

Proposed additional listing of Ferguson's ordinary shares on a major US stock exchange (the Transaction)

FAQ for individual shareholders of Ferguson plc

Ferguson plc (**Ferguson**) has made available to its shareholders a circular dated 1 July 2020 concerning the Transaction and containing a Notice of General Meeting to approve the proposed additional listing on a major US stock exchange (the **Circular**). Terms capitalised but not defined in this document have the meanings given in the Circular.

This document does not summarise, supplement or replace the information contained in the Circular. Shareholders should read the whole of the Circular before taking any action. If you are in any doubt about the contents of the Circular or the action you should take, you are recommended to seek your own financial advice as soon as possible from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser.

If you have any questions about the General Meeting or the completion and return of the Form of Proxy, please call the shareholder helpline. If calling from the UK, please call between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays) on either 0371 384 2934 (within the UK) or +44 121 415 7011 (from outside the UK).

Please note that calls may be monitored or recorded, and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Transaction. Any information provided by the helpline will not override the terms of the Transaction as set out in the Circular.

Transaction completion and stock exchange listing changes

1. What will occur on completion of the Transaction?

- Ferguson Shares will be listed and admitted to trading on either the New York Stock Exchange or NASDAQ (**US Exchange**).
- Ferguson Shares will also continue to hold a premium listing on The London Stock Exchange (**LSE**), included in the FTSE 100 index and remain available for trading in the UK.
- Settlement of Ferguson Shares traded on the LSE will be in the form of Depositary Interests (**DIs**) and investors will have the ability to reposition their securities to trade on both the LSE and the US Exchange.
- It is anticipated that completion will occur by 30 June 2021.

2. What is the “exchange ratio” for the Transaction?

- The number of Ferguson Shares held directly (or beneficially) will remain unchanged, meaning if you held 100 shares at close of business on the day prior to the Transaction completing, you will hold 100 shares (directly or beneficially) immediately after the Transaction.

3. Who will be the share registrar for Ferguson after completion?

- It is expected that Ferguson’s current registrar, Equiniti, will cease to be the registrar on or around January 2021. Computershare Investor Services (Jersey) Limited will become the successor registrar prior to the completion of the Transaction. Following the completion of the Transaction, the Ferguson share register will be required to be maintained by an SEC registered Transfer Agent (a US registrar known as a ‘transfer agent’) and such services will be provided by Computershare Trust Company N.A. (**Transfer Agent**)

4. What happens to my Ferguson Shares after completion?

- Refer to Part II of the Circular for details regarding the settlement of Ferguson Shares upon completion of the Transaction.

5. Why will you start paying dividends in dollars?

- Under the new US listing arrangements, the default position will be to pay dividends in dollars. This will enable us to pay to US shareholders. However, any shareholder can continue to elect to receive their dividends in sterling if they wish.

6. I am a shareholder holding share certificates for Ferguson Shares, currently listed on the LSE. How will I hold my shares immediately after the Transaction?

- Your existing certificates will become void and automatically cancelled. Instead, you will hold Ferguson shares directly through The Direct Registration System (**DRS**) and the name of each holder will continue to be recorded as the registered owner on the Ferguson share register.

7. What is the Direct Registration System (DRS)?

- DRS is a no-cost service that allows your shares to be recorded and tracked electronically without having a physical stock certificate issued.
- With DRS, you retain full ownership of your shares, as well as all the voting and other rights and privileges of being a shareholder. DRS provides an attractive and convenient alternative to holding physical stock certificates. DRS statements can also be easily replaced if ever lost or misplaced.

8. Why is the Company using DRS?

- DRS eliminates your risk of loss, theft or destruction of certificates, plus the time and expense to replace a lost certificate. It eliminates the cost of maintaining a secure place to keep your certificates, makes your stock transactions faster and easier and saves the Company unnecessary printing and mailing expenses.

9. Does being a holder via DRS mean I have the same rights to those of certificated shareholders?

- Yes – shares held in DRS have the same rights and privileges of shares held in certificated form.
- Proxy materials, annual reports and other shareholder communications will be mailed from Ferguson and/or its voting agent directly to the those who hold their Ferguson Shares through DRS.

10. How will I be notified of my new holding via the DRS?

- Each holder registered through DRS will be sent an account statement of ownership (**DRS Advice**) evidencing ownership of Ferguson Shares by the Transfer Agent shortly after the completion of the Transaction.
- Along with the statement of ownership, shareholders will also be sent a DRS Advice FAQ containing further information about DRS, including further details on how Ferguson shares can be held, transferred or traded.

11. If I become a holder of through DRS, do I need to resubmit communication preferences/instructions after completion?

- To the extent possible, existing preferences and mandates will be preserved. However, shareholders are encouraged to review and update these details following the transaction via www.computershare.com/investor, in particular to ensure bank mandates and dividend currency elections are recorded.

12. What action do I need to take to receive my new DRS holding?

- No action needs to be undertaken on your part. All shareholders will automatically receive their DRS advice shortly after completion of the Transaction by post.

13. What should I do with any paper share certificates I hold?

- You should keep any paper certificates on record until the point at which you receive your DRS Advice. After you receive your DRS Advice, paper certificates may be destroyed (securely). If you have not received your DRS Advice within 14 calendar days of the completion of the Transaction, please contact the Transfer Agent between 8.30 a.m. and 5.30 p.m. (US Eastern Time) Monday to Friday (excluding public holidays in the United States) on either 001 866 644 4127 (toll free) or 001 781 575 2906.

14. I am a shareholder of Ferguson Shares through CREST (directly or via a nominee/custodian). How will I continue to hold my entitlement to Ferguson Shares?

- At completion, your Ferguson Shares will no longer be able to be transferred or settled directly through the CREST settlement system.
- For this reason, Ferguson has entered into arrangements to enable Ferguson Shareholders to hold, and settle transfers of, Ferguson Shares in CREST in the form of Depositary Interests (DIs), each representing an entitlement to one Ferguson Share.

15. What is a Depositary Interest (DI)?

- A Depositary Interest is a legal structure that allows an entitlement to Ferguson Shares to be settled and be capable of being held and transferred within the CREST system.

16. How does a DI work and how will I receive my entitlement to Ferguson Shares?

- A DI represents the right to a share with, to the extent legally possible, the same rights and entitlements as a registered shareholder. DI holders are beneficial holders rather than registered holders of shares in a company.
- Computershare Investor Services PLC (**Computershare UK** or **Depositary**) has been appointed to provide the DI service to Ferguson and as the Depositary of the DI service. Computershare UK has appointed one of its entities as custodian (**Custodian**) to hold Ferguson Shares (via DTC) on behalf of DI holders.
- The Ferguson DIs will be created and issued under the terms of the DI deed (**DI Deed**), which will govern the relationship between the Depositary and the holders of Ferguson DIs.
- The Depositary will issue DIs to participants and register them in the CREST system (on a 1 for 1 basis with the Ferguson Shares held by the Custodian).
- The CREST accounts of holders of Ferguson shares in CREST immediately prior to completion of the Transaction will reflect a balance of Ferguson DIs shortly after completion, under the same ISIN as the original Ferguson Share.
- DI holders can request cancellation of their DIs and request to hold an underlying Ferguson Share(s) at any time.
- Cancellation is subject to a charge and details of the process and fees are available by contacting Computershare UK between 8:30 a.m. to 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales) on either 0370 703 0316 (from inside the UK) or +44 (0) 370 703 0316 (from outside the UK).

17. Does being a holder of a DI mean I have the same rights as those of ordinary shareholders?

- Yes – as a DI holder you have the same rights as holders of ordinary shares so far as possible in accordance with applicable law and the terms of the DI Deed.

18. If I become a holder of a DI, do I need to resubmit communication preferences/instructions after completion?

- To the extent possible, existing preferences and mandates will be preserved and deemed to be preferences and mandates in respect of the relevant DIs shareholders hold after completion of the Transaction. However, shareholders are encouraged to review and update these details following completion of the Transaction via CREST and/or www.computershare.com/investor, in particular to ensure bank mandates and dividend currency elections are recorded.

19. Will I be able to convert my Ferguson DIs held in the UK into Ferguson Shares tradable in the US?

- Yes – it is anticipated that cross-border movements between the UK and the US will commence immediately after the completion of the Transaction. Details of the process are available by contacting Computershare UK between 8:30 a.m. to 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales) on either 0370 703 0316 (from inside the UK) or +44 (0) 370 703 0316 (from outside the UK).