

Wolseley Canada is committed to providing only the highest-quality products to our customers by partnering with reputable manufacturers and suppliers that share our commitment to doing business with honesty and integrity according to the highest ethical standards and taking responsibility for its actions.

Accordingly, this Wolseley Canada Supplier Standards Agreement between the vendor set forth below (“**Vendor**”) and Wolseley Holdings Canada Inc. (together with its affiliates and subsidiaries, including Wolseley Canada Inc. and Wolseley Industrial Canada Inc., collectively referred to herein as “**Wolseley**”) together with Wolseley Canada’s standard terms and conditions of purchase, which are available at www.wolseleyinc.ca/vendors/TermsConditions.htm (collectively, the “**Agreement**”) sets forth the terms and conditions applicable to the purchase of products (“**Goods**”) and/or services (“**Services**”) by Wolseley from Vendor and, if applicable, supplements the current and any future Wolseley Canada Commercial Supply Agreement that may be in place between Vendor and Wolseley (a “**Rebate Agreement**”). The Agreement shall apply and remain in force for so long as Wolseley purchases Goods and/or Services from Vendor, whether pursuant to a Rebate Agreement or otherwise and shall survive as otherwise set forth herein.

- 1. COMPLIANCE WITH LAWS, CODE OF CONDUCT.** Vendor represents and warrants to Wolseley that all Goods provided or sold by it have been produced and all Services performed by it are in compliance with applicable federal, provincial and local laws, ordinances, codes, rules, regulations or standards, including without limitation, those pertaining to anti-corruption, anti-bribery, environmental protection and to the manufacture, labeling, invoicing and sale of such Goods or Services. Vendor further represents and warrants to Wolseley that it shall at all times comply with and adhere to all applicable human rights legislation and the principles set forth in Wolseley’s Code of Conduct, which can be found at <http://www.wolseley.com/index.asp?pageid=136> or has adopted similar ethical standards pertaining to the conduct of its business.
- 2. INDEMNITY.** Vendor shall indemnify, defend and hold Wolseley harmless from and against all claims, liabilities, demands, suits, actions, damages, judgments, costs and expenses (including reasonable legal fees) (“**Claims**”) arising from or incurred by reason of any claim related to:
 - a. the provision of Services and/or the sale or use of any Goods sold to Wolseley by Vendor, provided such Goods have not been altered, damaged, improperly relabeled or misused by Wolseley;
 - b. any negligent act or omission or willful misconduct of Vendor or its employees, agents or representatives, except to the extent attributable to the sole negligence of Wolseley;
 - c. any allegation that the use of any Goods or Services constitutes an infringement or misappropriation of any patent, trade-mark or other third party intellectual property rights, except to the extent that any such infringement or misappropriation relates solely to Wolseley’s design of or modification to such Goods or Services.
- 3. CLAIM PROCEDURE.** Wolseley shall provide prompt notice of any Claim to Vendor (provided that failure to so promptly notify Vendor shall only relieve Vendor of its obligations to the extent it is prejudiced) together with any information and documentation necessary for the proper defence of such Claim, following which Vendor shall assume the entire control of the defence and settlement of the Claim (provided that Vendor shall, upon request, provide periodic updates in respect of the defence of such Claim to Wolseley and any settlement of such Claim by Vendor will require the prior written approval of Wolseley and shall include a full release of such Claim as against Wolseley). In the event of a Claim pertaining to any infringement or misappropriation of intellectual property, Vendor, without limiting its indemnification obligations, shall at its option and its own expense, procure for Wolseley the right to continue using said Goods or Service or modify, replace or re-perform them with non-infringing Goods or Services or remove the infringing Goods or Services and refund the portion of the price allocable to the infringing Goods or Services. Should Vendor fail to provide a defense upon the tender of any Claim by Wolseley, then, in addition to the requirements of Section 2, Vendor shall fully reimburse Wolseley for its costs arising out of or related to the defense of such Claim.
- 4. WARRANTY.** In addition to and without limiting: (i) any other applicable manufacturer or product warranties; and (ii) any guarantees required by any purchase order, Vendor represents, warrants and agrees that: (a) all Goods will conform to Vendor’s specifications, approved samples, if any, and the requirements set forth in any purchase order; (b) all Goods will be of the quality, size and dimensions ordered, be free from defects in material and workmanship and fit for the purpose for which they were manufactured or otherwise intended; (c) all Goods will be free and clear of all liens and encumbrances and good and marketable title to all Goods will be transferred to Wolseley upon delivery thereof; and (d) all Goods will be of new and merchantable quality. If any defect, failure or other non-conformity with the foregoing warranties appear, Wolseley will have the right, in its discretion, to elect among the following remedies: (1) retain such defective Goods and make an equitable adjustment to the purchase price on account of such defective Goods; (2) require Vendor to repair or replace such defective Goods at the Vendor’s sole expense, including all shipping, transportation, removal and installation costs; or (3) correct or replace such defective Goods with similar items and recover the total cost thereof from Vendor. The foregoing representations and warranties shall survive any inspection, delivery, acceptance or payment by Wolseley and thereafter for a period of not less than one (1) year after acceptance of such Goods by Wolseley’s customers or for such longer period of time as such Goods are warranted pursuant to any applicable manufacturer warranty and shall enure to Wolseley, its customers and their respective successors in title and shall not be deemed to be exclusive, but shall be in addition to Wolseley’s other rights under the Agreement or at law or equity.

5. **INSURANCE.** Vendor shall maintain, for so long as it supplies Goods or Services to Wolseley and for a period of not less than two (2) years following its last supply of Goods or Services to Wolseley and at its own expense, commercial general liability and product liability insurance, including coverage for personal injury and property damage, with limits of not less than \$2 million per occurrence/\$4 million in the aggregate and without limitation or exclusion for pollution arising from the Goods. The foregoing limits may be reached either through the underlying policy or in combination with an umbrella policy. The insurance required herein shall be placed with an insurer with an A.M. Best rating of "A- VII" or better that maintains a claims office in Canada. Such coverage shall be primary and non-contributory with respect to Wolseley's insurance and Vendor's insurer shall waive all rights of subrogation against Wolseley. Vendor shall add the designated Wolseley entity as an "additional insured" under the foregoing policy(ies) and shall provide Wolseley with a certificate of insurance evidencing the foregoing and shall provide recurring updates of the Certificate of Insurance as and when required as a result of changes in coverage or expiry.
6. **GENERAL.** (1) The Agreement shall be construed and governed by the laws of the Province of Ontario and the laws of Canada applicable therein, and the parties hereby submit to the exclusive jurisdiction of the courts of the province of Ontario and expressly waive any and all rights to bring any action in or before any other court; (2) the Agreement may not be assigned by the Vendor in whole or in part without the prior written consent of Wolseley, which consent may in Wolseley's absolute discretion be withheld. Unless otherwise agreed by the parties in writing, Vendor shall remain liable to Wolseley in the event that a permitted assignee cannot perform its obligations hereunder; (3) Nothing contained in the Agreement shall be construed as creating a joint venture or partnership or employment or fiduciary relationship between the parties and neither party shall have the power to control the activities or operations of the other, and their status shall at all times be that of independent contractors; (4) Wolseley shall have the right, by providing Vendor with reasonable written notice, to inspect Vendor's facilities and/or books and records to verify: (a) the existence of adequate internal control procedures and security surrounding the delivery of the Goods/Services; (b) Vendor's compliance with the Agreement and applicable laws; and (c) any claims made by Vendor. Vendor agrees to promptly respond in writing to any observations made in connection with such inspection, including the correction of any errors or the refund of any overpaid amounts; (5) the parties shall cooperate with each other and execute such further instruments, documents, and agreements and shall give such further written assurances as may be reasonably requested by the other party to better evidence and reflect the obligations described herein and contemplated hereby, and to carry into effect the intent and purposes of the Agreement; (6) the Agreement may not be modified or amended except by an instrument in writing signed by Vendor and Wolseley; (7) If any of the provisions of the Agreement shall for any reason be held void or unenforceable, such provisions shall be severed herefrom and the remaining provisions shall remain in full force and effect; and (8) The failure of a party to insist upon the strict performance of any provision of the Agreement or to exercise any right, power, or remedy upon a breach thereof shall not constitute a waiver of that or any other provision of the Agreement or limit such party's right thereafter to enforce any provision or exercise any right.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees to be bound by the Agreement as of the date written below:

Vendor:

WOLSELEY HOLDINGS CANADA INC., for and on behalf of itself and its subsidiaries and affiliates

Name:

Name:

Title:

Title:

Date:

Date:

I have authority to bind the Vendor

I have authority to bind Wolseley