



North America Transportation

December 1, 2008

To Our Key Vendors: Transportation Requirements for shipping Inbound Small Package orders to all Ferguson Distribution Centers, Stores, and subsidiaries.

Ferguson has found that our ability to control the carriers being used for inbound shipments to our distribution centers and stores is invaluable to our success. This provides visibility to all inbound shipments, reduces congestion at our locations yards, and provides us with exception control and support from our partner carriers. This translates to improved customer service and increased sales in the market. That being said; please comply with the following Inbound Freight Policy:

Small Package (UPS) Shipments: UPS is our approved inbound carrier for all small package shipments to all Ferguson locations, both distribution centers and stores. Our relationship with UPS provides freight cost controls and visibility to all shipments in their system. Any shipments, where Ferguson or subsidiary is responsible for the freight charges must ship Freight Collect or Third Party based on the direction given you on the purchase order. You no longer should be shipping Prepaid and Add to your invoice to us. Our Purchasing associates will provide you a UPS Shipper Number to use when shipping the product; you may already have the number in your system which as acceptable as well. That number **MUST** be used so that UPS bills us and we no longer get charged on your invoice.

Your compliance with this program is appreciated and I am sure this will prove to add to not only our/your Carrier relationships, but our Vendor relationships as well. If you have any questions regarding this policy or any other Transportation questions, please feel free to email us at Shipping.Questions@Ferguson.com.

Regards,

Brad Marsh
Director of Transportation
Wolseley North America