

Board of Directors

Independent Members and Grainger's Senior Chairman



Brian P. Anderson is the former Executive Vice President and Chief Financial Officer of OfficeMax Incorporated, a retail and business-to-business office products distributor. Mr. Anderson was first elected a director of Grainger in 1999 and is Chairman of the Audit Committee, Grainger's Audit Committee Financial Expert, and a member of the Board Affairs and Nominating Committee.



Wilbur H. Gantz is Executive Chairman of Ovation Pharmaceuticals, Inc., a specialty pharmaceutical company that focuses on under-promoted and late-stage development products. Mr. Gantz is also a director of Gambro AB and Harris Financial Corp. Mr. Gantz was first elected a director of Grainger in 1985 and is a member of the Audit Committee and the Board Affairs and Nominating Committee.



David W. Grainger is the company's Senior Chairman of the Board, a position assumed in 1997 after serving as Chairman of the Board. He was the company's Chief Executive Officer until 1995. Mr. Grainger joined the company in 1952 and was first elected a director in 1953.



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. Mr. Hall currently serves on the boards of Actuant Corporation, Great Plains Energy Incorporated and A. M. Castle & Co. Mr. Hall was first elected a director of Grainger in 2005 and is a member of the Audit Committee and the Board Affairs and Nominating Committee.



Stuart L. Levenick is a Group President of Caterpillar Inc., a manufacturer of construction and mining equipment, diesel and natural gas engines and industrial turbines. He has been with Caterpillar since 1977. Mr. Levenick serves on the board of Entergy Corporation and is a member of the US-China Business Council. Mr. Levenick was appointed a director of Grainger in October 2005 and is a member of the Board Affairs and Nominating Committee and the Compensation Committee.



John W. McCarter, Jr., is President and Chief Executive Officer of The Field Museum of Natural History, a position assumed in 1996. Mr. McCarter is also a director of Divergence, Inc. and Janus Funds. He was first elected a director of Grainger in 1990 and is Chairman of the Board Affairs and Nominating Committee and a member of the Compensation Committee.



Neil S. Novich is Chairman, President and Chief Executive Officer, as well as a director, of Ryerson Inc., the largest metal distributor and processor in North America. Mr. Novich was first elected a director of Grainger in 1999 and is a member of the Board Affairs and Nominating Committee and the Compensation Committee.



Michael J. Roberts is President and Chief Operating Officer of McDonald's Corporation, the leading global foodservice retailer. He serves on the Chicago Council on Foreign Relations and the Kellogg School of Management CEO Perspective Program at Northwestern University. He was first appointed a director of Grainger in 2006 and is a member of the Board Affairs and Nominating Committee and the Compensation Committee.



Gary L. Rogers was most recently Vice Chairman of General Electric Company from 2001 until his retirement in December of 2003. Mr. Rogers is a director of Wyeth and the Rohm and Haas Company and is a trustee of the Florida State University Foundation. Mr. Rogers was first elected a director of Grainger in 2004 and is a member of the Board Affairs and Nominating Committee and the Compensation Committee.



James D. Slavik is Chairman (formerly President) and a director of Mark IV Capital, Inc., an investment company dealing in real estate and corporate investments. He was first elected a director of Grainger in 1987 and is a member of the Audit Committee and the Board Affairs and Nominating Committee.



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

Director Ownership

The following chart shows the “beneficial ownership” of Grainger common stock as of January 31, 2006, by David W. Grainger and by all directors and executive officers as a group:

David W. Grainger	9.7%
Directors and executive officers as a group	16.1%

On February 21, 2006, the Board of Directors nominated V. Ann Hailey, Executive Vice President of Limited Brands, Inc., along with all incumbent directors, to stand for election to the company’s Board at the 2006 Annual Meeting of Shareholders.