

Executive Compensation Clawback Policy

Ferguson plc (including all of its subsidiaries worldwide, the **Company**) is committed to ensuring that management decisions are not improperly and adversely impacted by incentive compensation entitlements that could impose legal or reputational costs on the Company. The purpose of this Policy is to provide for the recoupment of certain executive compensation (**Clawback**) in the event of (a) an accounting restatement resulting from material noncompliance with financial reporting requirements under U.S. federal securities law, or (b) other misconduct by an executive officer. This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934.

Compliance with this Policy is a condition of continued employment. Failure to comply may result in disciplinary action, up to and including termination of employment.

POLICY PRINCIPLES

A. Definitions

1. **Covered Executive** means one of the Company's current or former executive officers, as determined by the Company's **Board** of Directors in accordance with Section 10D of the Exchange Act and the NYSE Listing Standards, as well as any other associate who may be deemed subject to this Policy as specified in the applicable share or bonus plans.
2. **Covered Circumstance** means:
 - a. a material financial misstatement of the Company's audited financial accounts (other than as a result of a change in accounting practice); and/or
 - b. Misconduct.
3. **Misconduct** means:
 - a. conduct by a Covered Executive that results in (or is reasonably likely to result in) significant reputational damage to the Company;
 - b. the negligence or gross misconduct of a Covered Executive; and/or
 - c. fraud effected by or with the knowledge of a Covered Executive.

B. Clawback Authority – Share Plans

If one or more of the following occur:

- at any time, when fraud is effected by or with the knowledge of one or more Covered Executive(s); or
- prior to the fifth anniversary of the applicable grant date, in all other Covered Circumstances,

then the Compensation **Committee** of Ferguson plc's Board of Directors, in its absolute discretion (discretion to be exercised reasonably and in good faith), may take one or more of the following actions against the relevant Covered Executive(s):

1. reduce (including, if appropriate, reducing to zero) the number of shares, notional shares or restricted shares in respect of which any future award is granted to the relevant Covered Executive(s);
2. reduce (including, if appropriate, reducing to zero) the cash amount payable under an unvested award held by the relevant Covered Executive(s) or the number of shares, notional shares, or restricted shares under an unvested award and/or the number of shares and/or dividend equivalents under a vested but unexercised option held by the relevant Covered Executive(s); and/or
3. require such Covered Executive(s) to pay to the Company as the Committee may direct and on such terms as the Committee may direct,

by such number and/or amount as the Committee considers appropriate under the circumstances.¹

The Committee may consider whether such Clawback amount should exclude any income tax and/or social security contributions paid by the Covered Executive(s) and any possibility of their reclaiming such income tax and/or national insurance contributions.

C. Clawback Authority – Bonus Plan

If a Covered Circumstance occurs before the first anniversary of the announcement of the results for the financial year to which the relevant Covered Executive(s)' cash bonus is made, and in the case of a material financial misstatement, such misstatement resulted in a higher cash bonus payment than would have been the case without such misstatement, then the Committee, in its absolute discretion (discretion to be exercised reasonably and in good faith), may take one or more of the following actions against the relevant Covered Executive(s):

1. reduce (including, if appropriate, reducing to zero) the amount of any future cash bonus that would otherwise be payable to such Covered Executive(s) under any bonus plan operated by the Company;
2. to the extent permissible under applicable law, offset against any future payments (e.g., base salary) otherwise to be made by the Company; and/or
3. require such Covered Executive(s) to pay to the Company as the Committee may direct and on such terms as the Committee may direct,

such amount as the Committee considers appropriate under the circumstances.

¹ With respect to a vested award, such amount shall be no greater than the value of the vested shares and dividend equivalents under award at the vesting date.

The Committee may consider whether such Clawback amount should exclude any income tax and/or social security contributions paid by the Covered Executive(s) and any possibility of their reclaiming such income tax and/or national insurance contributions.

D. Accountability

A Covered Executive subject to Clawback shall pay any outstanding amount within 30 days of being notified by the Company and is responsible for promptly, upon request, signing any documents as may be required to effect any of the provisions in this Policy.

APPLICATION OF THIS POLICY

Any conflict between this Policy and the laws of any country in which the Company operates shall be referred to the Group General Counsel.

The Committee authorizes the Chief Human Resources Officer (or delegate) to establish additional policies, procedures and guidelines to help implement this Policy.

GUIDANCE

For further guidance on any aspect of this Policy, please contact the Group General Counsel or Chief Human Resources Officer.

This Policy is owned and issued by the Compensation Committee of Ferguson plc's Board of Directors.

Approved by the Compensation Committee of Ferguson plc's Board of Directors: July 27, 2022

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