

# Board of Directors

## *Independent Members and Grainger's Senior Chairman*



**Brian P. Anderson** is the former Executive Vice President of Finance and Chief Financial Officer of OfficeMax Inc. Prior to assuming this position in 2004, Mr. Anderson was Senior Vice President and Chief Financial Officer of Baxter International Inc., a position he assumed in 1998. He is also a director of A.M. Castle & Co., James Hardie Industries NV, and Pulte Homes, Inc. Mr. Anderson, an independent director, was first elected a director of Grainger in 1999 and is Chairman of the Audit Committee.



**Wilbur H. Gantz** is Executive Chairman of Ovation Pharmaceuticals, Inc., a privately owned specialty pharmaceutical company that focuses on under-promoted and late-stage development products. He assumed this position in 2002. Mr. Gantz previously served as Chairman and Chief Executive Officer of PathoGenesis Corporation and as President of Baxter International Inc. He is also Chairman of the Board of Harris Financial Corp. Mr. Gantz, an independent director, was first elected a director of Grainger in 1985.



**V. Ann Hailey** is Executive Vice President, Corporate Development of Limited Brands, Inc., a position assumed in May 2006 after serving as Executive Vice President and Chief Financial Officer. Prior to joining Limited Brands in 1997, Ms. Hailey was Senior Vice President and Chief Financial Officer of Pillsbury Company. She is also a director and Chair of the Audit Committee of the Federal Reserve Bank of Cleveland. Ms. Hailey, an independent director, first became a director of Grainger in 2006.



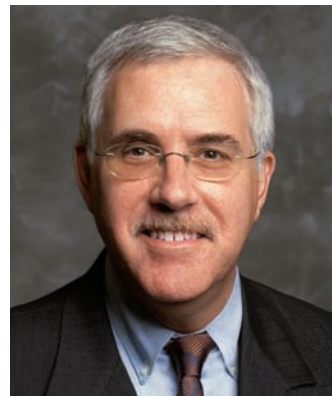
**William K. Hall** is the co-founder and Chairman of Procyon Technologies, Inc., a privately owned, Chicago-based holding company that focuses on the acquisition and growth of suppliers to the global aerospace and defense industry. He currently serves on the boards of Actuant Corporation, Great Plains Energy Incorporated, A.M. Castle & Co., and Stericycle, Inc. Mr. Hall, an independent director, was first elected a director of Grainger in 2005.



**Stuart L. Levenick** is Group President of Caterpillar Inc. Prior to assuming that position in 2004, Mr. Levenick served as Vice President, Caterpillar Inc. and Chairman of Shin Caterpillar Mitsubishi Ltd. from 2000 to 2004 and as Vice President, Asia Pacific Division from 2001 to 2004. He is also a director of Entergy Corporation, New Orleans, La., and the U.S.-China Business Council. Mr. Levenick, an independent director, first became a director of Grainger in 2005.



**John W. McCarter, Jr.**, is President and Chief Executive Officer of The Field Museum of Natural History, a position assumed in 1996. Mr. McCarter served as Senior Vice President of Booz, Allen & Hamilton Inc., a management consulting firm, until 1997. He is also a director of Divergence, Inc. and Janus Funds. Mr. McCarter, an independent director, was first elected a director of Grainger in 1990 and is Chairman of the Board Affairs and Nominating Committee.



**Neil S. Novich** is Chairman, President and Chief Executive Officer, as well as a director, of Ryerson Inc., a major metal distributor and processor. He became Ryerson's President and Chief Executive Officer in 1996 and its Chairman in 1999. Mr. Novich, an independent director, was first elected a director of Grainger in 1999.



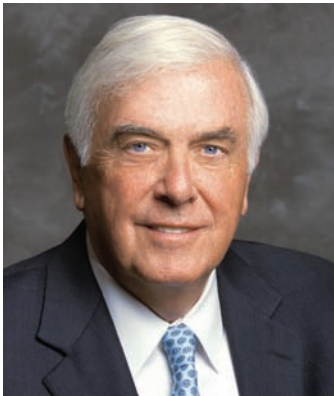
**Michael J. Roberts** is the former President and Chief Operating Officer of McDonald's Corporation. Before assuming this position in November 2004, his previous positions at McDonald's Corporation included Chief Executive Officer—McDonald's USA during 2004; President—McDonald's USA from 2001 to 2004; and President, West Division—McDonald's USA from 1997 to 2001. Mr. Roberts, an independent director, first became a director of Grainger in 2006.



**Gary L. Rogers** was Vice Chairman of General Electric Company from 2001 until his retirement in December 2003. Previously, Mr. Rogers was Senior Vice President of General Electric Company and President and Chief Executive Officer of GE Plastics from 1992 to 2001. He is also a director of Rohm and Haas Company and Wyeth and is a trustee of the Florida State University Foundation. Mr. Rogers, an independent director, first became a director of Grainger in 2004.



**James D. Slavik** is Chairman (formerly President) and a director of Mark IV Capital, Inc., an investment company dealing in real estate development and corporate investments. Mr. Slavik, an independent director, was first elected a director of Grainger in 1987.



**Harold B. Smith** is Chairman of the Executive Committee and a director of Illinois Tool Works Inc., a worldwide manufacturer and marketer of engineered components and industrial systems and consumables. He is also a director of Northern Trust Corporation. Mr. Smith, an independent director, was first elected a director of Grainger in 1981 and is Chairman of the Compensation Committee.

## Committees of the Board

The Board has three standing committees: Audit, Board Affairs and Nominating, and Compensation. All members of these committees are required to be “independent” directors. Committee memberships are shown in the following table:

Name	Audit Committee	Board Affairs and Nominating Committee	Compensation Committee
Brian P. Anderson	Chair	Member	
Wilbur H. Gantz	Member	Member	
V. Ann Hailey	Member	Member	
William K. Hall	Member	Member	
Stuart L. Levenick		Member	Member
John W. McCarter, Jr.		Chair	Member
Neil S. Novich		Member	Member
Michael J. Roberts		Member	Member
Gary L. Rogers		Member	Member
James D. Slavik	Member	Member	
Harold B. Smith		Member	Chair



**David W. Grainger** is the company's Senior Chairman, a position assumed in 2007 after serving as Senior Chairman of the Board. Mr. Grainger joined the company in 1952 and was first elected a director in 1953. In February 2007, Mr. Grainger announced his intention not to stand for reelection to the Board of Directors.

## Director Ownership

The following chart shows the “beneficial ownership” of Grainger common stock as of January 31, 2007, by David W. Grainger, James D. Slavik and all directors and executive officers as a group:

David W. Grainger	9.6%
James D. Slavik	5.1%
Directors and executive officers as a group	16.8%