

Dear Vendor Partner:

In late 2016, California adopted new regulations relating to the Safe Drinking Water and Toxic Enforcement Act of 1986 – also known as “Proposition 65.” The Act and its new regulations update warning requirements for consumer products sold to customers in California that contain certain chemicals identified by the State.

Lowe’s is providing you this letter to make you aware of the new regulations, point you to available resources about implementation of the required warnings for your products, and help you evaluate potential impacts to your business with Lowe’s. Although the regulations do not become fully effective until August of 2018, it is imperative for both Lowe’s and you, as our vendor partner, to begin early planning so that full compliance with the new requirements is achieved. This letter and the attached FAQs, address how Lowe’s expects its vendors to manage Proposition 65 compliance for products sold in, or into California.

Lowe’s understands that you may have questions about how the new regulations will impact warnings on products that you provide to Lowe’s. The attached FAQs provide information, resources and expectations of you as our vendor partner. This is not a comprehensive list. You should consult your company’s product compliance or quality assurance staff or legal personnel if you have questions concerning the requirements for Proposition 65 warnings on your products.

Please note that this letter does not modify our existing agreements with you nor is it meant to provide legal guidance. Lowe’s values our relationship with you as partners and thanks you for your compliance with all laws and regulations.

Thank you for your support and attention to this matter.

Lowe’s Merchandising Operations

**Re: California's New Proposition 65 Warning Regulations
Information and Expectations for Lowe's Vendor Partners**

What is Proposition 65 (Prop 65)?

- Proposition 65 requires “clear and reasonable” warnings about exposures to certain chemicals that California has determined cause cancer, birth defects or other reproductive harm. Products containing one or more Proposition 65 chemicals identified by California must be sold with a compliant on-product warning (*i.e.*, on the product’s packaging for a packaged product, or otherwise affixed to the product for products that are not contained within packaging).

What are the new requirements?

- The new regulations include changes to listed chemicals and specific requirements for how warnings required for products containing identified chemicals must be provided. Your product may now need a Proposition 65 warning, even if a warning was not previously required. Your products that already have Proposition 65 warnings will need updated warnings to be compliant with the new requirements. The new regulations provide detailed specifications for how warnings must be provided on products.

Where can I find additional information?

- The following are resources prepared by California regulators that you can use to learn more about Proposition 65 and the new warning requirements.
 - *Summary of Proposition 65 requirements:* <http://oehha.ca.gov/proposition-65/general-info/proposition-65-plain-language>
 - *Information on clear and reasonable notice requirements adopted in 2016 rulemaking:* <http://oehha.ca.gov/proposition-65/crn/notice-adoption-article-6-clear-and-reasonable-warnings>
 - *Information about chemicals and substances regulated by Proposition 65:* <http://oehha.ca.gov/proposition-65/proposition-65-list>
 - *Links to the statutory and regulatory text for Proposition 65:* <http://oehha.ca.gov/proposition-65/law/proposition-65-law-and-regulations>

What are Lowe's expectations?

- Lowe's will rely on your substantial product expertise to identify products that fall under Proposition 65's requirements. As a retailer, Lowe's will not determine if a warning is or is not needed for your products.
- Lowe's expects that you will review the list of chemicals identified by the state of California to cause cancer, reproductive harm, or both, and make a determination about whether the products you provide to Lowe's must include a Proposition 65 warning or are otherwise impacted by the new regulatory requirements.
- Lowe's expects you to correctly label all of your products (and/or packaging) with the warning information required by Proposition 65. If your product contains chemicals triggering Proposition 65 warning requirements, you will be responsible for providing an on-product warning that complies with Proposition 65 for those products.
- For products sold in, or into California via Lowe's online or mobile channels, you are expected to provide Lowe's with updated information about your products related to Proposition 65 requirements. Lowe's will provide more details as we move forward in our planning, but this likely means new fields to update in product data information.

Are there product testing companies?

- If your company needs assistance with product testing, we recommend contacting a consultant with relevant Proposition 65 experience. One consultant Lowe's understands has such expertise is Bureau Veritas.
 - http://www.bureauveritas.com/services+sheet/california-proposition-65-for-consumer-products_1753

Will private branded product be addressed differently?

- Lowe's will expect all products, including private branded products, to meet the new on-product warning requirements for Proposition 65. However due to the nature of Lowe's managing the logos of private branded products on the package design, you may need to provide and maintain separate Proposition 65 data about your products so product packaging designs can be updated. If you provide private branded products please look for an additional communication.

Will Lowe's post in-store signage to comply with Proposition 65 for my products?

- Lowe's will not post in-store signage or notices displaying warnings for your products in our California stores. As such, you should not provide Lowe's with proposed warning signs or notices designed or contemplated to be posted in Lowe's stores in lieu of an on-product warning.

I currently see some in-store signage. Can this be used for my products?

- Lowe's will be updating our current Proposition 65 notices in California stores. These notices relate to Lowe's operation of its premises and are for Lowe's adherence to Proposition 65 regulations only. These are not to be confused with vendor expectations for on-product warnings.

What is the deadline to have products and data compliant with the new regulations?

- Lowe's understands these new Proposition 65 regulations may require you to make rolling changes to products and packaging to update existing Proposition 65 warnings or to include new Proposition 65 warnings. Please complete required warning updates on your packaging well in advance of the legally required August 2018 deadline.

What will happen if my products do not have the required warning by August 2018?

- Consistent with our existing vendor agreements, if Lowe's receives notice of an alleged Proposition 65 violation concerning your product(s), we will forward that information to you and you will be required to resolve all allegations and fully reimburse Lowe's for any loss, including attorney's fees associated with the alleged violation.
- Online product(s) will be removed from sale until you provide compliant product data for display online, provide product(s) with the required warning and resolve the alleged violation.
- In-store product(s) will be removed from sale until such time as you provide product(s) with the required warning and resolve the alleged violation.

Who should I contact if I have any questions?

- Questions about this letter should be directed to contact Lowe's Authorized Agent at LowesMerchandisingOps@lowes.com . Only Lowe's Authorized Agent may respond to questions about Proposition 65. Lowe's merchandising team members or store personnel are not authorized to address questions about Proposition 65 compliance for your products.
- You should consult your product compliance or quality assurance staff or legal personnel if you have questions concerning the applicability of requirements necessary for adherence with Proposition 65 for your products. Lowe's will not provide legal guidance or recommendations.