



# LG Sourcing Import Payment Structure

## Import Payment Instruments

In an effort to establish consistency in processing import documents for payment as well as enhancing compliance with US Customs and Border Protection regulations (and other governmental agencies), Lowe's has moved all payment mechanisms for imported product where LGS is the importer of record to be "bank assisted" instruments.

There are three banking partners (Bank of America, JP Morgan Chase & Bank of Montreal) providing consistent payment facilitation services (bank assisted open account). The review of open account invoices by the banks utilize experts in the import document process, establish consistent processing for all import transactions and leverages Lowe's headcount requirements despite tremendous import growth.

## Impact to Vendor

Vendors are asked to select a preference for an LGS bank partner as well as confirm their payment method (bank assisted open account). The presentation of documents and payment will be facilitated through one of LGS' designated bank partners.

Please note:

- Vendors will be charged for discrepancy fees by the bank if documents are missing or not in compliance
- Vendors can establish electronic receipt of funds from the bank

The banking partners working with L G Sourcing, Inc. in this process are as follows:

- Bank of Montreal — Chicago and Hong Kong
- JPMorgan Chase — Chicago and Hong Kong
- Bank of America — Scranton, Hong Kong

Representatives for each bank are listed below to help with the decision about which bank your vendors would like to use to process their L G Sourcing, Inc. payment documents.

Any changes to banking partner relationships and/or payment processes must be communicated a minimum of 30 days prior to the expected transition.

Further information about the various payment methods is provided below.

Your cooperation is appreciated.

If you have any questions, please contact email box [ImportAdmin@Lowe.com](mailto:ImportAdmin@Lowe.com)

## LG Sourcing Import Payment Structure, Continued

### Bank Contacts:

JPMorgan Chase:

United States

Dilip Ramachandran 813-432-2287 [dilip.x.ramachandran@jpmorgan.com](mailto:dilip.x.ramachandran@jpmorgan.com)

US 800-634-1969 [gts.client.services@jpmchase.com](mailto:gts.client.services@jpmchase.com)

Hong Kong

GTS.Client.Services.HK@JPMorgan.com phone no. (852) 2800 0111

Bank of America:

United States

Kathryn Farrell 646-743-0807 Email: [kathryn.d.farrell@baml.com](mailto:kathryn.d.farrell@baml.com) (Sales Manager)

Robert Osiecki 570-496-9612 Email: [robert.j.osiecki@baml.com](mailto:robert.j.osiecki@baml.com) (Operations Manager)

Group Email box for vendors: [scranton\\_open\\_account@bofa.com](mailto:scranton_open_account@bofa.com)

Hong Kong

Simon Lee : 86-21-6160-8841 Email : [simon.y.lee@baml.com](mailto:simon.y.lee@baml.com) (Sales Manger)

Peter Lai: 852-2597-2770 Email: [peter.lai@baml.com](mailto:peter.lai@baml.com) (Operations Manager)

Carol Leung: 852-3508-2323 Email: [carol.leung@baml.com](mailto:carol.leung@baml.com) (Primary Contact)

Bank of Montreal:

United States

Craig Travelstead: 312-845-2021 Email: [craig.travelstead@bmo.com](mailto:craig.travelstead@bmo.com)

Hong Kong

Frankie Li : 852-2522-1625 Email: [frankie.li@bmo.com](mailto:frankie.li@bmo.com)

852-2522-1351 (Direct)

## LG Sourcing Import Payment Structure, Continued

### **Import Payment Structures**

#### **Bank Assisted Open Account**

- A. The vendor receives a document very much like the letter of credit including instructions for what documents to present, what they must say, etc.
- B. Documents are checked only for criteria that LGS specifically requests based on purchase order data electronically processed to the bank. The bank will notify Import Accounting of any discrepancies/variances from data provided and payment decision is made.
- C. This is closer to open account processing with the availability of the vendor being able to be paid in his own currency (their choice), at their own bank or via check, in their own country within the same time frame as an LC.
- D. Pre-export collateral is not available with this instrument. Any vendor financing is negotiated outside the instrument.

### **Payments with Dating/Terms**

**Bank Assisted Open Account** whose payment terms are other than sight do not impact the LGS credit line. There is no creation of an acceptance and therefore no additional cost for these terms. If the vendor chooses to “discount” (accept a lowered payment from the bank to be paid earlier than the due date of funds from LGS), any charges related to this process will be for their account. However, these costs as well as the cost of money should be taken into consideration during the product price negotiation process.

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Import Administration questions can be emailed to:  
[ImportAdmin@Lowe.com](mailto:ImportAdmin@Lowe.com)