

LOWE'S ANTI-CORRUPTION GUIDE

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How Should You Use This Guide?

This Guide is designed to help Lowe's employees comply with United States and foreign laws against corruption as well as with Lowe's internal anti-corruption policies. The policies and procedures contained in this Guide apply to all employees of Lowe's and its subsidiaries.

The Guide first describes corruption and the negative impact it can have on society. Next, it describes the anti-corruption laws to which Lowe's is subject, including the U.S. Foreign Corrupt Practices Act (FCPA). Lastly, the Guide describes the policies and procedures Lowe's has in place to mitigate against the risks of corruption.

Why Are Anti-Corruption Efforts Important to Lowe's?

What is corruption and why is it a problem?

Corruption is the willingness to act unethically or dishonestly in return for money or personal gain. The global impact of corruption cannot be underestimated. It creates an uneven playing field in international trade and in commercial dealings; it damages the process of government, it creates an unfair competitive environment, it harms innovation, and it undermines integrity and public trust.

Unfortunately, corruption is often endemic. From developing countries in Asia and Latin America to Western Europe and the United States, corruption can be part of the fabric of modern life. Examples of corrupt payments can range from small payments to customs officials to expedite goods through the customs process, to bribes paid to government officials in order to obtain permits, licenses, and preferential tax treatment.

What are the risks?

Lowe's and its subsidiaries are subject to the anti-corruption laws of the countries in which they conduct business and/or maintain assets. These include some of the strictest anti-corruption laws in the world, such as the United States' FCPA, the United Kingdom's Bribery Act (the Bribery Act), Mexico's Corruption of Foreign Public Officials Act (known as the LFACP), Canada's Corruption of Foreign Public Officials Act (the CFPOA), India's Lokpal and Lokayuktas Act, and Chinese anti-corruption laws, including the China Criminal Law, Anti-Unfair Competition Law and other provisional regulations.

As you may have seen from media reports and/or by attending anti-corruption training, corruption is a significant global concern. It is not only a challenge for society but also a major area of focus for governmental regulators who have obtained billions of dollars in settlements and who have imprisoned individuals associated with companies engaging in corrupt conduct. Recent statements by officials at both the U.S. Department of Justice (the DOJ) and the Securities and Exchange Commission (SEC), the two government agencies charged with FCPA enforcement, suggest that aggressive

While the Guide attempts to provide clarity about key areas of risk, it neither pretends to address every situation you may encounter, nor is it a substitute for understanding the policies themselves. The more you know, the less likely you and Lowe's are to run afoul of anti-corruption laws.

Please contact the Office of the Chief Compliance Officer (OCCO) if you have any questions about this Guide, the laws prohibiting corruption, or Lowe's policies and procedures with regard to anti-corruption.

enforcement of the FCPA will continue. Similar statements have been made by international regulators about their countries' anti-corruption laws.

Lowe's internal anti-corruption policies apply to conduct with government officials as well as commercial business partners. While commercial bribery (business to business) is not prohibited by the FCPA, it is prohibited by state and local law, by the Bribery Act, by Chinese anti-corruption laws, and by the laws of several other countries in which Lowe's operates. Commercial bribery is a potential impediment to the quality and price of consumer goods, and can affect the playing field to the detriment of Lowe's customers.

What is illegal under the FCPA and other anti-corruption laws?

The FCPA, which is closely aligned to most international anti-corruption laws, (i) prohibits companies and individuals from corruptly offering anything of value, (ii) directly or indirectly, (iii) to a foreign government official, (iv) for the purpose of obtaining or retaining an improper business advantage.

More fully, these elements are:

Corruptly: In enacting the FCPA, Congress noted the word "corruptly" means an intent or desire to wrongfully influence the recipient: "The word 'corruptly' is used in order to make clear that the offer, payment, promise, or gift, must be intended to induce the recipient to misuse his official position; for example, wrongfully to direct business to the payor or his client, to obtain preferential legislation or regulations, or to induce a foreign official to perform an official function."

Anything of Value: In enacting the FCPA, Congress recognized that bribes can come in many shapes and sizes, and so the statute interprets "anything of value" to cover a broad range of unfair benefits. While cases often involve payments of cash, others have involved travel expenses, expensive gifts, meals, entertainment, incentives or "commissions," job offers, sham contracting positions, the forgiveness of debts, and other favors or advantages.

Why Are Anti-Corruption Efforts Important to Lowe's?

Directly or Indirectly: The FCPA expressly prohibits corrupt payments made “directly or indirectly.” This is because Congress anticipated the use of third party agents in bribery schemes – for example, to avoid knowledge of bribes – and purposely defined the term “knowing” in a way that prevents individuals and businesses from avoiding liability by putting “any person” between themselves and foreign government officials. Indeed, more than ninety percent of reported FCPA cases brought by the DOJ and SEC have involved the use of third parties acting as conduits between the company and the government official(s) receiving the corrupt payment.

Foreign Government Official: The FCPA defines “foreign [government] official” to include “any officer, or employee of a foreign government or any department, agency or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization.” This language makes clear that, as a practical matter, the FCPA broadly applies to corrupt

payments to “any” officer or employee of a foreign government and to those acting on the foreign government’s behalf.

As before, Lowe’s is also subject to the anti-corruption laws of the other countries in which it maintains operations or assets. Several of these countries, including the United Kingdom and China, have anti-corruption laws that are even more far-reaching than the FCPA. As an example, the United Kingdom and China also prohibit commercial bribery and make illegal the receipt of any bribe, whether in the capacity of a government official or of a commercial business partner. An example of conduct that could violate these laws is receiving a payment or benefit from a vendor in order for the vendor to obtain or retain Lowe’s business.

In sum, corruption and bribery are global issues affecting fairness in commerce and trade. As a result, government regulators are actively enforcing anti-corruption laws at unprecedented levels. For these reasons, Lowe’s anti-corruption compliance program is of key importance to its international operations and in maintaining a culture that embodies the highest ethical standards.

Prevention, Detection, and Response

Lowe’s anti-corruption compliance program is premised on preventing and detecting corruption, while proactively responding to any allegations of its existence.

Prevention

With respect to prevention, Lowe’s:

- Employs policies and procedures designed to mitigate corruption risks related to third party intermediaries, gifts and hospitality, foreign charitable contributions, mergers and acquisitions, record keeping, contributions to foreign political candidates and groups, foreign sponsorships, and accountability. These are discussed in greater detail in the sections that follow.
- Requires annual, regionally relevant, anti-corruption training for a substantial majority of U.S. employees at the director level and above, including senior executives; corporate employees based in Canada, Mexico, China, India, and Vietnam; U.S. corporate employees traveling internationally to high-risk areas; and U.S. corporate employees in high-risk functions. Training materials are available in Spanish and simplified Chinese. During training sessions, employees are encouraged to report compliance concerns to the independent third party anonymous hotline or web portal managed by NAVEX Global and to the OCCO.
- Requires all corporate employees to certify annually and when submitting travel expense reports that they have not engaged in corrupt activity.
- Involves senior executives in the process of ensuring that internal anti-corruption controls and procedures are implemented adequately and successfully.

What is Lowe's Doing to Mitigate Corruption Risks?

What is Lowe's Doing to Mitigate Corruption Risks?

- Articulates to relevant third parties – through training and documentation – Lowe's zero tolerance policy with respect to corruption. In this regard, Lowe's:

- ⌘ Provides third party vendors with Lowe's Vendor Code of Conduct, which emphasizes Lowe's zero tolerance policy with respect to corruption. The Vendor Code of Conduct is available in English, Spanish and simplified Chinese via LowesLink, lowes.com, the Lowe's intranet sites, and is updated frequently. The Vendor Code of Conduct states that third parties may be subject to disciplinary measures, including termination of the commercial relationship with Lowe's as a result of corrupt or unethical conduct. The Vendor Code of Conduct also reinforces Lowe's typical contractual right to audit vendors' books and records. Vendors should be contractually bound to comply with the Vendor Code of Conduct.

- ⌘ Disseminates compliance materials explaining Lowe's zero tolerance policy with respect to corruption. Lowe's also encourages vendors to benchmark and improve their own compliance programs.

- ⌘ Provides new vendors with onboarding materials regarding Lowe's anti-corruption policies and regularly conducts training sessions dedicated to these policies. Vendors are asked to acknowledge their understanding of Lowe's anti-corruption requirements.

- Uses an anonymous third party hotline and web portal, maintained by NAVEX Global, and made available to all employees and third parties for reporting violations of Lowe's policy or of law. All complaints to the anonymous third party hotline or web portal may be reported confidentially and are documented and investigated carefully. Employees and vendors may also report potential violations of policy or of law directly to the OCCO or management. Lowe's will not permit retaliation against persons who report suspected violations in good faith. Furthermore, Lowe's requires employees to report any suspected violations of policy or law under the Code of Ethics. Contact information for the anonymous third party hotline and for the OCCO is:

⌘ Anonymous Third Party Hotline

- Via the internet: www.ethicspoint.com
- Via the telephone: 800-784-9592 for the U.S. and Canada; 10-800-120-1239 for Southern China; 10-800-712-1239 for Northern China; 800-964214 for Hong Kong; 001-8008407907 or 001-866-737-6850 for Mexico; 00801-13-7956 for Taiwan; 1-800-80-8641 for Malaysia; 001-803-011-3570 or 007-803-011-0160 for Indonesia; 120-11067 for Vietnam; 001-800-12-0665204 for Thailand; 000-800-100-1071 or 000-800-001-6112 for India; 01800-9-155860 for Columbia; 0800-8911667 for Brazil or 503-619-1883 for use internationally

⌘ OCCO

- Via the internet: compliance@lowes.com
- Via the telephone: 800-309-5859

Contact information for the anonymous third party hotline and the OCCO can be found in a variety of places, including: (i) the Code of Ethics; (ii) the Vendor Code of Conduct; (iii) training materials; (iv) on various compliance materials issued to vendors; (v) on the due diligence e-portal, which third parties and employees use to input information required to conduct due diligence; and (vi) on internal compliance and social responsibility websites.

What is Lowe's Doing to Mitigate Corruption Risks?

Detection

Monitoring is a critical component of Lowe's anti-corruption compliance program. The DOJ and the SEC have consistently indicated that a prerequisite for an effective anti-corruption program should be having a strong system in place to monitor the program's effectiveness, including the use of policies, training, executive involvement, and anonymous third party hotlines.

In this regard, the OCCO, regularly monitors documentation relating to high-risk third parties and transactions. Depending on the jurisdiction where activity takes place, this can include the periodic review of contracts, invoices, and communications from third parties involved with helping Lowe's to obtain or retain government approvals such as permits and licenses. For other high-risk jurisdictions, all invoices for identified high-risk vendors are reviewed and confirmed prior to approving payment. The OCCO also reviews selected gifts, travel, and entertainment expenses, charitable contributions, and other areas where the potential for corruption is unreasonably high.

Lastly, anti-corruption focused reviews are conducted at Lowe's international locations and of selected vendors in high-risk areas. The objective of these reviews is to test the effectiveness of the current anti-corruption program and to uncover any potential risks to the organization. An anti-corruption review is not an investigation and this should be communicated to any affected business unit before a review begins.

Response

The final component of Lowe's anti-corruption compliance program is reactive and includes responding to red flags and allegations of corruption in accordance with investigative best practices. Depending on the nature of the allegation, Lowe's may use third parties including lawyers and forensic accountants, to investigate cases that potentially involve corruption.

| Lowe's Anti-Corruption Policies and Procedures

- Use of Third parties
- Gifts and Hospitality (Giving/Receiving)
- Foreign Charitable Donations
- Mergers / Acquisitions
- Record Keeping Requirements
- Foreign Political Contributions
- Foreign Sponsorships
- Accountability: roles and responsibilities

Use of Third Parties

Why does the use of third parties present risk to Lowe's?

Third parties are often used by companies to facilitate the process of obtaining or retaining government approvals in foreign countries. The term "government approvals" should be interpreted broadly to include official governmental approvals (permits and licenses) and also government business and influence on government actions. Lowe's might use third parties to:

- obtain or retain permits, licenses, and other governmental approvals related to construction, environmental, and electrical issues.
- persuade a court or regulatory body to make decisions favorable to Lowe's on matters relating to securities, health, safety, environmental, tax, utilities, or transportation.
- obtain or retain goods and services from a foreign government or state owned entity.
- communicate with foreign government officials about formulating legislation, rules, regulations or policies that are beneficial to Lowe's.
- facilitate the transit of imported or exported goods through customs on Lowe's behalf (typically done by brokers or freight forwarders)

Most third parties perform legitimate business functions; however, as government enforcement data indicates, a large number of corrupt payments made to foreign government officials are done so by third parties. These cases have usually involved the third party intermediary acting as a conduit between a company and a government official(s) receiving the corrupt payment. As before, the FCPA expressly prohibits making corrupt payments through third party intermediaries. Accordingly, this is an important area of enforcement for U.S. and foreign regulators, and is also a central focus of Lowe's anti-corruption compliance program.

Companies and employees are generally not excused for the corrupt conduct of third parties that they hire, particularly when company employees have knowledge that there is a "high probability" that the third party will facilitate corrupt payments. Furthermore, U.S. government agencies have found that willful ignorance (to avoid knowledge of possible corrupt payments by third parties) is no defense to FCPA violations. Because of this, government regulators have imposed significant penalties on companies and company employees for the corrupt behavior of third parties acting on their behalf.¹

In determining whether a third party assists with government approvals, and is therefore subject to the enhanced due diligence policies discussed below, the focus should be on the nature of the third party's activities, regardless of job title or description. You must consult with the OCCO if you have any questions or doubts.

What are Lowe's policies and procedures with respect to these third parties?

Lowe's follows policies and procedures designed to mitigate the corruption risks posed by third parties that help Lowe's to obtain or retain government approvals in foreign countries. The employee who retains the third party must ensure that these policies and procedures are followed. These policies and procedures are:

- Due diligence on all current and prospective third parties: Lowe's OCCO should be contacted in order to conduct due diligence on all third parties that assist Lowe's to obtain or retain government approvals. While maintaining primary responsibility for the process, the OCCO has also retained independent consulting firms to assist with due diligence.
- Approval from the OCCO for the use of the third party: Once due diligence has been conducted, the OCCO should approve the use of all third parties that help Lowe's to obtain or retain government approvals. Generally, approval will be given after the OCCO has received a risk assessment report and concluded the use of the third party is permissible.
- Communication of Lowe's Standards: Lowe's zero tolerance policy with respect to corruption must be communicated to the third party, including sharing:

1. Lowe's Vendor Code of Conduct, in a language understood by the third party. The Vendor Code of Conduct, which is available in English, simplified Chinese and Spanish, states, "Vendors must not tolerate, permit, or engage in bribery, corruption or unethical practices whether in dealings with public officials or individuals in the private sectors." It further states, "If Lowe's believes that any Vendor has violated this Code of Conduct, Lowe's has the right to terminate its business relationship with the Vendor and to proceed to secure any and all other rights and remedies available to it."
2. An anti-corruption certification, in a language understood by the third party, setting forth Lowe's zero tolerance policy with respect to corruption and requiring the vendor to certify that it will not engage in corrupt conduct.
3. For third parties in high-risk countries, such as China, India, Vietnam and Mexico, training materials and frequent communication emphasizing Lowe's zero tolerance policy with respect to corruption. Consistent with the Vendor Code of Conduct, the vendor training materials should state that Lowe's has the right to terminate its business relationship with the vendor if Lowe's believes the vendor has engaged in corrupt or unethical conduct.

¹These penalties have included monetary penalties, criminal sanctions, and disgorgement (loss of "ill-gotten gain").

Use of Third Parties

- Use of Contracts - Lowe's Master Professional Services Agreement (MPSA), or another agreement containing robust anti-corruption provisions must be used when entering into relationships with third parties interacting with government officials on Lowe's behalf. In its template form, the MPSA reinforces Lowe's zero tolerance policy with respect to corruption while permitting Lowe's and its agents to monitor the vendor relationship in order to detect and prevent corrupt conduct.

- Procedures for paying third parties – Certain procedures are required when making payments to third parties assisting Lowe's with obtaining or retaining foreign government approvals.

1. Without prior written authorization from the OCCO, payments to such third parties cannot be made:

- in cash;
- to bank accounts outside of the country in which the third party performs services;
- payable to bank accounts in the name of a different person or party other than the third party at the third party's normal place of business;
- to mail-drop addresses;
- outside of the terms of the contract; or
- without first adding the vendor to the accounts payable system.

2. Without prior written approval of the OCCO, contractual agreements with third parties interacting with government officials on Lowe's behalf should not be:

- oral; or
- amended or altered.

3. When working with a third party, Lowe's employees are expected to be watchful for red flags and warning signs normally associated with corruption. These include situations where a third party:

- appears unqualified or understaffed for the services it is providing on behalf of Lowe's;
- is recommended or designated by a government official;
- requests that his/her identity be kept hidden;
- requests that payments be made in cash, upfront or through foreign accounts;
- requests that Lowe's falsify documents;
- requests unusually large and unsubstantiated payments relative to the value of the services provided; or
- seeks reimbursement for unusually high or unsubstantiated expenses.

What does this mean in practice?

You must follow the policies and procedures set forth above before using third parties, current or prospective, to facilitate the process of obtaining or retaining foreign government approvals.

Gifts and Hospitality

Why do gifts and hospitality present risk to Lowe's?

Small gifts, meals, entertainment, and other forms of hospitality are often appropriate ways for business people to display respect for each other. Gifts and hospitality are also considered a form of courtesy in many countries.

However, the anti-corruption laws of most countries, including the FCPA, prohibit offering anything of value (including gifts and hospitality) to foreign government officials for the purpose of obtaining or retaining an improper business advantage. Other countries, including the United Kingdom and China, also prohibit the offer and receipt of anything of value for corrupt purposes, whether involving a government agent or a commercial enterprise.

Because of the risk that gifts and entertainment present under the FCPA and other laws against corruption, Lowe's expects employees and third parties to follow the following policies and procedures:

What are Lowe's policies and procedures with respect to gifts and hospitality?

● *No Gifts and Hospitality for Foreign Government Officials without OCCO approval* — Most anti-corruption laws prohibit the giving of anything of value, directly or indirectly, to a foreign government official, for the purpose of obtaining or retaining an improper business advantage. Distinguishing between whether an act of giving of something of value is in anticipation of an improper business advantage, or a legitimate form of business interaction can be difficult. To eliminate this ambiguity, the general presumption should be against ever giving anything of value to a foreign government official. There are, however, a limited number of situations in which it is culturally offensive to not include foreign government officials in giving gifts or hospitality (i.e., coffee or tea) of nominal value provided that Lowe's intends to make a larger community offering without an expectation of receiving a business favor or advantage in return. In these instances, written approval from the OCCO is required and the gift must be appropriately documented regardless of value. Failure to follow this policy and to obtain approval can be grounds for disciplinary action, including termination.

● *Restrictions on the giving or receipt of gifts and hospitality from commercial business partners* — Lowe's Code of Ethics generally prohibits employees from giving or receiving items of value, including any quid pro quo arrangements, (i.e., anything given with the expectation that something will be given in return) from commercial business partners. This is consistent with Lowe's commitment to conduct business ethically and transparently. Only those items permitted under Lowe's Code of Ethics may be given or received by Lowe's employees. Please see the Code of Ethics for additional information about these procedures.

What does this mean in practice?

- Employees are prohibited from giving anything of value, no matter how small or insignificant, to foreign government officials without obtaining OCCO approval.
- Employees may give or receive items of value (including small gifts, meals, entertainment and other forms of hospitality) to or from commercial business partners, but only if permitted under the Code of Ethics.

Foreign Charitable Contributions

Why do foreign charitable contributions present risk to Lowe's?

Charitable contributions are an important part of Lowe's commitment to corporate citizenry and to the communities it serves. Charitable contributions can include anything of value donated by Lowe's to support charitable causes without expectation or acceptance of a business advantage in return. They can be in cash or in kind, including goods and services. Membership fees for social and charitable organizations are also considered to be charitable contributions.

Regrettably, companies have often used foreign charitable contributions to improperly influence foreign government officials in violation of the FCPA and other anti-corruption laws. Most commonly, companies have used the pretense of charitable contributions to funnel bribes, in the form of cash or physical items, to foreign government officials for the purpose of obtaining a business advantage.

Charitable bribes do not even need to be for the personal use of officials for an FCPA violation to occur. For example, the U.S. government charged a pharmaceutical company with FCPA violations for attempting to influence a foreign government official by making a donation to a favorite charity of his.

What are Lowe's policies and procedures with respect to foreign charitable contributions?

Lowe's requirements as to foreign charitable contributions are designed to mitigate the risks these present under the FCPA and other anti-corruption laws. The employee who oversees Lowe's relationship with the foreign charity must ensure that these requirements are followed:

- Careful due diligence is performed on the foreign charitable organization. The due diligence process should be at the same level for third parties that assist Lowe's with obtaining or retaining government approvals in foreign countries.
- Written confirmation must be furnished to the OCCO that funds are transferred to the valid bank account of the charitable organization (typically a bank receipt), that the contribution is not conditioned upon receiving business or other benefits from a foreign government official, that the contribution is not made to a private bank account or in cash, and that the contribution is consistent with Lowe's internal guidelines. In the case of goods being donated, written confirmation should be furnished to the OCCO that the goods have been delivered to an authorized representative of the charitable organization in addition to the other requirements listed above.

What does this mean in practice?

You should follow the policies and procedures set forth above before making a donation to a foreign charitable organization on Lowe's behalf.

Mergers and Acquisitions

Why do Mergers and Acquisitions present risk to Lowe's?

Companies can take on several liabilities when acquiring or merging with another company, including those relating to contractual obligations, regulatory requirements, and statutory penalties, amongst others. Generally, where a company acquires or merges with another company, the successor company assumes the predecessor's liabilities. This concept, known as successor liability, is well established in corporate law.

With respect to the FCPA, U.S. government agencies have shown willingness to impose successor liability on companies, but generally only where the successor company has failed to conduct effective due diligence regarding the acquisition target or merger partner.²

What are Lowe's policies and procedures with respect to mergers and acquisitions?

A company can minimize the chance that it will be held responsible for the prior corrupt conduct of a company it merges with or acquires. The FCPA Resource Guide recently published by the DOJ and the SEC provides a detailed roadmap for minimizing the risks presented by successor liability under the FCPA.

Accordingly, Lowe's requires that certain policies and procedures be followed for all prospective mergers and acquisitions.³ The employee responsible for overseeing the merger or acquisition should ensure that these policies and procedures are followed. These include:

- Pre-Acquisition Due Diligence
 - The target company should complete Lowe's Anti-corruption Certification.
 - The target company should complete an anti-corruption questionnaire as part of the third party due diligence.
 - Discussions should be held with the target company's general counsel, head of sales, and head of internal audit about corruption risks, compliance efforts, and any other corruption-related issues that have surfaced at the target company over the past ten years. These discussions should include the OCCO as well as business personnel.
- Post-Acquisition Due Diligence
 - In the event of an acquisition, the OCCO should circulate Lowe's compliance policies throughout to the newly acquired company.
 - The OCCO must train the appropriate employees of the newly acquired company with respect to anti-corruption issues.
 - High-risk third parties employed by the newly acquired company will undergo due diligence and should complete: (i) an anti-corruption certification; (ii) anti-corruption training; and (iii) a new contract with anti-corruption representations and audit rights.

What does this mean in practice?

You should follow the policies and procedures set forth above before completing an acquisition of or merger with another company.

²Recent Guidance from the Department of Justice and the Securities and Exchange Commission states, "DOJ and SEC have only taken action against successor companies in limited circumstances, generally in cases involving egregious and sustained violations or where the successor company directly participated in the violation or failed to stop the misconduct from continuing after the acquisition." [See "Resource Guide to the U.S. Foreign Corrupt Practices Act" published on November 14, 2012, by the Criminal Division of the Department of Justice and the Enforcement Division of the Securities and Exchange Commission.]

³These procedures are applicable to candidate companies that are public, non-public, U.S., and foreign.

Recordkeeping Requirements

Why does insufficient record keeping present a risk to Lowe's?

The FCPA requires companies whose securities are listed in the United States to keep books and records "which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer." Books and records is a general term used in this Guide to describe all business records. The term includes accounts, correspondence, memoranda, tapes, discs, papers, books, and other documents. Practically speaking, the purpose of the FCPA's books and records provision is to prevent hiding or enabling bribery through misrepresentations in accounting records.

This provision can be violated in a number of ways, including:

- Mischaracterizing the nature of a bribe as a normal operational expense. The books and records provision has been interpreted to require specifying the character of a payment – meaning that bribes should be recorded as such. Recording a bribe, for instance, as a "logistics expense," "commission payment," "customer development charge," "processing fee," "rebate," "customs duties" or other category may be a violation;
- Using off-the-books accounts or cash pools;
- Not recording a transaction at all;
- Submitting inaccurate expense reports; or
- Dispensing Lowe's funds through vendors or intermediaries.

What are Lowe's policies and procedures with respect to record keeping?

Lowe's has instituted accounting policies to help ensure compliance with the books and records provision of the FCPA. The goal of the policies is to assure that Lowe's books and records reflect, with reasonable detail and accuracy, all of the company's transactions. Accordingly, the policies require employees to follow detailed procedures regarding:

- The use of Petty cash
- Payment authorization procedures, including:
 - Ensuring that only third parties that have been approved and added to a master vendor file can be paid.
- Payment processes, including:
 - Verification of proper approval and supporting invoices for payment requests;
 - A prohibition against paying any third parties in cash that are used to obtain or retain government approvals; and
 - Reconciliation of invoicing and payment.

What does this mean in practice?

As an employee, you should ensure that your own transactions are fully documented, correctly approved, and coded to the correct expense description. If you are aware or suspect that anyone is directly or indirectly falsifying books and records or otherwise attempting to disguise a payment, you must report your concern to the OCCO or to the anonymous third party hotline or web portal.

Company Foreign Political Contributions (Prohibited)

What risk to Lowe's is presented by foreign political contributions?

Foreign political contributions refer to contributions of anything of value to support a political goal. Examples include local, regional, or national political fundraising events, providing goods or services, paying employees during working hours to work at a political function, or paying for campaign expenses. These expenses are technically legal under some anti-corruption laws (e.g., the FCPA), but barred by others. As an example, India's Foreign Contribution Regulation Act of 2010 bars foreign companies from making contributions to political parties.

What is Lowe's policy with respect to company foreign political contributions?

Foreign political contributions have a long track record of creating problems for companies because they are vulnerable to abuse and, as mentioned, illegal in some countries. For these reasons, Lowe's does not permit company political contributions outside of the U.S. and Canada.

Can I make foreign political contributions?

No, the OCCO will not approve foreign political contributions outside of the U.S. and Canada.

Foreign Sponsorships

What risk to Lowe's is presented by foreign sponsorships?

Foreign sponsorships are an important part of Lowe's communication with customers and provide a way to strengthen Lowe's brand. A sponsorship is different from a charitable contribution since its purpose is to obtain a specific benefit. Foreign sponsorships generally take place in the area of sports, arts and culture, education and science.

Regrettably, many companies have used foreign sponsorships to influence government officials in violation of the FCPA and other anti-corruption laws. For this reason, Lowe's follows certain procedures with respect to all foreign sponsorships.

What is Lowe's policy with respect to foreign sponsorships?

International sponsorship activities must be approved by the OCCO in writing.

What does this mean in practice?

Before sponsoring any activity outside of the U.S., the OCCO should be informed and no sponsorship should begin until the OCCO has approved in writing.

How do I go about getting approval?

Please contact the OCCO by email at compliance@lowes.com or by calling 800-309-5859.

Accountability: Roles and Responsibilities

What are the roles and responsibilities of Lowe's employees to ensure compliance with anti-corruption laws?

Maintaining an effective anti-corruption compliance program requires the collective effort of every Lowe's employee.

- The OCCO is responsible for:
 - Developing policies and internal controls designed to lessen the risk of corruption;
 - Counseling, advising, and educating business groups about issues relating to anti-corruption laws. These include issues involving the use of third parties, gifts and hospitality, charitable contributions, mergers, acquisitions, joint ventures, and sponsorships;
 - Overseeing investigations involving compliance with anti-corruption laws and internal requirements;
 - Training employees, agents, consultants and other business partners with respect to Lowe's anti-corruption policies and obtaining certifications of compliance from these individuals;
 - Overseeing the third party hotline and Lowe's internal mechanisms for fielding compliance related complaints; and
 - The regular or periodic review (based on risk) of contracts and invoices relating to certain third parties employed by Lowe's.
- All Lowe's employees are responsible for:
 - Complying with any applicable anti-corruption laws and Lowe's internal policies with respect to anti-corruption and ethics;
 - Monitoring vendor relationships and ensuring that third party vendors of goods and services are not engaged in conduct that could implicate liability for Lowe's;
 - Participating in training sessions as directed by the OCCO;
 - Raising concerns regarding possible violations of anti-corruption laws through EthicsPoint or directly to the OCCO.
 - Using the OCCO as a resource to answer questions relating to permissible conduct with respect to anti-corruption laws and the Code of Ethics.

What Compliance Support is Available to You?

The OCCO

Lowe's OCCO is led by Chief Compliance Officer Ross W. (Bill) McCanless and includes a team of attorneys and their support staff located in the US, China, Mexico, and India. The OCCO is available to you at all times as a resource for business support.

Ethics Page on LOWESnet

The Ethics Page on Lowesnet contains links to Lowe's compliance policies. The Code of Business Conduct and Ethics, the Vendor Code of Conduct, and this Anti-Corruption Guide can all be found on the Ethics Page and contain key information about Lowe's anti-corruption policies. The Code of Ethics and the Vendor Code of Conduct are available in English, simplified Chinese, and Spanish.

How to Raise a Compliance Concern

You should raise any compliance concerns directly to the OCCO or to the anonymous third party hotline. Complaints submitted to the OCCO and the third party hotline can be made anonymously and without any fear of reprisal from Lowe's. As required by federal law, Lowe's prohibits retaliation against reporters and whistleblowers.

The OCCO is available:

- by phone, at 800-309-5859; or
- by email, at compliance@lowes.com.

The anonymous third party hotline:

- by phone, at 800-784-9592 for the U.S. and Canada; at 10-800-120-1239 for Southern China; at 10-800-712-1239 for Northern China; at 800-964214 for Hong Kong; at 001-8008407907 or 001-866-737-6850 for Mexico; at 00801-13-7956 for Taiwan; 1-800-80-8641 for Malaysia; 001-803-011-3570 or 007-803-011-0160 for Indonesia; 120-11067 for Vietnam; 001-800-12-0665204 for Thailand; 000-800-100-1071 or 000-800-001-6112 for India; 01800-9-155860 for Columbia; 0800-8911667 for Brazil ; or at 503-619-1883 for general international use; or
- by email, at www.ethicspoint.com.

Contact information is also available on posters located in store rest areas, in the common areas of international offices, including in Canada, Mexico, China, India, and Vietnam, and on the business cards of employees in certain parts of Asia.

What are the consequences of misconduct?

Consequences of Misconduct

Lowe's has a zero tolerance policy for violations of anti-corruption laws. Accordingly, the failure by any Lowe's employee to comply with anti-corruption laws will result in disciplinary action up to and including termination. An employee violating anti-corruption laws may also be subject to civil or criminal actions at the discretion of governmental authorities. Internal disciplinary measures may also apply to supervisors and senior executives who encourage corrupt conduct or who negligently allow corrupt conduct to occur. If you have any questions about this policy, please contact the OCCO.