



SPECIAL ORDER SALES PROGRAM (SOS)

Special Orders (to which reference is made in Lowes as SOS) are items that are not regularly handled in our stores; however they are offered to out costumers through catalogs and in store displays. After the sale, the products are ordered to the supplier and are shipped from their facilities to the Lowe´s store where the purchase order originated.

The following section contains information that is only valid for the Special Order program, as well as the different methods that apply to transactions.

LITERATURE RELATED WITH SPECIAL ORDERS

It is essential the Lowe´s Mexico employees know the information necessary to place a special order. Specifications such as model, color, measurements, cuts, production time among others are vital.

Lowe´s Mexico requires all suppliers to participate in this program by sending their catalog physically and digitally, and that it contains the following information:

1. Public Sales Price for Lowe´s Mexico.
2. Product description, including model number.
3. Contact name of the supplier, email, telephone and fax numbers.
4. Product costs negotiated for Lowe´s Mexico.
5. Product pictures.
6. Delivery time (days)*

*The delivery time is the number of calendar days starting from the day the purchase order is place to the vendor until the day the order is received at its placed destination.

All catalogs should be provided to Lowe´s Mexico without charge. Our Customer Service will handle the distribution of the catalogs to all stores and will answer to requests made by them for additional catalogs or replacement thereof.

Suppliers **are not** authorized to send catalogs directly to our stores, vendors are required to send their catalogs to the Lowe´s Head of Merchandising for their review and approval. Additionally, suppliers are required to have available a sufficient supply of catalogs and/or price sheets for distribution to our stores when needed. When new versions of the catalogs are being produced, suppliers will be responsible for maintaining and adequate supply of existing catalogs available until new ones are obtainable.

Important: Suppliers that do not comply with this procedure will be sanctioned.

BILLING REQUIERMENTS

Lowe's Mexico's bill paying process will always be based on cost data stated in the SOS (Special Order Sale) Purchase Order. Lowe's Mexico will pay for SOS Purchase Order or the cost of the bill, whichever is lower.

If the cost stated in the SOS Purchase Order and in the vendor bill does not match, the cost of the SOS Purchase order shall prevail, unless the vendor bill has a lower cost; however, this is subject to the total value of what was received; i.e., a quantity of parts is delivered incomplete, only the amount received by system will be paid for.

For Special Orders, vendors will send a bill for an SOS Purchase Order, Lowe's Mexico does not accept backorders or deliveries after first receiving product, only one delivery and one bill per SOS Purchase Order is accepted.

The bill is due on the day in which the product is shipped and not a day before and it is a requirement that all suppliers with SOS products transmit to Lowe's Mexico the bills for payment through the following link MexicoAP@lowes.com

La facturación se debe realizar el día en que se ejecuta el envío y no antes y es requisito que todos los proveedores con producto SOS transmitan a Lowe's México las facturas para pago a través de la liga MexicoAP@lowes.com.

Please refer to the policy "Billing and Payment Information" in the Lowe's Mexico Business Guide for more billing related details.

Important: The freight charges must be negotiated by each Head of Merchandising in Lowe's Mexico, as applicable.

COST CHANGES

Any change in costs for Special Order programs of Lowe's Mexico apply under the same policy as stipulated in the "Cost Information".

EXHIBITIONS

Lowe's Mexico does not pay for exhibitions, displays, samples. Supporting materials (POP), or signaling in Point of Sale of Special Orders. All components of the displays should be designed and developed with the objective of promoting sales. All exhibitions must be approved by the respective Head of Merchandising and Head of Shopping Experience of Lowe's Mexico, who indicate how and where to deliver. Exhibits may not be installed in any Lowe's Mexico stores without prior authorization.

Important: Unauthorized exhibits will be removed and discarded.

FREIGHT CHARGES

Lowes Mexico will not accept separate bills for freight charges and any other type on Special Orders. Product costs must be negotiated with each Head of Merchandising of Lowe's Mexico, as applicable.