

**FERGUSON ENTERPRISES INC.**  
(the “Company”)

**AUDIT COMMITTEE CHARTER**

The Audit Committee (the “Committee”) is a committee of the Board of Directors of the Company (the “Board”). The Committee’s primary purpose is to assist the Board in fulfilling its oversight responsibilities for: (i) the integrity of the Company’s financial statements and its financial reporting process; (ii) the independence and qualifications of the Company’s independent registered public accounting firm (the “Independent Auditor”); (iii) the performance of the independent auditor and the internal audit function; and (iv) the Company’s compliance with legal and regulatory requirements, including internal controls designed for that purpose.

In discharging its oversight responsibilities, the Committee is not itself responsible for the preparation of the Company’s financial statements or the planning or conduct of audits or for any determination that the Company’s financial statements are complete and accurate or in accordance with generally accepted accounting principles. These matters are the responsibility of management and the independent auditor, respectively.

**1. Membership**

- 1.1 The members of the Committee shall be appointed by the Board on the recommendation of the Nominations & Governance (“N&G”) Committee and in consultation with the Committee Chair. The Board shall appoint the Committee Chair on the recommendation of the N&G Committee.
- 1.2 The Committee shall be comprised of a Chair and at least two other members, and shall consist solely of members who are independent members of the Board as defined by the New York Stock Exchange (“NYSE”) listing standards and any additional standards imposed under U.S. securities laws and the rules and regulations of the Securities and Exchange Commission (the “SEC”), including the enhanced independence requirements for audit committee members.
- 1.3 Each member of the Committee must be financially literate, as determined by the Board in its business judgment or must become financially literate within a reasonable period of time after such member’s appointment to the Committee.
- 1.4 At least one member of the Committee must be an audit committee financial expert as such term is defined by the rules and regulations of the SEC.
- 1.5 The Committee may ask management, one or more representatives of the independent auditor and the Vice President, Internal Audit to attend meetings either regularly or by invitation. However, the invitees have no right of attendance, and the Committee shall meet regularly without such individuals present.
- 1.6 The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

1.7 No member of the Committee may serve simultaneously on the audit committee of more than three public companies (including the Company's Committee) without approval by the Board once it is determined that such service would not impair effective service on the Committee.

## **2. Meetings**

2.1 The Corporate Secretary (or their designee) shall act as the Secretary of the Committee (the "Secretary").

2.2 The Committee shall meet at least quarterly, in coordination with key dates in the Company's financial reporting cycle, and at such times and places as the Committee Chair deems necessary to fulfill the Committee's responsibilities. The agenda for Committee meetings shall be prepared by the Secretary and approved by the Committee Chair, and the Secretary shall circulate such agenda and the materials for the meeting in advance of the meeting. The Secretary shall keep minutes of the Committee's proceedings.

2.3 Meetings of the Committee shall be called by the Secretary at the request of the Committee Chair, the Board Chair or a majority of the members of the Committee. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other electronic means), action without meeting, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

2.4 In the absence of the Committee Chair, the remaining Committee members present shall elect one of their members present to chair the meeting. The Committee Chair shall not chair a Committee meeting or such portion of a Committee meeting dealing with matters related to the Chair.

## **3. Duties and Powers**

### **Financial Reporting and Disclosure**

3.1 The Committee shall review and discuss with management and the independent auditor the Company's annual audited financial statements and quarterly financial statements, including significant financial reporting issues such as those related to accounting principles, accruals, estimates, judgments and practices, and disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing the Company's Forms 10-K and 10-Q, as applicable. The Committee shall recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.

3.2 The Committee shall prepare and approve the audit committee report required by the rules of the SEC to be included in the Company's annual proxy statement.

3.3 The Committee shall review and discuss:

- (a) major issues regarding, or significant changes to, accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles;
- (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
- (c) the extent to which the financial statements are affected by off-balance sheet structures or regulatory and accounting initiatives;
- (d) any accounting adjustments that were noted or proposed by the independent auditor but were "passed" (as immaterial or otherwise); and
- (e) the type and presentation of information to be included in earnings announcements, paying particular attention to any use of pro forma or adjusted non-GAAP information or other key performance indicators, as well as financial information and guidance to be provided to analysts and ratings agencies. The Committee need not discuss in advance each earnings announcement or each instance in which the Company may provide guidance to analysts and/or ratings agencies.

3.4 The Committee shall report regularly to the Board, including reviewing with the Board:

- (a) any issues that arise with respect to the quality or integrity of the Company's financial statements, the performance and independence of the Company's independent auditor, or the performance of the internal audit function;
- (b) its assessment of the performance and independence of the independent auditor; and
- (c) its assessment of the performance of the internal audit function.

### **Independent Auditor**

3.5 The Committee shall oversee the relationship with the independent auditor. This shall include, but not be limited to:

- (a) being directly responsible for the appointment, compensation, removal and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting or performing other audit, review or attest services for the Company, and the independent auditor must report directly to the Committee;

- (b) obtaining from, reviewing and discussing with the independent auditor all annual and quarterly information and reports required at the time to be communicated to the Committee by the independent auditor under the auditing standards of the Public Company Accounting Oversight Board (“PCAOB”), including Auditing Standard No. 1031, Communications with Audit Committees (as may be amended, supplemented or superseded);
- (c) obtaining and reviewing at least annually a report from the independent auditor on their own internal quality procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more external audits carried out by the independent auditor, and any steps taken to deal with any such issues, and all relationships between the independent auditor and the Company or other matters that could affect the independent auditor’s independence, fitness and/or ability to perform the audit, and shall report its assessment to the Board;
- (d) reviewing the independent auditor’s work throughout the year to be in a position to evaluate the qualifications, performance and independence of the independent auditor, including the lead partner and other audit partners of the independent auditor. In making its evaluation of the independent auditor, lead partner and other audit partners, the Committee should take into account the report received from the independent auditor and the opinions of management and the Company’s internal audit function. In making its evaluation of the independence of the independent auditor, the Committee should take into account whether permitted non-audit services are compatible with maintaining the independent auditor’s independence, whether regular rotation of the lead audit partner has occurred in accordance with applicable rules and regulations, and whether there should be a regular rotation of the independent auditor itself;
- (e) reporting regularly, and at least annually, to the Board its conclusions on the qualifications, performance and independence of the Company’s independent auditor;
- (f) discussing with the independent auditor the responsibilities, budget and staffing of the Company’s internal audit function, as well as the scope and timing of the annual audit; and
- (g) establishing clear hiring policies for employees or former employees of the independent auditors.

3.6 The Committee shall regularly review the findings of the audit with the independent auditor. This shall include, but not be limited to:

- (a) a discussion of any audit problems or difficulties and management’s responses which arose during the course of the audit work (such as restrictions on the scope

of their activities or access to requested information, and any significant disagreements with management);

- (b) a discussion with the independent auditor to understand the nature of any identified critical audit matter, the auditor's basis for identifying a matter as a critical audit matter and how any such identified critical audit matter will be described in the audit report;
  - (c) a review and discussion of any communications between the independent auditor and the independent auditor's national office respecting auditing or accounting issues presented by the engagement;
  - (d) a review and discussion of any management letter or internal control letter issued, or proposed to be issued, by the independent auditor to the Company; and
  - (e) a review and discussion of management's response to the auditor's findings and recommendations.
- 3.7 The Committee shall meet separately and periodically with management and with the independent auditor.
- 3.8 The Committee shall pre-approve all audit and permitted non-audit and tax services that may be provided by the Company's independent auditor, and establish policies and procedures for the Committee's pre-approval of permitted services, in compliance with applicable rules. The Committee Chair shall have the authority to pre-approve all audit and permitted non-audit and tax services and shall report any such pre-approvals to the Committee at its next meeting. In considering whether to pre-approve a service, the Committee Chair shall apply the principles described in the External Auditor Independence Policy and in this Charter. The Audit Committee does not delegate to management the Audit Committee's responsibilities to pre-approve services performed by the independent auditor.

### **Internal Audit Function**

- 3.9 The Committee shall review the scope of the internal audit function (and the key findings arising from reports completed pursuant to the internal audit function, and management's responsiveness to the key findings) and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company and unrestricted scope.
- 3.10 The Committee shall review at least annually the Internal Audit Charter and approve any substantive changes, approve the annual internal audit plan and budget and be advised of the planned program of audits and the reason for any change or delay in the program.
- 3.11 The Vice President, Internal Audit shall report administratively to the Chief Financial Officer but shall also have direct responsibility and shall report to the Committee Chair. The Committee shall meet separately, periodically, with the Vice President, Internal Audit (and/or other responsible personnel in the internal audit function) to discuss, among other things, the Vice President, Internal Audit's responsibilities and any issues arising from

internal audits carried out. The Committee Chair shall approve the appointment or dismissal of the Vice President, Internal Audit.

- 3.12 The Committee shall regularly review, monitor and assess the adequacy and effectiveness of the internal audit function, internal controls and disclosure controls and procedures, and shall report regularly, and at least annually, to the Board on the performance of the internal audit function, internal controls and disclosure controls.

### **Legal, Compliance and Risk**

- 3.13 The Committee shall review and discuss:
- (a) the Company's compliance with legal and regulatory requirements, including a periodic review of the Company's compliance program, a periodic review of the Company's ethics program, and a regular review of significant compliance matters;
  - (b) guidelines and policies to govern the process by which management assesses and manages the Company's exposure to risk, including discussing the Company's major financial risk and cybersecurity risk exposures and the steps management has taken to monitor and control such exposures; and
  - (c) any major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.
- 3.14 The Committee shall regularly review with the Chief Legal Officer those significant legal matters that may have a material impact on the financial statements and any material reports, notices or inquiries received from regulators or governmental agencies.
- 3.15 The Committee shall be responsible for ensuring the effective coordination of and communication between (i) the internal audit function and (ii) the Company's risk management, compliance, legal and finance functions and the independent auditor.
- 3.16 The Committee shall be responsible for reviewing and considering management's response to any major independent auditor or internal audit recommendations.
- 3.17 The Committee shall establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- 3.18 The Committee shall establish procedures for review and approval of related party transactions, and conduct a reasonable prior review and oversight of all related party transactions for potential conflicts of interest, and shall approve, or ratify, as applicable, only those related party transactions that are in, or are not inconsistent with, the best interests of the Company and its shareholders.
- 3.19 The Committee shall periodically review and approve changes, as necessary, to Company policies and procedures established by the Committee in accordance with this Charter.

#### **4. Other Matters**

- 4.1 The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion, subject to applicable law and NYSE listing standards, so long as any such subcommittee is comprised entirely of independent directors and has a written charter.
- 4.2 The Committee is authorized to engage, at the Company's expense, outside legal counsel and other advisors, as it determines necessary to carry out its duties. Any communications between the Committee and its outside legal counsel will be treated as privileged communications to the maximum extent legally permitted.
- 4.3 The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to any (i) registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and (ii) outside advisors for the Company employed by the Committee, and payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- 4.4 The Committee shall report regularly to the Board regarding its discussions and actions and shall make recommendations to the Board as appropriate.
- 4.5 The Committee shall, at least once a year, evaluate its own performance. The Committee Chair shall report the Committee's conclusions to the Board and may make recommendations for improvement to the Board.
- 4.6 This Charter shall be reviewed and reassessed periodically by the Committee and any proposed changes shall be submitted to the Board for approval.

Approved by the Board: July 18, 2024

Effective: August 1, 2024