

INVOICING / BILLING REQUIREMENTS

Lowe's invoice payment process will be based on the cost data contained in our Electronic Catalog. Lowe's will pay the Electronic Catalog or invoice cost, whichever is lower. Lowe's will also enforce a zero tolerance for pricing exceptions. In the event of an Electronic Catalog system cost and Vendor invoice mismatch, the system data will predominate – unless the Vendor invoice is less. For Special Orders, vendors will submit one invoice per order, with no backorders being allowed by Lowe's. Invoicing should be initiated on the day of shipment completion and not before. The negotiated cost must include freight charges. Freight bills for Special Order merchandise tendered as collect will be debited against your account. All Electronic Catalog / EDI vendors will be required to transmit all invoices for payment for special order product electronically to Lowe's. In addition, all special order vendors submitting more than 100 invoices to Lowe's will also be required to transmit all invoices electronically. For vendors who are required to transmit their invoices electronically, a \$25.00 charge will apply to all manually (paper) invoiced transactions.

PRICE CHANGES

Price changes to your Lowe's Special Order program must be submitted in writing to your respective Lowe's Merchandiser 90 days prior to implementation. If the price changes are accepted, CADMUS will coordinate the release of new catalogs along with new price sheets. No price changes will be accepted if the supporting catalogs, price sheets and literature are not changed to reflect those changes. Emergency pricing releases are available, should they be necessary. The determination governing this release will be made by the respective Lowe's Merchandiser.

DISPLAYS

Lowe's does not pay for Special Order displays or associated signage, banners or backer cards. All display components must be to promote product sales and are to be provided at no charge to Lowe's. All displays must be approved by your respective Lowe's Merchandiser, their SOS group representative and must comply with all of Lowe's Visual Standards guidelines. Displays must not be installed in any Lowe's store without prior approval. Unapproved displays will be removed and discarded.

FREIGHT CHARGES

Lowe's will not accept separate freight bills or extra line item charges of any kind for Special Order products. Delivered merchandise costs must be negotiated with the Lowe's Merchandiser and all freight costs must be included in the cost furnished to Lowe's for all Special Order transactions, regardless of store location. Additional freight charges and carrier freight bills tendered as collect will be deducted from the invoice payment or debited against the vendor's account. Exceptional freight charges, specifically customer requested and paid for next day or otherwise expedited delivery may be applied. These exceptional freight charges will only be paid if the special order item numbers designated for this purpose are used. Any other freight charges will be considered unapproved and will be deducted from the invoice prior to payment or debited against the Vendor's account. Exceptional 'shipping and handling' charges may be applied as deemed necessary and approved by Lowe's Merchandising. These exceptional charges will only be accepted if the special order item numbers specifically designated for that purpose are used. Any other shipping and handling charges will be considered unapproved and will be deducted from the invoice prior to payment or debited against the Vendor's account.

DIRECT DELIVERY TO THE CUSTOMER

As part of our enhanced customer service focus, stores will request from time to time that a special order be shipped directly to the customer's home. Lowe's will not pay additional surcharges for this service unless it has been negotiated with the Lowe's Merchandiser and the appropriate shipping and/or handling item number designations have been used. It is the vendor's responsibility to ensure the products arrive on time and in excellent condition at the customer's home. All orders shipped directly to a customer must be shipped prepaid.