



TERMS AND CONDITIONS OF PURCHASE

These Terms and Conditions of Purchase apply to the purchase order which they accompany or to which they are attached (the "Order"). As used herein, "Buyer" means Ferguson Enterprises, LLC, its subsidiaries, successors, and permitted assigns, and "Seller" means the entity fulfilling the Order.

1. FINANCIAL

A. PRICING

Seller shall not impose any price increase on any Order or change the terms of sale without Buyer's written consent. Seller warrants that the prices of the products and services covered by any Order (collectively "Products") are at least as low as for comparable volume levels and similar services as that provided by Seller to any other customer. If during the term of the fulfillment of this Order, Seller or any of its affiliates enters into any agreement, arrangement, or understanding with a third party whereby Seller or such affiliate (or any other entity formed in connection with such agreement, arrangement, or understanding) agrees to provide substantially the same Products to such third party, and such agreement, arrangement, or understanding contains pricing or terms or conditions that, taken as a whole, are more favorable to such third party than the comparable terms of this Order (taken as a whole) are to Buyer, then Seller shall offer such favorable terms and conditions to Buyer with respect to the Products and amend this Order, as applicable, to the extent necessary so that such terms and conditions are incorporated in a manner reasonably acceptable to Buyer.

B. TERMS

Unless otherwise stipulated on the face of any Order or agreed in writing by the parties, payment terms are net thirty (30) days from the date of invoice. Seller shall invoice at the time of transfer of title. If cash discounts for early payment are offered by Seller, the period of time agreed upon as constituting "early payment" shall begin with the later of the invoice date or receipt of Products.

C. TAXES

Unless prohibited by law, any Order price shall include all federal, state, or local tax, transportation tax, or other tax which is required to be imposed upon Products by reason of their sale or delivery.

D. PAYMENT

Upon submission of proper invoices, Buyer shall pay the undisputed Order price as listed in any Order for Products delivered and accepted. However, payment may be withheld, or portions deducted or set off against Seller if Seller is not performing in accordance with the provisions of any Order. There will be no minimum charges honored unless specifically agreed to prior to shipment.

E. SET-OFF

Buyer shall be entitled, at all times, to set off any amount owing at any time from Seller to Buyer against any amount payable at any time by Buyer in connection with any Order.

2. DELIVERY

A. TRANSPORTATION

Unless otherwise stipulated on the face of any Order, modified by routing letter from Buyer's authorized representative, or otherwise agreed in writing by the parties, Products shall be shipped FOB destination, freight prepaid. Title to Products and risk of loss passes to Buyer in accordance with the applicable freight terms. Delivery in advance of the specified Buyer's shipping date, however, will not cause passage of title, transfer of risk of loss, or establish the point of shipment. Transportation charges on Products delivered DDP destination must be prepaid. No charges for unauthorized transportation will be allowed. Any unauthorized shipment, which will result in excess transportation charges, must be fully prepaid by Seller. Unauthorized transportation charges not prepaid will be set off by Buyer.

B. CUSTOMS DOCUMENTATION

Seller accepts full responsibility for the completeness and accuracy of the corresponding Certificate of Origin and all other customs documentation ("Shipping Documents") provided to Buyer. Seller accepts any liabilities resulting from inaccurate data on Shipping Documents or failure to comply with import or export requirements.

C. HAZARDOUS MATERIALS

If any of Products herein constitute or contain hazardous or toxic chemicals as defined by any applicable United States federal, state, or local law, rule, or regulation, Seller shall provide at the time of delivery all required notices and information, including without limitation all Safety Data Sheets in approved form. Seller agrees to

maintain such information current and shall provide Buyer with any amended, altered, or revised information on a timely basis. Buyer may withhold payment for Seller's failure to provide such information until it is provided.

D. SHIPMENT

All Products shall be properly packed for shipment. Seller shall comply with routing and shipping instructions issued by Buyer. If such instructions are not attached or have not been previously received, Seller must request instructions from Buyer immediately. No additional charge will be allowed for packing, crating, freight, express, or cartage unless specified on the Order. Any loss or damage, whenever occurring, which results from Seller's improper packaging or crating shall be borne by Seller. All items shall be properly identified with Buyer's Order number releasing shipments against any Order and any Order item number or other identification number shown.

E. DELIVERY SCHEDULE

Time is of the essence in the fulfillment of any Order. An Order is subject to termination if not shipped at the specified time. Buyer reserves the right to refuse deliveries made in advance of the delivery schedule. Products shipped after the time specified may be returned at Seller's expense for full credit. Retention of all or any part of such Products shall not be considered acceptance of same. Acceptance of such Products shall neither be deemed a waiver of Buyer's right to hold Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of Seller's obligation to make future deliveries in accordance with the delivery schedule. Buyer shall be reimbursed in full for all Products returned.

F. REJECTIONS

If any Products are found at any time to be defective in material or workmanship, or otherwise not in conformity with the requirements of any Order, Buyer, in addition to any other rights which it may have under all applicable warranties or otherwise, may at its option, correct or have corrected the nonconformity at Seller's expense, or reject and return such Products at Seller's expense. Rejected Products shall not be replaced without written authorization from Buyer. Buyer may accept, without prejudice, a portion of any shipment, and, at its option, have Seller repair or replace any non-conforming portion of the shipment, at Seller's expense. Items rejected shall be removed promptly by Seller at its expense and at its risk. Final acceptance shall not be conclusive with respect to latent defects, fraud, or such gross mistakes as amount to fraud or with respect to Buyer's rights under the "Warranty" section.

3. LIABILITY

A. WARRANTY

Seller warrants that for a period of one (1) year from the date of delivery to the ultimate end user or Seller's standard warranty period, whichever is longer, Products will: (a) be free from any defects in workmanship, material, and design; (b) conform to applicable specifications and other requirements specified by Buyer; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests, or other encumbrances; (f) not expire; and (g) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance, or payment for Products by Buyer. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of Products with the foregoing warranties. Buyer may pass through to its customers all warranties granted by Seller hereunder and Seller agrees to assist Buyer in processing any warranty claims relating to Products.

B. INDEMNIFICATION

Seller shall indemnify, defend, and hold harmless Buyer and its affiliates, their officers, directors, employees, agents, successors, and permitted assigns (each an "Indemnified Party" and, collectively, "Indemnified Parties") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, fees, and the costs of enforcing any right to indemnification and the cost of pursuing any insurance providers, incurred by Indemnified Parties (collectively, "Losses") arising out of or related to any: (a) actual or alleged defects in Products, including, but not limited to, the design, material, workmanship, and/or manufacturing of Products; (b) recalls of the Products, whether voluntary or required by a court or regulatory authority; (c) negligent acts or omissions of Seller or its affiliates; (d) intentional or willful misconduct of Seller or its affiliates; (e) violations of any law, regulation, or other governmental requirement related to the component sourcing, manufacture, labeling, sale, or use of Products; (f) loss or compromise of Buyer's Confidential Information to which Seller obtains access; or (g) infringement or misappropriation of the patent, copyright, trade secret, or other intellectual property right of any third party resulting from Indemnified Parties' or Indemnified Parties' customers' use or possession of Products. Notwithstanding the foregoing, Seller is not obligated to indemnify, defend, or hold harmless an Indemnified Party against any claim to the extent that such claim or corresponding Losses arise out

of or result from such Indemnified Party's sole negligence or willful misconduct.

C. INDEMNIFICATION PROCEDURES

Buyer shall promptly notify Seller in writing of any action and cooperate with Seller at Seller's sole cost and expense. Seller shall immediately take control of the defense and investigation of such action, at its sole cost and expense. Seller shall not settle any action in a manner that adversely affects the rights of an Indemnified Party without Buyer's prior written consent, which shall not be unreasonably withheld or delayed. Buyer's failure to perform any obligations under this section shall not relieve Seller of its obligations under this section except to the extent that Seller can demonstrate that it has been materially prejudiced as a result of such failure. Buyer may participate in and observe the proceedings at its own cost and expense.

D. INSURANCE

Seller shall, at its own expense, maintain and carry insurance in full force and effect that includes, but is not limited to, commercial general liability (including product liability) with limits no less than two million dollars (\$2,000,000.00) for each occurrence and four million dollars (\$4,000,000.00) in the aggregate with a company rated "A- VII" or better by A. M. Best. Upon Buyer's request, Seller shall provide Buyer with a certificate of insurance and policy endorsements for all insurance coverage required by this section and shall not do anything to invalidate such insurance. The certificate of insurance shall name Ferguson Enterprises, LLC and its affiliates as an additional insured on a primary and non-contributory basis. Seller shall provide Buyer with thirty (30) days' prior written notice in the event of a cancellation or material change in Seller's insurance policy. Except where prohibited by law, Seller shall require its insurer to waive all rights of subrogation against Buyer's insurers, Buyer, and the Indemnified Parties.

4. REPRESENTATIONS

A. COMPLIANCE WITH LAWS

Seller warrants that all Products are in compliance with applicable federal, state, and local laws, ordinances, codes, rules, regulations, or standards. Furthermore, Seller warrants and represents that it shall, with respect to any Order, comply with applicable laws including, without limitation, those pertaining to manufacturing, labeling, invoicing, environmental protection, immigration, employment, occupational safety and health, antitrust, and anti-corruption. If Seller is located within the United States, Seller represents that with respect to United States government contracts they are not currently debarred, suspended, or proposed for debarment. Seller agrees to at all times comply with applicable provisions relating to United States government contractors and subcontractors, which provisions, and any contract clauses required thereunder, are incorporated in any Order by reference as if set forth in full, including (i) 41 CFR 60-1, et seq., with the reporting, record keeping, and affirmative action program requirements; (ii) Equal Opportunity Clause of EO 11246 pursuant to 41 CFR 60-1.4; (iii) EO 13496 pursuant to 29 CFR 471; (iv) the maintenance of non-segregated facilities as required by 41 CFR 60-1.8; (v) the provisions of 41 CFR 60-300 relating to disabled and Vietnam era veterans; (vi) the provisions of 41 CFR 60-741 relating to handicapped workers; (vii) Fair Labor Standards Act of 1938; and (viii) Foreign Corrupt Practices Act.

B. TELECOMMUNICATIONS RESTRICTIONS

Seller will not provide to Buyer and will not cause Buyer to use any hardware, software, video surveillance equipment, telecommunications equipment, system, or service produced or provided by the following entities or any subsidiary or affiliate of such entities: Kaspersky Lab, Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, Dahua Technology Company, and any other covered hardware, software, video surveillance equipment, telecommunications equipment, or service providers prohibited by Federal Acquisition Regulations 52.204-23 and/or 52.204-25 (collectively the "Covered Entities"). Seller must promptly notify Buyer if Seller learns that any hardware, software, video surveillance equipment, telecommunications equipment, system, or service produced or provided by any of the Covered Entities was provided to or used by Buyer under this Order.

C. EXPORT COMPLIANCE

Seller warrants that no goods, technology, software, or services supplied under this Order are sourced from or originate in a jurisdiction subject to United States, European Union, or United Nations sanctions, or are supplied by or in connection with an entity or person subject to such sanctions. Seller further confirms that it is not subject to such sanctions, including, but not limited to, being identified on the United States list of Specially Designated Nationals. Buyer reserves the right to terminate or suspend performance of this Order, without penalty, as required to ensure compliance with the applicable sanctions or export control laws. Seller will readily provide Buyer with all information related to export control classification of Products provided under this Order.

D. AUDIT

Seller shall maintain records in the ordinary course of business in accordance with generally accepted accounting principles to accurately capture and reflect purchase and sale transactions arising out of any Order. Seller will allow Buyer, or its agent, to audit such records or its facilities to evaluate compliance with any Order and compliance with these Terms and Conditions of Purchase. Such audits shall be at a reasonable time and with reasonable notice.

E. STATE LAW, EXCLUSIVE JURISDICTION, AND CLASS WAIVER

Any Order, and any dispute between Buyer and Seller, shall be governed in all respects by the laws of the Commonwealth of Virginia, and the exclusive jurisdiction for all actions between Buyer and Seller shall be a court of competent jurisdiction residing in the Commonwealth of Virginia. Seller waives any right to pursue any claims against Buyer as a class representative or to otherwise act in a class action, mass action, or representative capacity.

5. TERMINATION

A. DEFAULT

If Buyer incurs damages as a result of Seller's delay in delivery, Seller shall be liable for such damages if due to the negligence of Seller. Buyer may, by written notice of default to Seller, terminate the whole or any part of any Order in any one of the following circumstances: (i) if Seller fails to perform within the time specified herein or any extension; (ii) if Seller fails to perform any of the other provisions of any Order, or so fails to make progress as to endanger performance of any Order in accordance with its terms; or (iii) if Seller shall become insolvent or make a general assignment for the benefit of creditors or if a petition under any bankruptcy act or similar statute is filed by or against Seller, and in any of these circumstances Seller does not cure such failure within a period of ten (10) days or such longer period as Buyer may authorize in writing. Upon such termination Buyer may procure, upon such terms as it shall deem appropriate, products or services similar to those so terminated, in which case Seller shall continue performance of any Order to the extent not terminated and shall be liable to Buyer for any excess costs for such similar products or services. As an alternate remedy, and in lieu of termination for default, Buyer, at its sole discretion, may elect (i) to extend the delivery schedule and/or (ii) to waive other deficiencies in Seller's performance, in which case an equitable reduction in any Order price shall be granted. Buyer shall have the right at any time to require assurance from Seller. In the event Seller for any reason anticipates difficulty in complying with the required delivery date or performance schedule, or in meeting any of the other requirements of any Order, Seller shall promptly notify Buyer in writing. If Seller does not comply with Buyer's delivery schedule or performance schedule, Buyer may require delivery by fastest means and charges resulting from the premium transportation must be fully prepaid and absorbed by Seller. The rights and remedies of Buyer provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under any Order.

B. TERMINATION BY BUYER

Notwithstanding any other provision of any Order, Buyer reserves expressly the right to revoke any Order at any time prior to receipt of notice of acceptance by Seller. Buyer shall have the right to terminate for its convenience any Order in whole or in part at any time, and from time to time, by written notice effective upon receipt by Seller, even though Seller is not in breach of any obligation hereunder. Upon receipt of notice of termination, Seller shall immediately discontinue performance and shall comply with Buyer's instructions concerning disposition of completed and partially completed items, work in progress, and Products acquired pursuant to any Order. In the event of such termination, Seller shall be paid an amount in settlement to be mutually agreed upon by the parties which shall cover Seller's reasonable costs of performance incurred prior to termination in connection with the Products for which any Order is terminated plus a reasonable profit based upon such costs. However, said payment shall not exceed the price specified herein for such Products. In no event shall Seller be entitled to recover special, indirect, incidental, consequential, punitive, or exemplary damages. Seller shall advise Buyer, in writing, of Seller's claim for any termination costs within ten (10) days after receipt of the notice of termination.

C. FORCE MAJEURE

Any delay or failure of either party to perform its obligations under this Order will be excused to the extent that the delay or failure was caused directly by an event beyond such party's reasonable control, without such party's fault or negligence and that by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable (which events may include natural disasters, sabotage, embargoes, shipwrecks, explosions, riots, wars, or acts of terrorism) (each, a "Force Majeure Event"). Changes in cost or availability of materials, components or services, market conditions, or supplier actions or contract disputes will not excuse performance by Seller under this section. A party shall give the other party prompt written notice of any event or circumstance that is reasonably likely to result in a Force Majeure Event, and the anticipated duration of such Force Majeure Event. An affected party shall use commercially reasonable efforts to end the Force Majeure

Event, ensure that the effects of any Force Majeure Event are minimized, and resume full performance under this Order.

D. WAIVER

Buyer's failure to insist upon strict compliance shall not be deemed to be a waiver of any right granted Buyer herein. Buyer shall not be deemed to waive any such right unless such waiver is in writing signed by Buyer's authorized representative; such waiver shall not constitute a waiver of any other default under any Order.

6. CONFIDENTIALITY

A. CONFIDENTIAL INFORMATION

From time to time during the Term, either party may disclose or make available to the other party information about its business affairs, products, intellectual property, trade secrets, third-party confidential information, customer data, marketing plans, and other sensitive or proprietary information (collectively, "Confidential Information"). Confidential Information shall not include information that, at the time of disclosure is: (a) in the public domain; (b) known to the receiving party at the time of disclosure; or (c) rightfully obtained by the receiving party on a non-confidential basis from a third party.

B. RESTRICTIONS ON DISCLOSURE

The receiving party shall not disclose Confidential Information to any person or entity, except to the receiving party's employees, agents, or independent contractors (collectively, "Representatives") who have a need to know the Confidential Information for the receiving party to perform its obligations hereunder. Recipients shall be obligated to comply with the confidentiality requirements herein and the receiving party shall be liable for any disclosure by its Representatives. On the completion of this Order, the receiving party shall promptly return to the disclosing party all copies, whether in written, electronic, or other form or media, of the disclosing party's Confidential Information in the receiving party's or its Representatives' possession, or destroy all such copies and certify in writing to the disclosing party that such Confidential Information has been destroyed; provided, however, that the receiving party may retain copies of Confidential Information that are stored in the receiving party's IT backup and disaster recovery systems until the ordinary course of deletion thereof. The receiving party shall continue to be bound by the terms and conditions of this Agreement with respect to such retained Confidential Information.

C. INJUNCTIVE RELIEF

The parties acknowledge that in the event of a breach or threatened breach of this section the receiving party may be without an adequate remedy at law. Therefore, in addition to all other remedies available at law, in the event there is a breach or threatened breach of this section, the disclosing party shall be entitled to seek specific performance and injunctive and other equitable relief as a remedy for such breach or threatened breach and the receiving party waives any requirement for the securing or posting of any bond.

D. PUBLICITY

Seller will not issue or release any announcement, statement, press release, or other publicity or marketing materials relating to this Order, or otherwise use Buyer's trademarks, service marks, trade names, logos, symbols, or brand names, in each case, without the prior written consent of Buyer.

7. MISCELLANEOUS

A. TERMS AND CONDITIONS

No terms and conditions other than the terms and conditions set forth in any Order, including any terms and conditions in any document attached to or incorporated by reference, shall be binding upon Buyer unless accepted by it in a writing signed by Buyer's authorized representative. Acceptance is limited to the terms stated herein. All terms and conditions contained in any prior proposal or acknowledgment of any Order which are different from or in addition to the terms and conditions of any Order are hereby rejected and shall not be binding on Buyer, whether or not they would alter any Order, and Buyer hereby objects thereto. Seller will be deemed to have assented to all terms and conditions contained herein if any part of the Order is shipped or invoiced.

B. ENTIRE AGREEMENT

The Order and these Terms and Conditions of Purchase constitute the entire agreement between the parties with respect to the subject matter contained herein and contain all the agreements and conditions of purchase; no course of dealing or usage of the trade shall be applicable unless expressly incorporated in any Order. The terms and conditions contained in any Order may not be added to, modified, superseded, or otherwise altered except by a written modification signed by Buyer's authorized representative. Each delivery shall be deemed to be only upon the terms and conditions contained in any Order, which shall supersede all inconsistent provisions

included in Seller's proposal and in any subsequent acknowledgment by Seller, notwithstanding Buyer's act of accepting or paying for any delivery or similar act of Buyer.

C. ORDER OF PRECEDENCE

In the event of a conflict between the Order, these Terms and Conditions of Purchase, and any agreement executed by the parties, the order of precedence is set out here in descending order of control, to the extent applicable: Supply Agreement, Administrative Agreement, Rebate Agreement, Hold Harmless Agreement, Supplier Code of Conduct, Order, and Terms and Conditions of Purchase.