



L G Sourcing, Inc.

A wholly owned subsidiary of Lowe's Companies, Inc.
Lowe's is a registered trademark of LF, LLC

November 4, 2003

TO OUR VENDORS:

L G Sourcing, Inc. has a solid reputation for honesty, social responsibility and ethical dealings, and we are justifiably proud of this reputation. We believe everyone doing business with L G Sourcing, Inc. should be aware of our company's policies regarding ethical behavior in business relationships. We have recently revised and restated our ethics policies regarding our relationships with our vendors. Therefore, I have attached our new *Statement of Business Ethics* in order to familiarize our business associates with these standards and to emphasize our commitment to these standards.

The attached policy emphasizes a number of specific requirements which must be complied with by all L G Sourcing, Inc. personnel. These requirements also extend to members of their immediate family. L G Sourcing, Inc. personnel are expected to exercise sound judgment in the areas covered in the policy statement, and at all times to avoid any situation which might be subject to question.

While we recognize that cultural business relationships exist, I know that you will agree that we share a mutual responsibility to maintain a high standard of business conduct. Our internal efforts and policies require your support. Public confidence in business institutions and business practices, and the strengthening of this public confidence, is essential to the continued progress of all business enterprise. I ask your understanding and cooperation as our employees seek to comply with L G Sourcing, Inc. standards. If you are aware of any deviations from the attached policy by our employees or any individual or organization, please contact our independent business abuse information clearinghouse at 1-800-241-5689.

We look forward to a long and prosperous relationship with your organization.

Sincerely,

L G Sourcing, Inc.

**Frank Loncar
Vice President**

Attachment

STATEMENT OF BUSINESS ETHICS

L G SOURCING, INC. POLICY STATEMENT: All employees of L G Sourcing, Inc. are expected to be honest and act in good faith, and to conduct themselves in such a manner to avoid any situation in which his or her interest or the interest of his or her family might adversely affect the best interests



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of the Company. The following statements support this policy. All vendors and suppliers are also expected to support and comply with these policies. Failure to do so may result in discontinuance of business relationships.

- 1. BUSINESS INTERESTS** - Employees and their immediate family are prohibited from having any personal financial dealings with any individual or business organization furnishing or seeking to furnish merchandise, supplies, property or services to L G Sourcing, Inc. and are prohibited from owning a material interest in any organization doing business with L G Sourcing, Inc.
- 2. ACCEPTANCE OF GIFTS OR OTHER BENEFITS** - No L G Sourcing, Inc. employee or any member of his or her family shall directly or indirectly accept currency, gifts, services, entertainment, trips, or other payments from any person or outside concern that does or seeks to do business with L G Sourcing, Inc. or is its competitor. Gifts or other payments include the receipt of currency, loans, merchandise (including samples), personal items, Christmas gifts, services, expense paid travel, lodging, or any other consideration upon which a value of any amount can be placed. Also included are promotional items even of a nominal value.

The acceptance of any expense paid travel, meals or entertainment is prohibited, whether to or at a vendor location or in any other setting, even in conjunction with conducting business negotiations or discussions. L G Sourcing, Inc. employees must always pay their own portion of any travel, meals or entertainment charges.

- 3. CORPORATE FUNDS** - L G Sourcing, Inc. employees are prohibited from maintaining or authorizing disbursements of Company funds that are not recorded on its books and records. Any L G Sourcing, Inc. liability to the supplier is to be satisfied only by submission of an appropriately detailed invoice to L G Sourcing, Inc.
- 4. CORPORATE SOURCING POLICY** - It is corporate policy that L G Sourcing, Inc. only purchase products and services from vendors whose labor force is made up of employees with a minimum age of no less than 16 years, and that its vendors' or suppliers' labor in producing the goods is not furnished, wholly or in part, by convicts or prisoners, except convicts or prisoners on parole, supervised release, or probation, or in any penal or reformatory institution.

All vendors and suppliers are expected to comply with all applicable laws and regulations in the conduct of their business with L G Sourcing, Inc.