plan totaled $1.1 million. In 2020, cash used in financing activities was primarily related to the payment of the special dividend of $2.00 declared in December 2020 and regular quarterly dividends of $0.14 per share, which totaled approximately $134.3 million and the Company purchased treasury shares totaling approximately $7.2 million. Proceeds from stock option exercises, net of payments for payroll taxes through shares withheld, totaled $1.9 million and proceeds from the issuance of common stock from our employee stock purchase plan totaled $0.8 million in 2020.

The Company maintains a $75.0 million secured revolving credit facility with one financial institution which has a five-year term, maturing on October 19, 2026 and provides for borrowings in the United States. The credit agreement contains certain operating, financial and other covenants, including limits on annual levels of capital expenditures, availability tests related to payments of dividends and stock repurchases and fixed charge coverage tests related to acquisitions. The revolving credit agreement requires that a minimum level of availability be maintained. If such availability is not maintained, the Company will be required to maintain a fixed charge coverage ratio (as defined). The borrowings under the agreement are subject to borrowing base limitations of up to 85% of eligible accounts receivable and the inventory advance rate computed as the lesser of 60% or 85% of the net orderly liquidation value ("NOLV"). Borrowings are secured by substantially all of the Borrower's assets, as defined, including all accounts receivable, inventory and certain other assets, subject to limited exceptions, including the exclusion of certain foreign assets from the collateral. The interest rate under the amended and restated facility is computed at applicable market rates based on the London interbank offered rate ("LIBOR"), the Federal Reserve Bank of New York ("NYFRB") or the Prime Rate, plus an applicable margin. The applicable margin varies based on borrowing base availability. As of December 31, 2021, eligible collateral under the credit agreement was $75.0 million, total availability was $72.5 million, total outstanding letters of credit was $1.5 million, total outstanding borrowings was $4.5 million and total excess availability was $66.5 million. The Company was in compliance with all of the covenants of the credit agreement in place as of December 31, 2021.

Levels of earnings and cash flows are dependent on factors such as consolidated gross margin and selling, distribution and administrative costs, product mix and relative levels of domestic and foreign sales. Unusual gains or expense items, such as special (gains) charges and settlements, may impact earnings and are separately disclosed. We expect that past performance may not be indicative of future performance due to the competitive nature of our business segments where the need to adjust prices to gain or hold market share is prevalent.

Macroeconomic conditions, such as business and consumer sentiment, may affect our revenues, cash flows or financial condition. However, we do not believe that there is a direct correlation between any specific macroeconomic indicator and our revenues, cash flows or financial condition. We are not currently interest rate sensitive, as we have minimal debt.

The expenses and capital expenditures described above will require significant levels of liquidity, which we believe can be adequately funded from our currently available cash resources, cash flow from operations and borrowing under our current credit facility. In 2022 we anticipate capital expenditures to be in the range of $7.0 to $9.0 million, though at this time we are not contractually committed to incur these expenditures.

In the past we have engaged in opportunistic acquisitions, choosing to pay the purchase price in cash, and may do so in the future as favorable situations arise. However, a deep and prolonged period of reduced business spending could adversely impact our cash resources and force us to either forego future acquisition opportunities or to pay the purchase price using stock, debt or a combination of consideration which could have an adverse effect on our earnings. We believe that our cash balances and future cash flows from operations and availability under our credit facility will be sufficient to fund our working capital and other cash requirements for at least the next twelve months.

We maintain our cash and cash equivalents in money market funds or their equivalent that have maturities of less than three months and in non-interest bearing accounts that partially offset banking fees. As of December 31, 2021, we had no investments with maturities of greater than three months. Accordingly, we do not believe that our cash balances have significant exposure to interest rate risk. At December 31, 2021 cash balances held in foreign subsidiaries totaled approximately $6.5 million. These balances are held in local country banks and are held primarily to support local working capital needs. The Company had in excess of $75 million of liquidity (cash and an undrawn line of credit) in the U.S. as of December 31, 2021.

Material Cash Requirements

We are obligated under non-cancelable operating leases for the rental of our facilities and certain of our equipment which expires at various dates through 2032. As of December 31, 2021 we were obligated for approximately $99.6 million under these non-cancelable operating leases. In 2022 we anticipate cash expenditures of approximately $14.5 million for these operating leases. We have sublease agreements for unused space we lease in the United States. In the event the sub lessee is unable to fulfill its obligations, we would be responsible for remaining rents due under the leases.

Our purchase and other obligations consist primarily of purchase commitments for certain employment, consulting and service agreements. As of December 31, 2021 we were obligated for approximately $31.8 million under these commitments. In 2022 we anticipate cash expenditures of approximately $7.3 million related to these commitments. In addition to the previously mentioned commitments, we had $1.5 million of standby letters of credit outstanding as of December 31, 2021.

We are party to certain litigation, the outcome of which we believe, based on discussions with legal counsel, will not have a material adverse effect on our consolidated financial statements.

Tax contingencies are related to uncertain tax positions taken on income tax returns that may result in additional tax, interest and penalties being paid to taxing authorities. As of December 31, 2021, the Company had no material uncertain tax positions.

Discontinued Operations

The Company's discontinued operations include the former North American Technology Group business sold in December 2015 (see Note 1 and Note 6 to the Consolidated Financial Statements).

Critical Accounting Policies and Estimates

Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements included in Item 15 of this Form 10-K. Certain accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty, and as a result, actual results could differ materially from those estimates. These judgments are based on historical experience, observation of trends in the industry, information provided by customers, forecasts of future economic conditions and information available from other outside sources, as appropriate. Management believes that full consideration has been given to all relevant circumstances that we may be subject to, and the consolidated financial statements of the Company accurately reflect management's best estimate of the consolidated results of operations, financial position and cash flows of the Company for the years presented. We identify below a number of policies that entail significant judgments or estimates, the assumptions and/or judgments used to determine those estimates and the potential effects on reported financial results if actual results differ materially from these estimates.

Revenue Recognition

The Company recognizes revenue from contracts with its customers utilizing the following steps:

- Identifying the contract with the customer
    - Identifying the performance obligations under the contract
    - Determine the transaction price
    - Allocate transaction price to performance obligations, if necessary
    - Recognizing revenue as performance obligations are satisfied

The Company's invoice, and the terms and conditions of sale contained therein, constitutes the evidence of an arrangement and is a contract with the customer. The performance obligations are generally delivery of the products listed on the invoice and the transaction price for each product is listed. Allocation of transaction price is generally not needed. Performance obligations are satisfied, and revenue is recognized upon the shipment of goods from one of the Company’s distribution centers or drop shippers for most contracts or in certain cases revenue will be recognized upon delivery and acceptance by the customer. Customer acceptance occurs when the customer accepts the shipment. The Company's standard terms, provided on its invoices as well as on its websites, are included in communications with the customer and have standard payment terms of 30 days. Certain customers may have extended payment terms that have been pre-approved by the Company's credit department, but generally none extend longer than 90 days.

Provisions for sales returns and allowances are estimated based on historical data and are recorded concurrently with the recognition of revenue. These provisions are reviewed and adjusted periodically by the Company. Revenue is presented net of sales taxes collected from customers and remitted to government authorities. Revenue is reduced for any early payment discounts or volume incentive rebates offered to customers.

The Company’s revenue is shown as “Net sales” in the accompanying Consolidated Statements of Operations and is measured as the determined transaction price, net of any variable consideration consisting primarily of rights to return product. The Company has elected to treat shipping and handling revenues as activities to fulfill its performance obligation. Billings for freight and shipping and handling are recorded in net sales and costs of freight and shipping and handling are recorded in cost of sales in the accompanying Consolidated Statements of Operations.

The Company will record a contract liability in cases where customers pay in advance of the Company satisfying its performance obligation. The Company did not have any material unsatisfied performance obligations or liabilities as of December 31, 2021.

The Company offers customers rights to return product within a certain time, usually 30 days. The Company estimates its sales returns liability quarterly based upon its historical returns rates as a percentage of historical sales for the trailing twelve-month period. The total accrued sales returns liability was approximately $2.2 million and $1.9 million at December 31, 2021 and 2020, respectively, and was recorded as a refund liability in Accrued expenses and other current liabilities in the accompanying Consolidated Balance Sheets.

Allowance for Credit Losses

The Company's trade accounts receivable is one portfolio comprised of commercial businesses operating in the U.S. and to a much lesser extent, Canada. The Company develops its allowances for credit losses, which represent an estimate of expected losses over the remaining contractual life of its receivables, considering customer financial condition, historical loss experience with its customers, current market economic conditions and forecasts of future economic conditions when appropriate. When the Company becomes aware of a customer's inability to meet its financial obligation, a specific reserve is recorded to reduce the receivable to the expected amount to be collected. For the balance of its trade receivables, the Company uses a loss rate method to estimate its credit loss reserve. Historical loss experience rates are calculated using receivable write offs over a trailing twelve-month period and comparing that to the average receivable balances over the same period. That rate is applied to the current accounts receivable portfolio, excluding accounts that have been specifically reserved. Any write offs incurred are recorded against the established reserves.

The Company grants credit to commercial business customers using an electronic application process that evaluates the customer's detailed credit report, reference responses, availability under credit facilities, existing liens, tenure of management and business history, among other factors. Credit terms are typically net 30 days payment required with larger businesses eligible for up to net 90 day terms, if qualified.

Our estimates for the years ended December 31, 2021 and 2020 have not been materially different than our actual experience. While bad debt allowances have been within expectations, there can be no assurance that we will continue to experience the same allowance rate we have in the past particularly if business or economic conditions change or actual results deviate from historical trends.

Inventory Valuation

We value our inventories at the lower of cost or net realizable value; cost being determined on the first-in, first-out method. Excess and obsolete or unmarketable merchandise are written down based on historical experience, assumptions about future product demand and market conditions. If market conditions are less favorable than projected or if technological developments result in accelerated obsolescence, additional write-downs may be required. While obsolescence and resultant markdowns have been within expectations, there can be no guarantee that we will continue to experience the same level of markdowns we have in the past. The Company estimates the net realizable value of its inventory by considering factors such as inventory levels, historical write-off information, historical and current demand trends, market conditions, estimated direct selling costs and physical condition of the inventory as well as credits that we may obtain for returned merchandise.

Our inventory reserve estimates for the years ended December 31, 2021 and 2020 have not been materially different than our actual experience. However, if in the future our estimates are materially different than our actual experience we could have a material loss adjustment.

Income Taxes

We are subject to taxation from federal, state and foreign jurisdictions and the determination of our tax provision is complex and requires significant management judgment.

We conduct operations in numerous U.S. states and several foreign locations. Our effective tax rate depends upon the geographic distribution of our pre-tax income or losses among locations with varying tax rates and rules. As the geographic mix of our pre-tax results among various tax jurisdictions changes, the effective tax rate may vary from period to period. We are also subject to periodic examination from domestic and foreign tax authorities regarding the amount of taxes due. These examinations include questions regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. We establish as needed, and periodically reevaluate, an estimated income tax reserve on our consolidated balance sheet to provide for the possibility of adverse outcomes in income tax proceedings. While management believes that we have identified all reasonably identifiable exposures and whether or not a reserve is appropriate, it is possible that additional exposures exist and/or that exposures may be settled at amounts different than the amounts reserved. The determination of deferred tax assets and liabilities and any valuation allowances that might be necessary requires management to make significant judgments concerning the ability to realize net deferred tax assets. The realization of our net deferred tax assets is significantly dependent upon the generation of future taxable income. In estimating future taxable income there are judgments and uncertainties related to the development of forecasts of future results that may not be reliable. Significant management judgment is also necessary to evaluate the operating environment and economic conditions that exist to develop a forecast for a reporting unit. Where management has determined that it is more likely than not that some portion or the entire deferred tax asset will not be realized, we have provided a valuation allowance. If the realization of those deferred tax assets in the future is considered more likely than not, an adjustment to the deferred tax assets would increase net income in the period such determination is made. We have not made any material changes to our income tax policy in the past and we do not anticipate making any material changes to this policy in the near future.

We do not believe it is reasonably likely that the estimates or assumptions used to determine our deferred tax assets and liabilities and related valuation allowances will change materially in the future. However, if our estimates are materially different than our actual experience we could have a material gain or loss adjustment.

Recent Accounting Pronouncements

For information about recent accounting pronouncements, see Note 2, Summary of Significant Accounting Policies, in the Notes to the Consolidated Financial Statements included in Part II, Item 8, Financial Statements and Supplemental Data, of this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks, which include changes in U.S. and international interest rates as well as changes in currency exchange rates (principally Canadian Dollars) as measured against the U.S. Dollar and each other.

The translation of the financial statements of our operations located outside of the United States is impacted by movements in foreign currency exchange rates. Changes in currency exchange rates as measured against the U.S. dollar may positively or negatively affect income statement, balance sheet and cash flows as expressed in U.S. dollars. Sales would have fluctuated by approximately $6.5 million and pretax income would have fluctuated by approximately $0.3 million if average foreign exchange rates changed by 10% in 2021. We may enter into foreign currency options or forward exchange contracts aimed at limiting in part the impact of certain currency fluctuations, but as of December 31, 2021 we had no outstanding forward exchange contracts.

Our exposure to market risk for changes in interest rates relates primarily to our variable rate debt. Our variable rate debt consists of short-term borrowings under our credit facilities. As of December 31, 2021, there were no outstanding balances under our variable rate credit facility. A hypothetical change in average interest rates of one percentage point is not expected to have a material effect on our financial position, results of operations or cash flows over the next fiscal year.

Item 8. Financial Statements and Supplementary Data.

The information required by Item 8 of Part II is incorporated herein by reference to the Consolidated Financial Statements filed with this report; see Item 15 of Part IV.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of December 31, 2021. Based upon this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective.

Inherent Limitations of Internal Controls over Financial Reporting

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's financial statements.

Management, including the Company's Chief Executive Officer and Chief Financial Officer, does not expect that the Company's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of its internal control over financial reporting based on the framework established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's internal control over financial reporting was effective as of December 31, 2021.

The Company's independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2021, a copy of which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ending December 31, 2021 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Global Industrial Company

Opinion on Internal Control over Financial Reporting

We have audited Global Industrial Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Global Industrial Company (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2021 consolidated financial statements of the Company and our report dated March 17, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York
March 17, 2022

Item 9B. Other Information.

None.

Item 9C. Disclosures Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 of Part III is hereby incorporated by reference to the Company's Proxy Statement for the 2022 Annual Meeting of Stockholders (the "Proxy Statement").

We have adopted a Corporate Ethics Policy that applies to our principal executive officer, principal financial officer and principal accounting officer. Any amendments to the Corporate Ethics Policy or any grant of a waiver from the provisions of the Corporate Ethics Policy requiring disclosure under applicable Securities and Exchange Commission rules will be disclosed on the Company's website.

Item 11. Executive Compensation.

The information required by Item 11 of Part III is hereby incorporated by reference to the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by item 12 of Part III is hereby incorporated by reference to the Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 of Part III is hereby incorporated by reference to the Proxy Statement.

Item 14. Principal Accounting Fees and Services.

The information required by Item 14 of Part III is hereby incorporated by reference to the Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) 1.	Consolidated Financial Statements of Global Industrial Company		**Reference**
	Report of Ernst & Young LLP Independent Registered Public Accounting Firm	PCAOB ID: 42	37
	Consolidated Balance Sheets as of December 31, 2021 and 2020		39
	Consolidated Statements of Operations for the years ended December 31, 2021, 2020 and 2019		40
	Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2021, 2020 and 2019		41
	Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019		42
	Consolidated Statements of Shareholders' Equity for the years ended December 31, 2021, 2020 and 2019		44
	Notes to Consolidated Financial Statements		45

Item 15. Exhibits and Financial Statement Schedules.

3 Exhibits.

Exhibit No.	Description
3.1	Certificate of Incorporation of the Company (incorporated by reference to the Company's registration statement on Form S-1) (Registration No. 33-92052).
3.2	Certificate of Amendment of Certificate of Incorporation of the Company (incorporated by reference to the Company's report on Form 8-K dated May 18, 1999).
3.3	Certificate of Amendment of Certificate of Incorporation (incorporated by reference to the Company's report on Form 8-K dated June 21, 2021).
3.4	Second Amended and Restated By-laws of the Company (effective as of June 21, 2021 (incorporated by reference to the Company's report on Form 8-K dated June 21, 2021).
4.1	Stockholders Agreement (incorporated by reference to the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 1995).
4.2	Description of Registrant's Securities (filed herewith)
10.1	Lease Agreement, dated December 8, 2005, between Hamilton Business Center, LLC (landlord) and Global Equipment Company Inc. (tenant) (Buford, GA facility) (the "Buford Lease") (incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2005).
10.2	First Amendment, to the Buford Lease, dated June 12, 2006, between Hamilton Business Center, LLC (landlord) and Global Equipment Company Inc. (tenant) (Buford, GA facility) (incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2005).
10.3	Lease Agreement, dated February 27, 2012, between PR I Washington Township NJ, LLC (landlord) and Global Equipment Company Inc. (tenant) (Robbinsville, NJ facility) (incorporated by reference to the Company's quarterly report on Form 10-Q for the quarterly period ended March 31, 2012).
10.4*	Form of 2010 Long Term Incentive Plan (incorporated by reference to the Company's Definitive Proxy Statement filed April 29, 2010).
10.7	Lease Agreement, dated December 10, 2014, between Prologis, L.P. (landlord) and Global Industrial Distribution Inc. (tenant) (Las Vegas, NV facility) (incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2014).
10.8*	Amendment to the Term of the 2010 Long Term Incentive Plan (incorporated by reference to the Company's Supplemental Proxy Material filed May 18, 2015).
10.9	Third Amended and Restated Credit Agreement dated as of October 28, 2016, by and among the Company and certain affiliates thereof and JPMorgan Chase Bank, N.A., as Administrative Agent, Sole Bookrunner and Sole Lead Arranger, and the lenders from time to time party thereto (incorporated by reference to the Company's report on Form 8-K dated November 3, 2016).
10.10	Third Amended and Restated Pledge and Security Agreement dated as of October 28, 2016, by and among the Company and certain affiliates thereof and JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the lenders party to the Third Amended and Restated Credit Agreement (incorporated by reference to the Company's report on Form 8-K dated November 3, 2016).
10.11	Amended and Restated Lease dated December 14, 2016, by and between Addwin Realty Associates, LLC (landlord) and Global Equipment Company Inc. (tenant) (Port Washington, NY facility) (incorporated by reference to the Company's report on Form 8-K dated December 16, 2016).
10.12*	Employment Agreement, dated October 5, 2018, between the Company and Barry Litwin (incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2018).
10.13*	Amendment No. 1, dated January 7, 2020, to the Employment Agreement, between the Company and Barry Litwin (incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 2019).
10.14*	Form of Employee Stock Purchase Plan (incorporated by reference to the Company's Definitive Proxy Statement filed November 2, 2018).
10.15	Lease Agreement, dated April 18, 2019, by and between HLIT II CTC 3, L.P. (landlord) and Global Industrial Distribution Inc. (tenant) (DeSoto, TX facility) (exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K) (incorporated by reference to the Company's quarterly report on Form 10-Q for the quarterly period ended June 30, 2019).
10.16	Lease Agreement, dated December 18, 2009, between Lakeview XII Ventures, LLC (landlord) and Global Industrial Distribution Inc. (as successor in interest through merger to C&H Service, LLC) (tenant) (Pleasant Prairie, WI facility) (the "PP" Lease) (incorporated by reference to the Company's quarterly report on Form 10-Q for the quarterly period ended June 30, 2020).

10.17	First Amendment, to the PP Lease, dated April 14, 2020, between Lakeview XII Ventures, LLC (landlord) and Global Industrial Distribution Inc.(as successor in interest through merger to C&H Service, LLC) (tenant) (incorporated by reference to the Company's quarterly report on Form 10-Q for the quarterly period ended June 30, 2020).
10.18	Second Amendment to the Buford Lease, dated November 20, 2006, between Teachers Insurance and Annuity Association of America, for the benefit of its separate real estate account (as successor-in-interest to Hamilton Mill Business Center, LLC) (landlord) and Global Equipment Company Inc. (tenant) (Buford, GA facility) (incorporated by reference to the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2020).
10.19	Third Amendment to the Buford Lease Agreement, dated September 16, 2020 between Teachers Insurance and Annuity Association of America, for the benefit of its separate real estate account (as successor-in-interest to Hamilton Mill Business Center, LLC) (landlord) and Global Equipment Company Inc. (tenant) (Buford, GA facility) (incorporated by reference to the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2020).
10.20*	Form of 2020 Omnibus Long-Term Incentive Plan (incorporated by reference to the Company's Definitive Proxy Statement filed April 22, 2020).
10.21*	Employment Agreement, dated October 12, 2021, between the Company and Adina Storch (incorporated by reference to the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2021).
10.22*	Amendment No. 1, dated December 2, 2021, to the Employment Agreement, between the Company and Adina Storch (filed herewith).
10.23*	Amendment No. 1, dated as of October 19, 2021, to the Third Amended and Restated Credit Agreement by and among the Company and certain affiliates thereof, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2021).
14	Corporate Ethics Policy for Officers, Directors and Employees (revised as of October 2021) (filed herewith).
21	Subsidiaries of the Registrant (filed herewith).
23	Consent of Independent Registered Public Accounting Firm (filed herewith).
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Exhibit is a management contract or compensatory plan or arrangement

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLOBAL INDUSTRIAL COMPANY

By: /s/ BARRY LITWIN

Barry Litwin
Chief Executive Officer

Date: March 17, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ RICHARD LEEDS Richard Leeds	Executive Chairman and Director	March 17, 2022
/s/ BRUCE LEEDS Bruce Leeds	Vice Chairman and Director	March 17, 2022
/s/ ROBERT LEEDS Robert Leeds	Vice Chairman and Director	March 17, 2022
/s/ BARRY LITWIN Barry Litwin	Chief Executive Officer and Director (Principal Executive Officer)	March 17, 2022
/s/ THOMAS CLARK Thomas Clark	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 17, 2022
/s/ THOMAS AXMACHER Thomas Axmacher	Vice President and Controller (Principal Accounting Officer)	March 17, 2022
/s/ ROBERT ROSENTHAL Robert Rosenthal	Director	March 17, 2022
/s/ CHAD LINDBLOOM Chad Lindbloom	Director	March 17, 2022
/s/ LAWRENCE REINHOLD Lawrence Reinhold	Director	March 17, 2022
/s/ PAUL PEARLMAN Paul Pearlman	Director	March 17, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Global Industrial Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Global Industrial Company (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 17, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Measurement of Inventory Valuation Reserves

Description of the Matter	As of December 31, 2021, the Company's net inventory balance was $172.8 million. As described in Note 2 to the consolidated financial statements, management records inventory at the lower of its cost or net realizable value. The valuation of inventory requires management to make assumptions and judgments about the recoverability of the inventory, which includes the consideration of shrinkage and slow-moving or obsolete inventory. To establish the inventory valuation reserves the Company considers factors such as historical demand trends, market conditions, inventory levels, historical write-off information and assumptions regarding future demand and direct selling costs. Auditing management's inventory valuation reserves was complex as auditor judgment was necessary in evaluating the amounts that should be reserved based on the assumptions described above.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the inventory reserve process, including controls over the inputs and assumptions described above, that are used in management's calculation. Our audit procedures to test the adequacy of the inventory valuation reserve included, among others, evaluating the appropriateness of management's inputs to the inventory valuation reserve calculation, including testing the completeness and accuracy of the data used in management's calculation such as historical write-off activity, direct selling costs, and inventory levels for each product. We compared actual write-off activity in recent years to the inventory valuation reserve estimated by the Company in prior years. We also tested, the mathematical accuracy of the Company's reserve calculation, performed inquiries of the Company's management and obtained documentation to evaluate the Company's estimate.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2005.

New York, New York
March 17, 2022

GLOBAL INDUSTRIAL COMPANY
CONSOLIDATED BALANCE SHEETS
(in millions, except for share data)

	December 31,	
	2021	**2020**
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 15.4	$ 22.4
Accounts receivable, (net of allowance for credit losses of $2.5 and $1.7, respectively)	106.8	102.3
Inventories	172.8	132.3
Prepaid expenses and other current assets	6.4	6.8
Total current assets	301.4	263.8
Property, plant and equipment, net	16.5	16.6
Operating lease right-of-use assets	68.8	77.3
Deferred income taxes	10.3	7.6
Goodwill, intangibles and other assets	8.0	9.6
Total assets	$ 405.0	$ 374.9
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	$ 114.4	$ 125.4
Accrued expenses and other current liabilities	50.5	50.7
Short term debt	4.5	0.0
Operating lease liabilities	10.5	10.3
Total current liabilities	179.9	$ 186.4
Operating lease liabilities	68.5	77.2
Other liabilities	3.0	4.5
Total liabilities	251.4	268.1
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, par value $.01 per share, authorized 25 million shares; issued none		
Common stock, par value $.01 per share, authorized 150 million shares; issued 39,011,096 and 38,955,848 shares; outstanding 37,854,409 and 37,552,055 shares	0.4	0.4
Additional paid-in capital	195.8	193.5
Treasury stock at cost —1,156,687 and 1,403,793 shares	(20.4)	(24.0)
Retained deficit	(25.5)	(66.5)
Accumulated other comprehensive income	3.3	3.4
Total shareholders' equity	153.6	106.8
Total liabilities and shareholders' equity	$ 405.0	$ 374.9

See notes to consolidated financial statements.

GLOBAL INDUSTRIAL COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Year Ended December 31,		
	2021	**2020**	**2019**
Net sales	$ 1,063.1	1,029.0	$ 946.9
Cost of sales	688.8	672.1	621.2
Gross profit	374.3	356.9	325.7
Selling, distribution and administrative expenses	286.3	272.8	260.4
Special gains	0.0	0.0	(0.8)
Operating income from continuing operations	88.0	84.1	66.1
Foreign currency exchange loss	0.3	0.0	0.0
Interest and other expense	0.1	0.1	0.0
Income from continuing operations before income taxes	87.6	84.0	66.1
Provision for income taxes	17.5	19.9	16.1
Net income from continuing operations	70.1	64.1	50.0
Income (loss) from discontinued operations, net of tax	33.2	1.3	(1.5)
Net income	$ 103.3	$ 65.4	$ 48.5
Net income per common share from continuing operations:			
Basic	$ 1.85	$ 1.69	$ 1.33
Diluted	$ 1.84	$ 1.68	$ 1.32
Net income (loss) per common share from discontinued operations:			
Basic	$ 0.88	$ 0.03	$ (0.04)
Diluted	$ 0.87	$ 0.03	$ (0.04)
Net income per common share:			
Basic	$ 2.73	$ 1.72	$ 1.29
Diluted	$ 2.71	$ 1.71	$ 1.28
Weighted average common and common equivalent shares:			
Basic	37.8	37.5	37.5
Diluted	38.0	37.7	37.7
Dividends declared	1.64	3.56	0.48

See notes to consolidated financial statements.

GLOBAL INDUSTRIAL COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	Year Ended December 31,		
	2021	**2020**	**2019**
Net income	103.3	65.4	$ 48.5
Other comprehensive income (loss):			
Foreign currency translation	(0.1)	0.4	0.0
Total comprehensive income	$ 103.2	$ 65.8	$ 48.5

See notes to consolidated financial statements.

GLOBAL INDUSTRIAL COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended December 31,		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income from continuing operations	$ 70.1	$ 64.1	$ 50.0
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	3.7	4.1	4.1
Other non-cash benefit	0.0	0.0	(0.8)
(Benefit) provision for deferred income taxes	(3.2)	(0.5)	1.4
Provision for credit losses	2.8	1.2	1.0
Compensation expense related to equity compensation plans	2.9	4.7	5.4
Loss on dispositions and abandonment	0.0	0.0	0.1
Changes in operating assets and liabilities:			
Accounts receivable	(7.4)	(15.0)	(5.6)
Inventories	(40.5)	(19.7)	(5.0)
Prepaid expenses and other assets	0.4	(2.6)	(0.4)
Income taxes payable	3.9	3.1	3.7
Accounts payable	19.7	10.1	14.6
Accrued expenses, other current liabilities and other liabilities	(4.8)	17.8	1.8
Net cash provided by operating activities from continuing operations	47.6	67.3	70.3
Net cash provided by (used in) operating activities from discontinued operations	2.2	0.9	(1.9)
Net cash provided by operating activities	49.8	68.2	68.4
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(3.4)	(2.7)	(6.9)
Net cash used in investing activities from continuing operations	(3.4)	(2.7)	(6.9)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	(62.5)	(134.3)	(261.6)
Borrowings under credit facility	45.2	0.0	0.0
Repayments under credit facility	(40.7)	0.0	0.0
Proceeds from issuance of common stock	4.9	3.3	2.1
Payment of payroll taxes on stock-based compensation through shares withheld	(3.0)	(1.4)	(0.9)
Proceeds from the issuance of common stock from employee stock purchase plans	1.1	0.8	0.8
Purchase of treasury shares	0.0	(7.2)	0.0
Net cash used in financing activities from continuing operations	(55.0)	(138.8)	(259.6)
EFFECTS OF EXCHANGE RATES ON CASH	0.0	0.1	(0.1)
NET DECREASE IN CASH	(8.6)	(73.2)	(198.2)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH – BEGINNING OF YEAR	24.0	97.2	295.4
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 15.4	$ 24.0	$ 97.2

Supplemental disclosures:

Interest paid	$ 0.3	$ 0.2	$ 0.3
Income taxes paid	$ 27.0	$ 17.7	$ 11.3
Supplemental disclosures of non-cash operating and investing activities:			
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	$ 2.6	$ 28.7	$ 16.5

	December 31,		
	2021	2020	2019
Supplemental disclosures:			
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	$ 15.4	$ 22.4	$ 97.2
Restricted cash	0.0	1.6	0.0
Total cash, cash equivalents and restricted cash	$ 15.4	$ 24.0	$ 97.2

See notes to consolidated financial statements.

GLOBAL INDUSTRIAL COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions, except share data in thousands)

	Common Stock							
	Number of Shares Outstanding	Amount	Additional Paid-in Capital	Treasury Stock, At Cost	Retained (Deficit) Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balances, December 31, 2018	37,335	$ 0.4	$ 187.0	$ (25.1)	$ (27.6)	$ 3.0	$ 137.7
Stock-based compensation expense			5.4				5.4
Issuance of restricted stock	109		(1.8)	1.8			0.0
Stock withheld for employee taxes	(39)			(0.9)			(0.9)
Proceeds from issuance of common stock	230		(1.7)	3.8			2.1
Dividends					(18.1)		(18.1)
Issuance of shares under employee stock purchase plan	44		0.8				0.8
Net income					48.5		48.5
Balances, December 31, 2019	37,679	$ 0.4	$ 189.7	$ (20.4)	$ 2.8	$ 3.0	175.5
Stock-based compensation expense			4.7				4.7
Issuance of restricted stock	42		(0.7)	0.7			0.0
Stock withheld for employee taxes	(47)			(1.4)			(1.4)
Proceeds from issuance of common stock	221		(1.0)	4.3			3.3
Dividends					(134.7)		(134.7)
Purchase of treasury shares	(392)			(7.2)			(7.2)
Issuance of shares under employee stock purchase plan	49		0.8				0.8
Change in cumulative translation adjustment						0.4	0.4
Net income					65.4		65.4
Balances, December 31, 2020	37,552	$ 0.4	$ 193.5	$ (24.0)	$ (66.5)	$ 3.4	$ 106.8
Stock-based compensation expense			2.9				2.9
Issuance of restricted stock	78		(1.3)	1.3			0.0
Stock withheld for employee taxes	(77)			(3.0)			(3.0)
Proceeds from issuance of common stock	246		(0.4)	5.3			4.9
Dividends					(62.3)		(62.3)
Issuance of shares under employee stock purchase plan	55		1.1				1.1
Change in cumulative translation adjustment						(0.1)	(0.1)
Net income					103.3		103.3
Balances, December 31, 2021	37,854	$ 0.4	$ 195.8	$ (20.4)	$ (25.5)	$ 3.3	$ 153.6

See notes to consolidated financial statements.

GLOBAL INDUSTRIAL COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Global Industrial Company, formerly known as Systemax Inc., through its operating subsidiaries, is a value-added industrial distributor of more than one million industrial and maintenance, repair and operation ("MRO") products in North America going to market through a system of branded e-commerce websites and relationship marketers. The Company operates and is internally managed in one reportable business segment. The Company sells a wide array of industrial and maintenance, repair and operation products, markets the Company has served since 1949. Because of the large number of products and product categories the Company offers, providing information on the amount of revenue derived from transactions with external customers for each product or groupings of products is impractical.

The Company's discontinued operations include its former North American Technology Group business, which was sold in December 2015 and has been winding down its operations since then. The sale of this business met the “strategic shift with major impact” criteria as defined under Accounting Standards Update ("ASU") 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which requires disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. Under ASU 2014-08, in order for a disposal to qualify for discontinued operations presentation in the financial statements, the disposal must be a “strategic shift” with a major impact for the reporting entity. If the entity meets this threshold, and other requirements, only the components that were in operation at the time of disposal are presented as discontinued operations. Therefore, the prior year results of the former North American Technology business are included in discontinued operations in the accompanying consolidated financial statements.

For the years ended December 31, 2021 and December 31, 2020, net income from the discontinued North American Technology business totaled $33.2 million and $1.3 million, respectively. In the fourth quarter of 2021, the Company recorded net income of approximately $22.7 million primarily related to the resolution of certain liabilities of its previously discontinued operations. Net loss from the discontinued North American Technology business totaled $1.5 million for the year ended December 31, 2019.

Related Party Transactions

During 2021, the Company recorded approximately $3.1 million in professional fee expense from a law firm which employs an immediate family member of one of the Company's Vice Chairmen. Of the previously mentioned fees, $3.0 million were contingent fees paid upon receipt of $15.0 million in restitution received in the Company's discontinued operations. Amounts outstanding at December 31, 2021 were de minimis and were recorded in Accrued expenses and other current liabilities in the accompanying Consolidated Balance Sheets.

During 2020, the Company made inventory purchases of approximately $3.2 million from an entity owned by immediate family members of the Company's Executive Chairman. Amounts outstanding at December 31, 2020 were de minimis and were recorded in Accounts payable in the accompanying Consolidated Balance Sheets. These transactions were carried out on an arm's length basis and with prior approval of the Company's Nominating and Corporate Governance Committee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>*Principles of Consolidation*</u> — The accompanying consolidated financial statements include the accounts of Global Industrial Company, formerly known as Systemax Inc., and its wholly-owned subsidiaries (collectively, the “Company” or “Global Industrial”). All significant intercompany accounts and transactions have been eliminated in consolidation.

<u>*Fiscal Year*</u> — The Company’s fiscal year ends at midnight on the Saturday closest to December 31. For clarity of presentation herein, all fiscal years are referred to as if they ended on December 31. The fiscal year is divided into four fiscal quarters that each end at midnight on a Saturday. For clarity of presentation herein, all fiscal quarters are referred to as if they ended on the traditional calendar month. The full year of 2021 and 2019 included 52 weeks, while 2020 included 53 weeks.

<u>*Use of Estimates in Financial Statements*</u> — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company bases its estimates on historical experience, current business factors, and various other assumptions that the Company believes are necessary to consider to form a basis for making judgments about the carrying

values of assets and liabilities, the recorded amounts of revenue and expenses, and the disclosure of contingent assets and liabilities. The Company is subject to uncertainties such as the impact of future events, economic and political factors, and changes in the Company's business environment, therefore, actual results could differ from these estimates.

Changes in estimates are made when circumstances warrant. Such changes in estimates and refinements in estimation methodologies are reflected in reported results of operations; if material, the effects of changes in estimates are disclosed in the notes to the consolidated financial statements. Significant estimates and assumptions by management affect the allowance for credit losses, product returns liabilities, inventory reserves, the provision for income taxes and related deferred tax accounts, certain accrued liabilities, revenue recognition, contingencies, litigation and related legal accruals.

Foreign Currency Translation — The Company has operations in foreign countries. The functional currency of each foreign country is the local currency. The financial statements of the Company's foreign entities are translated into U.S. dollars, the reporting currency, using year-end exchange rates for assets and liabilities, year to date average exchange rates for the statement of operations items and historical rates for equity accounts. Translation gains or losses are recorded as a separate component of shareholders' equity.

Cash and cash equivalents — The Company considers amounts held in money market accounts and other short-term investments, including overnight bank deposits, with an original maturity date of three months or less to be cash. Cash overdrafts are classified in accounts payable.

Restricted cash — At December 31, 2021, the Company did not have restricted cash. At December 31, 2020, the Company had restricted cash collateralizing letters of credit outstanding of $1.6 million, which was recorded in Other assets in the accompanying Consolidated Balance Sheets. Amounts included in restricted cash represent those required to be set aside by a contractual agreement with an insurer for the payment of workers' compensation claims.

Inventories — Inventories consist primarily of finished goods and are stated at the lower of cost or net realizable value. Cost is determined by using the first-in, first-out method. The Company estimates the net realizable value of its inventory by considering factors such as inventory levels, historical write-off information, historical and current demand trends, market conditions, estimated direct selling costs and physical condition of the inventory as well as credits that we may obtain for returned merchandise.

Leases — The Company has operating and finance leases for office and warehouse facilities, headquarters and call centers and certain computer, communications equipment and machinery and equipment which provide the right to use the underlying assets in exchange for agreed upon lease payments, determined by the payment schedule contained in each lease. The Company determines if an arrangement is an operating or finance lease at the inception of the lease. The Company has elected not to apply recognition requirements to leases with terms of one year or less. All other leases are recorded on the balance sheet, with Operating lease right-of-use assets representing the right to use the underlying asset for the lease term and Operating lease liabilities representing the obligation to make lease payments arising from the lease. The Company elected to adopt the available package of practical expedients. The ROU assets and corresponding liabilities are recorded based upon the net present value of the lease payments, discounted using interest rates determined by utilizing such factors as the Company's current credit facility terms, length of the lease term, the Company's expected debt credit rating and comparable company term loan yields. Certain leases may include options to extend the lease, however, the Company is not including any impact of such options in the valuation of its ROU assets or liabilities as they are not probable of being extended. The Company's lease agreements do not contain residual value guarantees or restrictive covenants. The Company has sublease agreements for certain unused facilities.

The Company's lease portfolio consists primarily of operating leases which expire at various dates through 2032.

Property, Plant and Equipment — Property, plant and equipment is stated at cost. Furniture, fixtures and equipment are depreciated using the straight-line or accelerated method over their estimated useful lives ranging from three years to fifteen years. Leasehold improvements are amortized over the shorter of the useful lives or the term of the respective leases. During 2021, the Company disposed of property, plant and equipment of approximately $1.7 million and accumulated depreciation of $1.7 million. During 2020, the Company disposed of property, plant and equipment of approximately $10.5 million and accumulated depreciation of $10.5 million.

Maintenance and repairs are charged to expense as incurred, and improvements are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statement of operations in the period realized.

Evaluation of Long-lived Assets — Long-lived assets are assets used in the Company's operations and include definite-lived intangible assets, leasehold improvements, warehouse and similar property used to generate sales and cash flows. Long-lived assets are tested for impairment utilizing a recoverability test. The recoverability test compares the carrying value of an asset group to the undiscounted cash flows directly attributable to the asset group over the life of the primary asset. If the undiscounted cash flows of an asset group is less than the carrying value of the asset group, the fair value of the asset group is then measured. If the fair value is also determined to be less than the carrying value of the asset group, the asset group is impaired.

Goodwill and Intangible Assets — Goodwill represents the excess of the cost of acquired assets over the fair value of assets acquired. The Company operates in one reporting unit and in the fourth quarter of each year performs a quantitative assessment of its goodwill by comparing the Company's fair market value, or market capitalization, to the carrying value of the Company, including goodwill, to determine if impairment exists. Any excess of the carrying amount over fair value would be charged to impairment expense.

Income Taxes — The Company accounts for income taxes using the liability method, under which deferred tax assets and liabilities are determined based on the future tax consequences attributable to differences between the financial reporting carrying amounts of existing assets and liabilities and their respective tax basis and tax credit carry forwards and net operating loss carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates that are expected to be in effect when the differences are expected to reverse.

The Company assesses the likelihood that deferred tax assets will be recovered from future taxable income, and a valuation allowance is established when necessary to reduce deferred tax assets to the amounts more likely than not expected to be realized.

In accordance with the guidance for accounting for uncertainty in income taxes the Company recognizes the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefit of an uncertain tax position that meets the more-likely-than-not recognition threshold is measured as the largest amount that is greater than 50% likely to be realized upon settlement with the tax authority. To the extent we prevail in matters for which accruals have been established or are required to pay amounts in excess of accruals, our effective tax rate in a given financial statement period could be affected.

Revenue Recognition and Accounts Receivable — The Company's revenue is shown as "Net sales" in the accompanying Consolidated Statements of Operations and is measured as the determined transaction price, net of any variable consideration consisting primarily of rights to return product. The Company has elected to treat shipping and handling revenues as activities to fulfill its performance obligation. Billings for freight and shipping and handling are recorded in net sales and costs of freight and shipping and handling are recorded in cost of sales in the accompanying Consolidated Statements of Operations.

The Company will record a contract liability in cases where customers pay in advance of the Company satisfying its performance obligation. The Company did not have any material unsatisfied performance obligations or liabilities as of December 31, 2021 and 2020.

The Company offers customers rights to return product within a certain time, usually 30 days. The Company estimates its sales returns liability quarterly based upon its historical return rates as a percentage of historical sales for the trailing twelve-month period. The total accrued sales returns liability was approximately $2.2 million and $1.9 million at December 31, 2021 and 2020, respectively, and was recorded as a refund liability in Accrued expenses and other current liabilities in the accompanying Consolidated Balance Sheets.

Allowance for Credit Losses - The Company's trade accounts receivable is one portfolio comprised of commercial businesses operating in the U.S. and to a much lesser extent, Canada. The Company develops its allowances for credit losses, which represent an estimate of expected losses over the remaining contractual life of its receivables, considering customer financial condition, historical loss experience with its customers, current market economic conditions and forecasts of future economic conditions when appropriate. When the Company becomes aware of a customer's inability to meet its financial obligation, a specific reserve is recorded to reduce the receivable to the expected amount to be collected. For the balance of its trade receivables, the Company uses a loss rate method to estimate its credit loss reserve. Historical loss experience rates are calculated using receivable write offs over a trailing twelve-month period and comparing that to the average receivable balances over the same period. That rate is applied to the current accounts receivable portfolio, excluding accounts that have been specifically reserved. Any write offs incurred are recorded against the established reserves.

The Company grants credit to commercial business customers using an electronic application process that evaluates the customer's detailed credit report, reference responses, availability under credit facilities, existing liens, tenure of management and business history, among other factors. Credit terms are typically net 30 days payment required with larger businesses eligible for up to net 90 day terms, if qualified.

Shipping and Handling Costs — The Company recognizes shipping and handling costs in cost of sales.

Advertising Costs — Expenditures for internet, television, local radio and newspaper advertising are expensed in the period the advertising takes place. Catalog preparation, printing and postage expenditures are amortized over the fiscal year during which the benefits are expected.

Net advertising expenses were $65.3 million, $60.3 million and $69.8 million during 2021, 2020 and 2019, respectively, and are included in the accompanying consolidated statements of operations.

The Company utilizes advertising programs to drive traffic to its websites, support vendors, including catalogs, internet and magazine advertising, and receives payments and credits from vendors, including consideration pursuant to volume incentive programs and cooperative marketing programs. The Company accounts for consideration from vendors as a reduction of cost of sales unless certain conditions are met showing that the funds are used for specific, incremental, identifiable costs, in which case the consideration is accounted for as a reduction in the related expense category, such as advertising expense.

Net Income (Loss) Per Common Share — Net income per common share - basic is calculated based upon the weighted average number of common shares outstanding during the respective periods presented using the two-class method of computing earnings per share. The two-class method was used as the Company has outstanding restricted stock with rights to dividend participation for unvested shares. Undistributed net income is allocated between common shares outstanding and participating securities to the extent that each security may share in earnings as if all of the earnings for the period had been distributed. Undistributed net losses are not allocated to our participating securities as these participating securities do not have a contractual obligation to share in losses. Net income per common share - diluted was calculated based upon the weighted average number of common shares outstanding and included the equivalent shares for dilutive options outstanding during the respective periods, including unvested options. The dilutive effect of outstanding options and restricted stock issued by the Company is reflected in net income per share - diluted using the treasury stock method. Under the treasury stock method, options will only have a dilutive effect when the average market price of common stock during the period exceeds the exercise price of the options.

Employee Benefit Plans — The Company’s U.S. subsidiaries participate in a defined contribution 401(k) plan covering substantially all U.S. employees. Employees may invest 1% or more of their eligible compensation, limited to maximum amounts as determined by the Internal Revenue Service. The Company provides a matching contribution to the plan, determined as a percentage of the employees’ contributions. Aggregate expense to the Company for contributions to the plan was approximately $1.4 million in 2021 and 2020 and $1.1 million in 2019.

Fair Value Measurements — Fair value accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value standards establish the fair value hierarchy to prioritize the inputs used in valuation techniques. There are three levels to the fair value hierarchy (Level 1 is the highest priority and Level 3 is the lowest priority):

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
Level 3 - Unobservable inputs which are supported by little or no market activity

Financial instruments consist primarily of investments in cash, trade accounts receivable, debt and accounts payable. The Company determines the fair value of financial instruments based on interest rates available to the Company. At December 31, 2021 and 2020, the carrying amounts of cash, accounts receivable and accounts payable are considered to be representative of their respective fair values due to their short-term nature. Cash is classified as Level 1 within the fair value hierarchy.

The fair value of goodwill, non-amortizing intangibles and long-lived assets is measured in connection with the Company's annual impairment testing as discussed above.

The weighted average interest rate on short-term borrowings was 4.3% in 2021, 4.4% in 2020 and 6.2% in 2019.

Significant Concentrations — Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable. The Company's excess cash balances are invested with money center banks. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers and their geographic dispersion comprising the Company's customer base. The Company also performs on-going credit evaluations and maintains allowances for potential losses as warranted.

The Company purchases substantially all of its products and components directly from both large and small manufacturers as well as large wholesale distributors. No supplier accounted for 10% or more of our product purchases in 2021, 2020 and 2019. Most private brand products are manufactured by third parties to our specifications.

Recent Accounting Pronouncements

Public companies in the United States are subject to the accounting and reporting requirements of various authorities, including the Financial Accounting Standards Board ("FASB") and the Securities and Exchange Commission ("SEC"). These authorities issue numerous pronouncements, most of which are not applicable to the Company's current or reasonably foreseeable operating structure. Below are the new authoritative pronouncements that management believes are relevant to Company's current operations.

On January 1, 2021 the Company adopted ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes.* This ASU clarifies and simplifies accounting for income taxes by eliminating certain exceptions for intraperiod tax allocation principles and the methodology for calculating income tax rates in an interim period, among other updates. The adoption of this ASU did not have a material impact on the Company's financial position or results of operations.

On January 1, 2021, the Company adopted ASU 2020-10, Codification Improvements. This ASU amends a variety of topics in the Codification to improve consistency and clarify the guidance. The effective date of this ASU is for fiscal years and interim periods beginning after December 15, 2020. The adoption of this ASU did not have a material impact on the Company's financial position or results of operations.

3. CREDIT LOSSES

The following is a rollforward of the allowances for credit losses related to the Company's receivables for the year ended December 31, 2021 and 2020 (in millions):

	December 31,	
	2021	2020
Balance at beginning of period	$ 1.7	$ 6.8
Current period provision	2.8	1.2
Write-offs - trade accounts receivable	(2.0)	(0.7)
Write-offs - notes and other receivables*	0.0	(5.6)
Balance at end of period	$ 2.5	$ 1.7

*$5.6 million of reserves related to notes and other receivables originated in 2016 and this balance was written off in the second quarter of 2020.

4. LEASES

The Company has operating and finance leases for office and warehouse facilities, headquarters, call centers, machinery and certain computer and communications equipment which provide the right to use the underlying assets in exchange for agreed upon lease payments, determined by the payment schedule contained in each lease. The Company's lease portfolio consists primarily of operating leases which expire at various dates through 2032.

The Company's operating lease costs, included in continuing operations, was $13.9 million, $13.1 million and $12.0 million, for the years ended December 31, 2021, 2020 and 2019, respectively.

Information relating to operating leases for continuing and discontinued operations as of December 31, 2021 and, 2020:

	Year Ended December 31,	
	2021	**2020**
Weighted Average Remaining Lease Term		
Operating leases	8.1 years	8.7 years
Weighted Average Discount Rate		
Operating leases	5.2 %	5.2 %
ROU assets obtained in exchange for operating lease obligations	$ 2.6	$ 28.7

Maturities of lease liabilities were as follows (in millions):

Year Ending December 31	Operating Leases
2022	$ 14.5
2023	13.9
2024	12.7
2025	11.5
2026	9.6
Thereafter	37.4
Total lease payments	99.6
Less: interest	(20.6)
Total present value of lease liabilities	$ 79.0

The Company currently leases its headquarters office facility from an entity owned by the Company's principal shareholders. Total rent expense recorded to related parties was $1.0 million in 2021, 2020 and 2019.

The Company has sublease agreements for certain unused facilities related to continuing and discontinued operations. These sublease agreements, one of which was to expire in February 2022, which has been extended to February 2023, includes an option to extend the lease term and the other sublease agreement expires in August 2023. Total sublease income of $1.3 million, $1.7 million and $1.9 million was recorded for the years ended December 31, 2021, 2020 and 2019, respectively. Future rent streams related to sublease agreements of $1.9 million to be collected in less than one year and $0.4 million to be collected between one and three years.

5. REVENUE

Disaggregation of Revenues

The Company believes its presentation of revenue by geography most reasonably depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic and industry factors, including fluctuations in exchange rates between the U.S. and Canada. The following table presents the Company's revenue, from continuing operations, by geography for the year ended December 31, 2021, 2020 and 2019 (in millions):

	Year Ended December 31,		
	2021	**2020**	**2019**
Net sales:			
United States	$ 993.9	$ 968.1	$ 901.3
Canada	69.2	60.9	45.6
Consolidated	$ 1,063.1	$ 1,029.0	$ 946.9

6. DISCONTINUED OPERATIONS

The Company's discontinued operations include the former North American Technology Group which was sold in December 2015 and has been winding down operations since then (see Note 1).

For the year ended December 31, 2021, the Company recorded net income in its discontinued operations of approximately $33.2 million primarily related to the resolution of certain liabilities of these previously discontinued operations of $31.7 million, pre-tax, and recorded approximately $15.0 million in restitution receipts, offset by $3.0 million of related professional fees and recorded approximately $10.7 million for the provision for income taxes.

For the year ended December 31, 2020, the Company's discontinued operations recorded approximately $1.9 million in restitution receipts offset by approximately $0.5 million of professional fees and $0.5 million for the provision for income taxes. For the year ended December 31, 2019, the Company's discontinued operations recorded approximately $2.1 million in selling, distribution and administrative expenses and recorded approximately $0.6 million for the benefit for income taxes.

The Company has completed the wind-down activities related to the sale of the France business, as disclosed in previous 10-K filings, but may incur additional charges related to statutory tax and other indemnities given at closing. The Company has substantially completed the wind-down activities related to the former North American Technology Group business, although certain activities related to sublet facilities continue. The net assets and liabilities of discontinued operations are immaterial other than the exit costs disclosure below. The Company expects that total additional exit charges related to discontinued operations after this year may aggregate up to $0.5 million.

The Company has not incurred any special charges in continuing operations for the year ended December 31, 2021 or 2020. In the third quarter of 2019 and year ended December 31, 2019, within continuing operations, the Company's former German branch recorded special gains of approximately $0.8 million related to a buyout for its outstanding lease obligation.

The following table details liabilities related to the exit costs of the sold businesses that remain for 2021 (in millions):

	Accrued exit costs
Balance January 1, 2021	$ 2.8
Charged to expense	0.4
Paid or otherwise settled	(0.5)
Balance December 31, 2021	$ 2.7

The following table details liabilities related to the exit costs of the sold businesses for 2020 (in millions):

	Accrued exit costs
Balance, January 1, 2020	$ 2.8
Charged to expense	0.4
Paid or otherwise settled	(0.4)
Balance, December 31, 2020	$ 2.8

7. GOODWILL, INTANGIBLES AND OTHER ASSETS

The following table provides information related to the carrying value of goodwill, intangibles (indefinite lived and definite lived) and other assets (in millions):

	December 31,	
	2021	2020
Goodwill	$ 5.5	$ 5.5
Intangibles	1.3	1.5
Other assets	1.2	2.6
Balances, December 31	$ 8.0	$ 9.6

***Indefinite-lived intangible assets*:**

The following table provides information related to the carrying value of indefinite lived intangibles as of December 31, 2021 and 2020, respectively (in millions):

	December 31,	
	2021	2020
Balance, December 31	$ 0.7	$ 0.7

Definite-lived intangible assets:

The following table summarizes information related to definite-lived intangible assets as of December 31, 2021 (in millions):

	December 31, 2021				
	Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Weighted avg useful life
Client lists	5-10 yrs	$ 2.0	$ 1.4	$ 0.6	3.1
Domain name	5 yrs	3.4	3.4	0.0	0.0
Total		$ 5.4	$ 4.8	$ 0.6	3.1

The following table summarizes information related to definite-lived intangible assets as of December 31, 2020 (in millions):

	December 31, 2020				
	Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Weighted avg useful life
Client lists	5-10 yrs	$ 2.0	$ 1.2	$ 0.8	4.1
Domain name	5 yrs	3.4	3.4	0.0	0.0
Total		$ 5.4	$ 4.6	$ 0.8	4.1

The aggregate amortization expense for these intangibles was approximately $0.2 million in 2021. The estimated amortization for future years ending December 31 is as follows (in millions):

2022	$ 0.2
2023	0.2
2024	0.2
2025	0.0
Total	$ 0.6

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consist of the following (in millions):

	December 31, 2021	December 31, 2020
Land improvements	$ 0.8	$ 0.8
Furniture and fixtures, office, computer and other equipment and software	37.8	36.5
Leasehold improvements	13.5	13.1
	52.1	50.4
Less accumulated depreciation and amortization	35.6	33.8
Property, plant and equipment, net	$ 16.5	$ 16.6

Depreciation charged to continuing operations for property, plant and equipment including capital leases in 2021, 2020, and 2019 was $3.5 million, $3.9 million and $3.9 million, respectively, and is reported within selling, distribution and administrative expenses. During 2021, the Company disposed of property, plant and equipment of approximately $1.7 million and accumulated depreciation of $1.7 million and during 2020, the Company disposed of property, plant and equipment of approximately $10.5 million and accumulated depreciation of $10.5 million.

9. CREDIT FACILITIES AND SHORT-TERM DEBT

The Company maintains a $75 million secured revolving credit facility with one financial institution, which provides for borrowings in the United States. In October 2021, the Company extended this facility for an additional five-year term, maturing on October 19, 2026. The credit agreement contains certain operating, financial and other covenants, including limits on annual levels of capital expenditures, availability tests related to payments of dividends and stock repurchases and fixed charge coverage tests related to acquisitions. The revolving credit agreement requires that a minimum level of availability be maintained. If such availability is not maintained, the Company will be required to maintain a fixed charge coverage ratio (as defined). The borrowings under the agreement are subject to borrowing base limitations of up to 85% of eligible accounts receivable and the inventory advance rate computed as the lesser of 60% or 85% of the net orderly liquidation value (“NOLV”). Borrowings are secured by substantially all of the borrower’s assets, as defined, including all accounts, accounts receivable, inventory and certain other assets, subject to limited exceptions, including the exclusion of certain foreign assets from the collateral. The interest rate under the amended and restated facility is computed at applicable market rates based on the London interbank offered rate (“LIBOR”), the Federal Reserve Bank of New York (“NYFRB”) or the Prime Rate, plus an applicable margin. The applicable margin varies based on borrowing base availability. As of December 31, 2021, eligible collateral under the credit agreement was $75.0 million, total availability was $72.5 million, total outstanding letters of credit was $1.5 million, total outstanding borrowings was $4.5 million and total excess availability was $66.5 million. The Company was in compliance with all of the covenants of the credit agreement in place as of December 31, 2021.

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following (in millions):

	December 31, 2021	December 31, 2020
Payroll and employee benefits	$ 22.3	$ 26.4
Sales and VAT tax payable	2.8	3.8
Freight	11.4	7.4
Income taxes payable	4.9	0.9
Other	9.1	12.2
	$ 50.5	$ 50.7

11. NET INCOME (LOSS) PER COMMON SHARE

Net income (loss) per common share - basic was calculated based upon the weighted average number of common shares outstanding during the respective periods presented using the two-class method of computing earnings per share. The two-class method was used as the Company has outstanding restricted stock with rights to dividend participation for unvested shares. Undistributed net income is allocated between common shares outstanding and participating securities to the extent that each security may share in earnings as if all of the earnings for the period had been distributed. Undistributed net losses are not allocated to our participating securities as these participating securities do not have a contractual obligation to share in losses. Net income per common share - diluted was calculated based upon the weighted average number of common shares outstanding and included the equivalent shares for dilutive options outstanding during the respective periods, including unvested options. The dilutive effect of outstanding options and restricted stock issued by the Company is reflected in net income per share - diluted using the treasury stock method. Under the treasury stock method, options will only have a dilutive effect when the average market price of common stock during the period exceeds the exercise price of the options.

The following table presents the computation of basic and diluted net income (loss) per share under the two-class method for the year ended December 31, 2021, 2020 ad 2019 (in millions, except for per share amounts):

	Year Ended December 31,		
	2021	2020	2019
Net income from continuing operations	$ 70.1	$ 64.1	$ 50.0
Less: Distributed net income available to participating securities	(0.3)	(0.8)	(0.1)
Less: Undistributed net income available to participating securities	0.0	0.0	(0.2)
Numerator for basic net income per share:			
Undistributed and distributed net income available to common shareholders	$ 69.8	$ 63.3	$ 49.7
Add: Undistributed net income allocated to participating securities	0.0	0.0	0.2
Less: Undistributed net income reallocated to participating securities	0.0	0.0	(0.2)
Numerator for diluted net income per share:			
Undistributed and distributed net income available to common shareholders	$ 69.8	$ 63.3	$ 49.7
Denominator:			
Weighted average shares outstanding for basic net income per share	37.8	37.5	37.5
Effect of dilutive securities	0.2	0.2	0.2
Weighted average shares outstanding for diluted net income per share	38.0	37.7	37.7
Net income per share from continuing operations:			
Basic	$ 1.85	$ 1.69	$ 1.33
Diluted	$ 1.84	$ 1.68	$ 1.32
Net income (loss) from discontinued operations	$ 33.2	$ 1.3	$ (1.5)
Less: Undistributed net income available to participating securities	$ (0.2)	$ 0.0	$ 0.0
Numerator for basic net income per share:			
Undistributed and distributed net income (loss) available to common shareholders	$ 33.0	$ 1.3	$ (1.5)
Add: Undistributed net income allocated to participating securities	$ 0.2	$ 0.0	$ 0.0
Less: Undistributed net income reallocated to participating securities	$ (0.2)	$ 0.0	$ 0.0
Numerator for diluted net income (loss) per share:			
Undistributed and distributed net income (loss) available to common shareholders	$ 33.0	$ 1.3	$ (1.5)
Net income (loss) per share from discontinued operations:			
Basic	$ 0.88	$ 0.03	$ (0.04)
Diluted	$ 0.87	$ 0.03	$ (0.04)
Net income per share:			
Basic	$ 2.73	$ 1.72	$ 1.29
Diluted	$ 2.71	$ 1.71	$ 1.28
Potentially dilutive securities	0.1	0.5	0.4

Potentially dilutive securities attributable to outstanding stock options, restricted stock units, and performance share units excluded from the calculation of diluted earnings per share where the combined exercise price and average unamortized fair value are greater than the average market price of Global Industrial Company's common stock, and their inclusion would be anti-dilutive.

12. STOCK REPURCHASES

In 2018, the Company's Board of Director's approved a share repurchase program with a repurchase authorization of up to two million shares of the Company's common stock. During 2021, no shares were repurchased. In 2020, the Company repurchased 392,337 common shares for approximately $7.2 million. The maximum number of shares that may yet be purchased under the Plan was approximately 1,375,000 at December 31, 2021.

13. SHAREHOLDERS' EQUITY

Stock-Based Compensation Plans

The Company currently has two equity compensation plans which reserve shares of common stock for issuance to key employees, directors, consultants and advisors to the Company. The following is a description of these plans:

The 2010 Long-term Stock Incentive Plan ("2010 Plan") - This plan was adopted in April 2010 and allows the Company to issue incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock and restricted stock units, performance awards and other stock based awards authorized by the Compensation Committee of the Board of Directors. Options and awards issued under this plan expire ten years after the options and awards are granted. The maximum number of shares granted per type of award to any individual may not exceed 1,500,000 in any calendar year. Restricted stock grants and common stock awards reduce stock options otherwise available for future grant. Awards for a maximum of 7,500,000 shares may be granted under this plan. The Company is no longer granting options or awards under this plan. A total of 372,257 options and 74,202 restricted stock units were outstanding under this plan as of December 31, 2021.

The 2020 Omnibus Stock Incentive Plan ("2020 Omnibus Plan") - This plan was adopted in June 2020 and allows the Company to issue incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock based awards authorized by the Compensation Committee of the Board of Directors. Options and awards issued under this plan expire ten years after the options and awards are granted. The maximum number of shares granted per type of award to any individual may not exceed 1,500,000 in any calendar year (or $10.0 million in the case of cash performance awards). Restricted stock grants and common stock awards reduce stock options otherwise available for future grant. Awards for a maximum of 7,500,000 shares may be granted under this plan. A total of 91,047 options and 61,244 restricted stock units were outstanding under this plan as of December 31, 2021.

The fair value of employee share options is recognized in expense over the vesting period of the options, using the graded attribution method. The fair value of employee share options is determined on the date of grant using the Black-Scholes option pricing model. The Company has calculated its dividend yield by dividing the annualized regular quarterly dividend by the current stock price at grant date. The Company has used historical volatility in its estimate of expected volatility. The expected life represents the period of time (in years) for which the options granted are expected to be outstanding. The risk-free interest rate is based on the U.S. Treasury yield curve. Stock-based compensation expense includes an estimate for forfeitures and is recognized over the expected term of the award.

The fair value of the restricted stock ("RSU") and performance restricted stock ("PRSU") is the closing stock price on the NYSE of the Company's common stock on the date of grant or the closing stock price of the Company's common stock on the last business day prior to the grant date. Upon delivery, a portion of the RSU/PRSU award may be withheld to satisfy the statutory withholding taxes. The remaining RSU's/PRSU's will be settled in shares of the Company's common stock after the vesting period and on the prescribed delivery date. These RSUs/PRSU's have none of the rights as other shares of common stock, other than rights to cash dividends, until common stock is distributed.

Shares issued under our share-based compensation plans are usually issued from shares of our common stock held in the treasury.

Compensation cost related to non-qualified stock options recognized in continuing operations (selling, distribution and administrative expenses) for 2021, 2020 and 2019 was $1.1 million, $1.8 million, and $3.3 million respectively. In the first quarter of 2019, the Company repriced approximately 0.6 million shares of outstanding stock options and recorded approximately $0.6 million of related compensation expense and for the year ended December 31, 2019, the Company recorded $0.7 million of related compensation expense. The related future income tax benefits recognized for 2021, 2020 and 2019 were $0.3 million, $0.4 million and $0.7 million, respectively.

Stock Options

The following table presents the weighted-average assumptions used to estimate the fair value of options granted in 2021, 2020 and 2019:

	2021	2020	2019
Expected annual dividend yield	1.4 %	2.0 %	1.9 %
Risk-free interest rate	0.75 %	1.38 %	2.65 %
Expected volatility	51.9 %	51.1 %	50.4 %
Expected life in years	5.0	5.2	5.0

The following table summarizes information concerning outstanding and exercisable options:

	Weighted Average					
	2021		2020		2019	
	Shares	Weighted Avg. Exercise Price	Shares	Weighted Avg. Exercise Price	Shares	Weighted Avg. Exercise Price
Outstanding at beginning of year	661,024	$ 19.78	764,784	$ 17.31	596,148	$ 11.64
Granted	110,112	$ 38.02	111,872	$ 23.60	1,038,536	$ 15.76
Exercised	(196,639)	$ 15.37	(191,780)	$ 11.68	(224,750)	$ 8.92
Canceled or expired	(111,193)	$ 26.87	(23,852)	$ 23.71	(645,150)	$ 12.50
Outstanding at end of year	463,304	$ 24.28	661,024	$ 19.78	764,784	$ 17.31
Options exercisable at year end	223,158		302,283		227,598	
Weighted average fair value per option granted during the year	$ 18.50		$ 9.12		$ 9.16	

The total intrinsic value of options exercised was $4.5 million in 2021, $3.9 million in 2020 and $3.4 million in 2019.

The following table summarizes information about options vested and exercisable or non-vested that are expected to vest (non-vested outstanding less expected forfeitures) at December 31, 2021:

Range of Exercise Prices			Options Outstanding and Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in millions)
$ 5.00	to	$ 15.00	48,250	$ 5.92	4.64	$ 1.7
$ 15.01	to	$ 25.00	351,223	$ 23.53	6.95	6.1
$ 25.01	to	$ 35.00	8,880	$ 33.71	9.39	0.1
$ 35.01	to	$ 45.00	54,951	$ 43.69	9.23	0.0
$ 5.00	to	$ 45.00	463,304	$ 24.28	7.02	$ 7.9

The aggregate intrinsic value in the tables above represents the total pretax intrinsic value (the difference between the closing stock price on the last day of trading in 2021 and the exercise price) that would have been received by the option holders had all options been exercised on December 31, 2021. This value will change based on the fair market value of the Company's common stock.

The following table reflects the activity for all unvested stock options during 2021:

	Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2021	358,741	$ 9.63
Granted	110,112	$ 18.50
Vested	(117,514)	$ 10.49
Forfeited	(111,193)	$ 10.66
Unvested at December 31, 2021	240,146	$ 12.80

At December 31, 2021, there was approximately $1.3 million of unrecognized compensation costs related to unvested stock options, which is expected to be recognized over a weighted average period of 2.96 years. The total fair value of stock options vested during 2021, 2020 and 2019 was $1.2 million, $2.5 million and $4.0 million, respectively.

Restricted Stock and Restricted Stock Units

The following table reflects the activity for restricted stock awards, excluding the restricted stock issued to Directors (in millions, except shares data):

Year Granted	Shares Granted	Outstanding at December 31, 2021	Rights to Cash Dividend	Other Participation Rights	Performance Award	Compensation Expense		
						Year Ended December 31,		
						2021	2020	2019
2012	50,000	—	Yes	None	No	0 (1)	0 (1)	0 (1)
2016	100,000	—	Yes	None	No	0.0	0.0	0 (1)
2019	30,251	18,150	Yes	None	No	0.1	0.2	0.3
2019	149,412	24,187	Yes	None	Yes	0.1	1.2	1.3
2020	28,272	21,204	Yes	None	No	0.2	0.4	0.0
2020	43,330	10,661	Yes	None	Yes	0.1	0.6	0.0
2021	25,371	25,371	Yes	None	No	0.4	0.0	0.0
2021	32,874	19,713	Yes	None	Yes	0.3	0.0	0.0
					Total	$ 1.2	$ 2.4	$ 1.6

[1] less than $0.1 million of expense recorded

Share-based compensation expense reported within continuing operations for restricted stock issued to Directors was $0.2 million in 2021, 2020 and 2019, respectively, and is recorded within selling, distribution and administrative expenses. A total of 16,160 restricted stock units from the 2020 Omnibus Plan are outstanding to the Directors as of December 31, 2021.

At December 31, 2021, there was approximately $1.7 million of unrecognized compensation cost related to the unvested RSU's, which is expected to be recognized over a weighted average period of 2.41 years.

Total compensation expense related to RSU and performance RSU's reported within continuing operations was approximately $1.4 million, $2.5 million and $1.8 million for the years ended December 31, 2021, 2020 and 2019, respectively, and is recorded within selling, distribution and administrative expenses.

The following table reflects the activity for all unvested restricted stock during 2021:

	Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2021	163,760	$ 23.06
Granted	64,161	$ 37.29
Vested	(53,245)	$ 23.25
Forfeited	(39,230)	$ 27.36
Unvested at December 31, 2021	135,446	$ 28.48

Employee Stock Purchase Plan

The 2018 Employee Stock Purchase Plan - This plan was approved by the Company's stockholders in December 2018 and a reserve of 500,000 shares of common stock has been established under this plan. The Company adopted this plan, the terms of which allow for eligible employees (as defined in the 2018 Employee Stock Purchase Plan) to participate in the purchase, during each six month purchase period, up to a maximum of 10,000 shares of the Company's common stock at a purchase price equal to 85% of the closing price at either the start date or the end date of the stock purchase period, whichever is lower. Compensation expense recognized in selling, distribution and administrative expenses related to this plan totaled $0.4 million for the year ended December 31, 2021 and $0.3 million for the years ended December 31, 2020 and 2019. As of December 31, 2021, approximately 350,896 shares remain reserved for issuance under this plan. Employees purchased approximately 55,248 shares of common stock during fiscal year 2021 at an average per share price of $20.09. Employees purchased approximately 49,627 shares of common stock during fiscal year 2020 at an average per share price of $16.85. During fiscal year 2019, employees purchased approximately 44,229 shares of common stock at an average per share price of $17.61.

14. INCOME TAX

The following table summarizes our U.S. and foreign components of income from continuing operations before income taxes (in millions):

	Year Ended December 31,		
	2021	2020	2019
United States	$ 84.5	$ 80.5	$ 65.8
Foreign	3.1	3.5	0.3
Total	$ 87.6	$ 84.0	$ 66.1

The following table summarizes the (benefit) provision for income taxes from continuing operations (in millions):

	Year Ended December 31,		
	2021	2020	2019
Current:			
Federal	$ 16.8	$ 17.0	$ 12.5
State	3.8	3.3	2.1
Foreign	0.1	0.1	0.1
Total current	$ 20.7	$ 20.4	$ 14.7
Deferred:			
Federal	$ (0.6)	$ (0.8)	$ 1.1
State	(0.2)	0.3	0.3
Foreign	(2.4)	0.0	0.0
Total deferred	$ (3.2)	$ (0.5)	$ 1.4
Total tax provision	$ 17.5	$ 19.9	$ 16.1

Tax expense (benefit) from discontinued operations was $10.7 million, $0.5 million and $(0.6) million for the years ended December 31, 2021, 2020 and 2019, respectively. Income taxes are accrued and paid by each foreign entity in accordance with applicable local regulations.

A reconciliation of the difference between the income tax expense and the computed income tax expense from continuing operations based on the Federal statutory corporate rate is as follows (in millions):

	Year Ended December 31,					
	2021		2020		2019	
Income tax at Federal statutory rate	$ 18.4	21.0 %	$ 17.6	21.0 %	$ 13.9	21.0 %
State and local income taxes, net of federal tax benefit	2.9	3.3 %	3.0	3.5 %	2.4	3.7 %
Impact of state rate changes	0.0	0.0 %	0.0	0.0 %	0.1	0.1 %
Reversal of valuation allowances	(3.4)	(3.8)%	(0.9)	(1.0)%	(0.3)	(0.4)%
Stock based compensation	(0.8)	(0.9)%	(0.5)	(0.6)%	(0.5)	(0.8)%
Non-deductible items	0.5	0.5 %	0.8	0.9 %	0.8	1.2 %
Other items, net	(0.1)	(0.1)%	(0.1)	(0.1)%	(0.3)	(0.4)%
Income tax	$ 17.5	20.0 %	$ 19.9	23.7 %	$ 16.1	24.4 %

The deferred tax assets and liabilities are comprised of the following (in millions):

	December 31,	
	2021	2020
Assets:		
Accrued expenses and other liabilities	$ 2.4	$ 2.5
Inventory	2.8	1.7
Operating lease obligations	18.8	20.9
Intangible & other	0.0	0.6
Net operating loss and credit carryforwards	8.8	15.5
Valuation allowances	(6.1)	(15.2)
Total deferred tax assets	$ 26.7	$ 26.0
Liabilities:		
Operating lease right-of-use assets	$ 16.4	$ 18.4
Other	0.2	0.1
Total deferred tax liabilities	$ 16.6	$ 18.5

The following table summarizes the changes in valuation allowance (in millions):

	Balance at Beginning of Period	Benefit Recognized in Expense	Write-offs	Other	Balance at End of Period
2021	$ (15.2)	$ 3.0	$ 7.0	$ (0.9)	$ (6.1)
2020	$ (16.8)	$ 1.0	$ 0.6	$ 0.0	$ (15.2)

During 2021 the Company utilized approximately $6.9 million in state NOL carryforwards to reduce the current year tax expense. As of December 31, 2021, the Company has foreign tax credits and NOLs of $7.2 million which expire through 2034 and foreign tax credit carryforwards of $0.8 million expiring in years through 2029. The Company has recorded valuation allowances of approximately $6.1 million, including valuations against foreign NOLs of $5.3 million and $0.8 million against foreign tax carryforwards. Valuation allowances have been recorded against these assets as the Company believes it is more likely than not that these NOLs, temporary differences and foreign tax credits will not be utilized in the near future.

The Company has not provided for federal income taxes applicable to the undistributed earnings of its foreign subsidiaries, primarily in India and Canada, of approximately $6.3 million as of December 31, 2021, since these earnings are considered permanently reinvested in the subsidiaries. The Company's permanent reinvestment assertion has not changed following the enactment of the TCJA. If the Company ceases to be permanently reinvested in its foreign subsidiaries, the Company may be subject to foreign withholding and other taxes on undistributed earnings and may need to record a deferred tax liability for any outside basis difference in its investments in its foreign subsidiaries.

Under the TCJA each U.S. shareholder of a controlled foreign corporation ("CFC") must include in its gross taxable income in any tax year the aggregate net GILTI, or net income, of its CFCs. In 2021 the Company has included in taxable income the net income of its subsidiaries in the Netherlands, India, and Canada. The Company has elected to treat GILTI expense as a period cost when incurred.

The Company is routinely audited by federal, state and foreign tax authorities with respect to its income taxes. The Company regularly reviews and evaluates the likelihood of audit assessments. The Company’s federal income tax returns have been audited through 2016. The Company has not signed any consent to extend the statute of limitations for any subsequent years. The Company’s significant state tax returns have been audited through 2016. The Company considers its significant tax jurisdictions in foreign locations to be Canada and India.

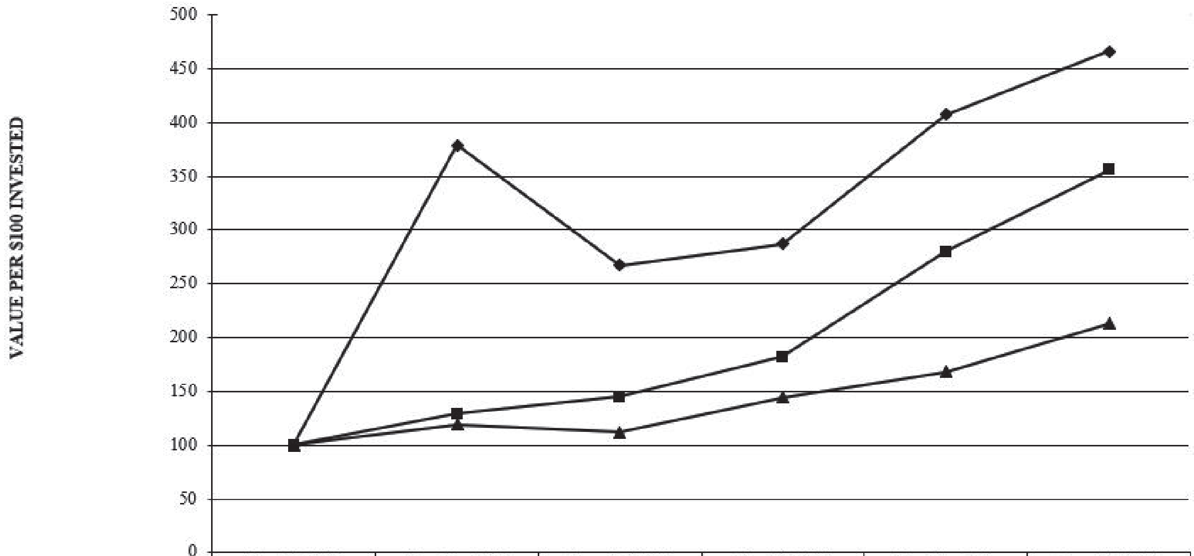
As of December 31, 2021, the Company had no uncertain tax positions. Interest and penalties, if any, are recorded in income tax expense. There were no accrued interest or penalty charges related to unrecognized tax benefits recorded in income tax expense in 2021, 2020 or 2019.

15. COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

The Company and its subsidiaries are from time to time involved in various lawsuits, claims, investigations and proceedings which may include commercial, employment, tax, customs and trade, customer, vendor, personal injury, creditors rights and health and safety law matters, which are handled and defended in the ordinary course of business. In addition, the Company is from time to time subjected to various assertions, claims, proceedings and requests for damages and/or indemnification concerning sales channel practices and intellectual property matters, including patent infringement suits involving technologies that are incorporated in a broad spectrum of products the Company sells or that are incorporated in the Company's e-commerce sales channels, as well as trademark/copyright infringement claims. The Company is also audited by (or has initiated voluntary disclosure agreements with) various U.S. Federal and state authorities, as well as Canadian authorities, concerning potential income tax and/or sales tax. These matters are in various stages of investigation, negotiation and/or litigation. The Company intends to vigorously defend these matters and believes it has strong defenses.

Although the Company does not expect, based on currently available information, that the outcome in any of these matters, individually or collectively, will have a material adverse effect on its financial position or results of operations, the ultimate outcome is inherently unpredictable. Therefore, judgments could be rendered or settlements entered, that could adversely affect the Company's operating results or cash flows in a particular period. The Company regularly assesses all of its litigation and threatened litigation as to the probability of ultimately incurring a liability, and records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable and estimable. In this regard, the Company establishes accrual estimates for its various lawsuits, claims, investigations and proceedings when it is probable that an asset has been impaired or a liability incurred at the date of the financial statements and the loss can be reasonably estimated. At December 31, 2021 the Company has established accruals for certain of its various lawsuits, claims, investigations and proceedings based upon estimates of the most likely outcome in a range of loss or the minimum amounts in a range of loss if no amount within a range is a more likely estimate. The Company does not believe that at December 31, 2021 any reasonably possible losses in excess of the amounts accrued would be material to the financial statements.

Stock Performance Graph



	Dec 31, 2016	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
Global Industrial Company	100	379	267	287	407	466
S & P 500	100	119	112	144	168	213
S & P Retail Index	100	129	145	182	280	356

Global Industrial Company — S & P 500 — S & P Retail Index

Financial Summary

(In millions except Diluted Net Income Per Share)

	2017	2018	2019	2020	2021
Net sales from continuing operations	$ 791.8	$ 896.9	$ 946.9	$1029.0	$1063.1
Operating income from continuing operations	$ 45.7	$ 61.7	$ 66.1	$ 84.1	$ 88.0
Net income from continuing operations	$ 65.5	$ 49.5	$ 50.0	$ 64.1	$ 70.1
Diluted net income per share	$ 1.74	$ 1.31	$ 1.32	$ 1.68	$ 1.84

Forward-Looking Statements: Certain statements in this Annual Report constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include known and unknown risks, uncertainties and other factors as set forth within the Form 10-K.

ANNUAL MEETING OF STOCKHOLDERS:
The 2022 Annual Meeting will be held on
Monday, June 6, 2022 at 12:00 p.m. Eastern Time
online at: www.virtualshareholdermeeting.com/GIC2022

INDEPENDENT AUDITORS:
ERNST & YOUNG LLP
New York, NY

DIRECTORS

Richard Leeds
Executive Chairman

Bruce Leeds
Vice Chairman

Robert Leeds
Vice Chairman

Barry Litwin
Chief Executive Officer

Chad M. Lindbloom
Independent Director

Paul S. Pearlman
Independent Director

Lawrence Reinhold
Independent Director

Robert D. Rosenthal
Independent Director

EXECUTIVE OFFICERS

Richard Leeds
Executive Chairman

Bruce Leeds
Vice Chairman

Robert Leeds
Vice Chairman

Barry Litwin
Chief Executive Officer

Thomas Clark
Senior Vice President &
Chief Financial Officer

Donna Fielding
Senior Vice President &
Chief Human Resources Officer

Claudia Hughes
Senior Vice President & Chief Sales Officer

Manoj Shetty
Senior Vice President &
Chief Information Officer

Adina Storch
Senior Vice President, General Counsel &
Corporate Secretary

Alex Tomey
Senior Vice President &
Chief Merchandising Officer

Klaus Werner
Senior Vice President &
Chief Marketing Officer

Christopher Longhito
Senior Vice President, Operations

Headquarters
11 Harbor Park Drive,
Port Washington, NY 11050

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2021 ANNUAL REPORT