UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number 1-7898

LOWE’S COMPANIES, INC.

(Exact name of registrant as specified in its charter)

North Carolina	**56-0578072**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1000 Lowes Blvd., Mooresville, North Carolina	**28117**
(Address of principal executive offices)	(Zip Code)
Registrant’s telephone number, including area code:	**(704) 758-1000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.50 per share	LOW	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

CLASS	**OUTSTANDING AT 5/25/2021**
Common Stock, $0.50 par value	706,890,137

LOWE’S COMPANIES, INC.

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FORWARD-LOOKING STATEMENTS

This Form 10-Q includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements including words such as “believe”, “expect”, “anticipate”, “plan”, “desire”, “project”, “estimate”, “intend”, “will”, “should”, “could”, “would”, “may”, “strategy”, “potential”, “opportunity”, “outlook”, “scenario”, “guidance”, and similar expressions are forward-looking statements. Forward-looking statements involve, among other things, expectations, projections, and assumptions about future financial and operating results, objectives, business outlook, priorities, sales growth, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for products and services, share repurchases, Lowe’s strategic initiatives, including those relating to acquisitions and dispositions and the impact of such transactions on our strategic and operational plans and financial results. Such statements involve risks and uncertainties and we can give no assurance that they will prove to be correct. Actual results may differ materially from those expressed or implied in such statements.

A wide variety of potential risks, uncertainties, and other factors could materially affect our ability to achieve the results either expressed or implied by these forward-looking statements including, but not limited to, changes in general economic conditions, such as the rate of unemployment, interest rate and currency fluctuations, fuel and other energy costs, slower growth in personal income, changes in consumer spending, changes in the rate of housing turnover, the availability of consumer credit and of mortgage financing, changes in commodity prices, trade policy changes or additional tariffs, outbreaks of public health crises, such as the COVID-19 pandemic, availability and cost of goods from suppliers, and other factors that can negatively affect our customers.

Investors and others should carefully consider the foregoing factors and other uncertainties, risks and potential events including, but not limited to, those described in “Item 1A - Risk Factors” in our most recent Annual Report on Form 10-K and as may be updated from time to time in Item 1A in our quarterly reports on Form 10-Q or other subsequent filings with the SEC, and in “Item 2 - Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates” of this report on Form 10-Q. All such forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update these statements other than as required by law.

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

Lowe's Companies, Inc.
Consolidated Statements of Earnings (Unaudited)
In Millions, Except Per Share and Percentage Data

	Three Months Ended			
	April 30, 2021		May 1, 2020	
Current Earnings	**Amount**	**% Sales**	**Amount**	**% Sales**
Net sales	**$ 24,422**	**100.00 %**	**$ 19,675**	**100.00 %**
Cost of sales	16,292	66.71	13,162	66.90
Gross margin	**8,130**	**33.29**	**6,513**	**33.10**
Expenses:				
Selling, general and administrative	4,494	18.40	4,196	21.32
Depreciation and amortization	391	1.60	326	1.66
Operating income	**3,245**	**13.29**	**1,991**	**10.12**
Interest – net	211	0.87	205	1.04
Pre-tax earnings	**3,034**	**12.42**	**1,786**	**9.08**
Income tax provision	713	2.92	449	2.28
Net earnings	**$ 2,321**	**9.50 %**	**$ 1,337**	**6.80 %**
Weighted average common shares outstanding – basic	718		755	
Basic earnings per common share	**$ 3.22**		**$ 1.76**	
Weighted average common shares outstanding – diluted	720		756	
Diluted earnings per common share	**$ 3.21**		**$ 1.76**	

See accompanying notes to the consolidated financial statements (unaudited).

Lowe's Companies, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)
In Millions, Except Percentage Data

	Three Months Ended			
	April 30, 2021		May 1, 2020	
	Amount	**% Sales**	**Amount**	**% Sales**
Net earnings	**$ 2,321**	**9.50 %**	**$ 1,337**	**6.80 %**
Foreign currency translation adjustments – net of tax	102	0.41	(159)	(0.82)
Cash flow hedges – net of tax	24	0.10	(102)	(0.52)
Other	(1)	—	4	0.03
Other comprehensive income/(loss)	**125**	**0.51**	**(257)**	**(1.31)**
Comprehensive income	**$ 2,446**	**10.01 %**	**$ 1,080**	**5.49 %**

See accompanying notes to the consolidated financial statements (unaudited).

Lowe's Companies, Inc.
Consolidated Balance Sheets (Unaudited)
In Millions, Except Par Value Data

	April 30, 2021	May 1, 2020	January 29, 2021
Assets			
Current assets:			
Cash and cash equivalents	$ 6,692	$ 5,955	$ 4,690
Short-term investments	454	201	506
Merchandise inventory – net	18,382	14,283	16,193
Other current assets	1,288	1,487	937
Total current assets	**26,816**	**21,926**	**22,326**
Property, less accumulated depreciation	19,059	18,629	19,155
Operating lease right-of-use assets	3,886	3,876	3,832
Long-term investments	197	300	200
Deferred income taxes – net	213	215	340
Other assets	1,029	886	882
Total assets	**$ 51,200**	**$ 45,832**	**$ 46,735**
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings	$ —	$ 1,000	$ —
Current maturities of long-term debt	1,338	604	1,112
Current operating lease liabilities	551	506	541
Accounts payable	13,964	10,841	10,884
Accrued compensation and employee benefits	1,312	982	1,350
Deferred revenue	2,022	1,212	1,608
Other current liabilities	3,705	3,180	3,235
Total current liabilities	**22,892**	**18,325**	**18,730**
Long-term debt, excluding current maturities	21,906	20,200	20,668
Noncurrent operating lease liabilities	3,925	3,915	3,890
Deferred revenue – extended protection plans	1,050	915	1,019
Other liabilities	982	761	991
Total liabilities	**50,755**	**44,116**	**45,298**
Shareholders' equity:			
Preferred stock, $5 par value: Authorized – 5.0 million shares; Issued and outstanding – none	—	—	—
Common stock, $0.50 par value: Authorized – 5.6 billion shares; Issued and outstanding – 715 million, 755 million, and 731 million shares, respectively	358	377	366
Capital in excess of par value	—	10	90
Retained earnings	98	1,722	1,117
Accumulated other comprehensive loss	(11)	(393)	(136)
Total shareholders' equity	**445**	**1,716**	**1,437**
Total liabilities and shareholders' equity	**$ 51,200**	**$ 45,832**	**$ 46,735**

See accompanying notes to the consolidated financial statements (unaudited).

Lowe's Companies, Inc.
Consolidated Statements of Shareholders' Equity (Unaudited)
In Millions

	Three Months Ended April 30, 2021					
	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount				
Balance January 29, 2021	**731**	**$ 366**	**$ 90**	**$ 1,117**	**$ (136)**	**$ 1,437**
Net earnings	—	—	—	2,321	—	2,321
Other comprehensive income	—	—	—	—	125	125
Cash dividends declared, $0.60 per share	—	—	—	(430)	—	(430)
Share-based payment expense	—	—	50	—	—	50
Repurchases of common stock	(17)	(9)	(148)	(2,910)	—	(3,067)
Issuance of common stock under share-based payment plans	1	1	8	—	—	9
Balance April 30, 2021	**715**	**$ 358**	**$ —**	**$ 98**	**$ (11)**	**$ 445**

	Three Months Ended May 1, 2020					
	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount				
Balance January 31, 2020	**763**	**$ 381**	**$ —**	**$ 1,727**	**$ (136)**	**$ 1,972**
Net earnings	—	—	—	1,337	—	1,337
Other comprehensive loss	—	—	—	—	(257)	(257)
Cash dividends declared, $0.55 per share	—	—	—	(415)	—	(415)
Share-based payment expense	—	—	23	—	—	23
Repurchases of common stock	(10)	(5)	(15)	(927)	—	(947)
Issuance of common stock under share-based payment plans	2	1	2	—	—	3
Balance May 1, 2020	**755**	**$ 377**	**$ 10**	**$ 1,722**	**$ (393)**	**$ 1,716**

See accompanying notes to the consolidated financial statements (unaudited).

Lowe's Companies, Inc.
Consolidated Statements of Cash Flows (Unaudited)
In Millions

	Three Months Ended	
	April 30, 2021	May 1, 2020
Cash flows from operating activities:		
Net earnings	$ 2,321	$ 1,337
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	443	373
Noncash lease expense	124	116
Deferred income taxes	110	46
(Gain) loss on property and other assets – net	(15)	17
Share-based payment expense	54	27
Changes in operating assets and liabilities:		
Merchandise inventory – net	(2,123)	(1,183)
Other operating assets	(343)	(206)
Accounts payable	3,058	3,207
Deferred revenue	442	13
Other operating liabilities	421	703
Net cash provided by operating activities	**4,492**	**4,450**
Cash flows from investing activities:		
Purchases of investments	(293)	(70)
Proceeds from sale/maturity of investments	347	107
Capital expenditures	(461)	(328)
Proceeds from sale of property and other long-term assets	64	25
Other – net	(134)	(22)
Net cash used in investing activities	**(477)**	**(288)**
Cash flows from financing activities:		
Net change in commercial paper	—	(941)
Net proceeds from issuance of debt	1,988	3,961
Repayment of debt	(543)	(543)
Proceeds from issuance of common stock under share-based payment plans	9	4
Cash dividend payments	(440)	(420)
Repurchases of common stock	(3,038)	(966)
Other – net	4	(3)
Net cash (used in) provided by financing activities	**(2,020)**	**1,092**
Effect of exchange rate changes on cash	**7**	**(15)**
Net increase in cash and cash equivalents	2,002	5,239
Cash and cash equivalents, beginning of period	4,690	716
Cash and cash equivalents, end of period	**$ 6,692**	**$ 5,955**

See accompanying notes to the consolidated financial statements (unaudited).

Lowe’s Companies, Inc.
Notes to Consolidated Financial Statements (Unaudited)

Note 1: Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements (unaudited) and notes to the condensed consolidated financial statements (unaudited) are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not include all the disclosures normally required in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The condensed consolidated financial statements (unaudited), in the opinion of management, contain all normal recurring adjustments necessary to present fairly the financial position as of April 30, 2021, and May 1, 2020, and the results of operations, comprehensive income, shareholders’ equity, and cash flows for the three months ended April 30, 2021, and May 1, 2020. The January 29, 2021 consolidated balance sheet was derived from the audited financial statements.

These interim condensed consolidated financial statements (unaudited) should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Lowe’s Companies, Inc. (the Company) Annual Report on Form 10-K for the fiscal year ended January 29, 2021 (the Annual Report). The financial results for the interim periods may not be indicative of the financial results for the entire fiscal year.

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentation, including the reclassification of excess property from other assets to property, less accumulated depreciation on the consolidated balance sheets, and the separate disclosure of changes in deferred revenue within operating activities on the consolidated statements of cash flows.

Accounting Pronouncements Not Yet Adopted

In March 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-04, *Reference Rate Reform (Topic 848): Facilitation of Effects of Reference Rate Reform on Financial Reporting*. The ASU, and subsequent clarifications, provide practical expedients for contract modification accounting related to the transition away from the London Interbank Offered Rate (LIBOR) and other interbank offering rates to alternative reference rates. The expedients are applicable to contract modifications made and hedging relationships entered into on or before December 31, 2022. The Company intends to use the expedients where needed for reference rate transition. The Company continues to evaluate this standard update and does not currently expect a material impact to the Company’s financial statements or disclosures.

Recent accounting pronouncements pending adoption not discussed in this Form 10-Q or in the 2020 Form 10-K are either not applicable to the Company or are not expected to have a material impact on the Company.

Note 2: Revenue - Net sales consists primarily of revenue, net of sales tax, associated with contracts with customers for the sale of goods and services in amounts that reflect consideration the Company is entitled to in exchange for those goods and services.

The following table presents the Company’s sources of revenue:

	Three Months Ended	
(In millions)	**April 30, 2021**	**May 1, 2020**
Products	$ 23,522	$ 19,020
Services	579	399
Other	321	256
Net sales	**$ 24,422**	**$ 19,675**

A provision for anticipated merchandise returns is provided through a reduction of sales and cost of sales in the period that the related sales are recorded. The merchandise return reserve is presented on a gross basis, with a separate asset and liability included in the consolidated balance sheets. The balances and classification within the consolidated balance sheets for anticipated sales returns and the associated right of return assets are as follows:

(In millions)	Classification	April 30, 2021	May 1, 2020	January 29, 2021
Anticipated sales returns	Other current liabilities	$ 374	$ 352	$ 252
Right of return assets	Other current assets	240	226	164

Deferred revenue - retail and stored-value cards

Retail deferred revenue consists of amounts received for which customers have not yet taken possession of the merchandise or for which installation has not yet been completed. The majority of revenue for goods and services is recognized in the quarter following revenue deferral. Stored-value cards deferred revenue includes outstanding stored-value cards such as gift cards and returned merchandise credits that have not yet been redeemed. Deferred revenue for retail and stored-value cards are as follows:

(In millions)	April 30, 2021	May 1, 2020	January 29, 2021
Retail deferred revenue	$ 1,525	$ 774	$ 1,046
Stored-value cards deferred revenue	497	438	562
Deferred revenue	**$ 2,022**	**$ 1,212**	**$ 1,608**

Deferred revenue - extended protection plans

The Company defers revenues for its separately-priced long-term extended protection plan contracts and recognizes revenue on a straight-line basis over the respective contract term. Expenses for claims are recognized in cost of sales when incurred.

(In millions)	April 30, 2021	May 1, 2020	January 29, 2021
Deferred revenue - extended protection plans	$ 1,050	$ 915	$ 1,019

	Three Months Ended	
(In millions)	**April 30, 2021**	**May 1, 2020**
Extended protection plan deferred revenue recognized into sales	$ 116	$ 107
Extended protection plan claim expenses	$ 54	$ 36

Disaggregation of Revenues

The following table presents the Company's net sales disaggregated by merchandise division:

	Three Months Ended			
	April 30, 2021		May 1, 2020	
(In millions)	Net Sales	%	Net Sales	%
Home Décor [1]	$ 8,311	34 %	$ 6,964	35 %
Building Products [2]	7,904	32	5,959	30
Hardlines [3]	7,785	32	6,417	33
Other	422	2	335	2
Total	**$ 24,422**	**100 %**	**$ 19,675**	**100 %**

Note: Merchandise division net sales for the prior period have been reclassified to conform to the current period presentation.

[1] *Home Décor includes the following product categories: Appliances, Décor, Flooring, Kitchens & Bath, and Paint*

[2] *Building Products includes the following product categories: Building Materials, Electrical, Lighting, Lumber, Millwork, and Rough Plumbing*

[3] *Hardlines includes the following product categories: Hardware, Lawn & Garden, Seasonal & Outdoor Living, and Tools*

The following table presents the Company's net sales disaggregated by geographical area:

	Three Months Ended	
(In millions)	April 30, 2021	May 1, 2020
United States	$ 22,932	$ 18,760
Canada	1,490	915
Net Sales	**$ 24,422**	**$ 19,675**

Note 3: Restricted Investments

Short-term and long-term investments include restricted balances pledged as collateral primarily for the Company's extended protection plan program and are as follows:

(In millions)	April 30, 2021	May 1, 2020	January 29, 2021
Short-term restricted investments	$ 454	$ 201	$ 506
Long-term restricted investments	197	300	200
Total restricted investments	**$ 651**	**$ 501**	**$ 706**

Note 4: Fair Value Measurements - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance for fair value measurements establishes a three-level hierarchy, which encourages an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the hierarchy are defined as follows:

- Level 1 **-** inputs to the valuation techniques that are quoted prices in active markets for identical assets or liabilities
- Level 2 **-** inputs to the valuation techniques that are other than quoted prices but are observable for the assets or liabilities, either directly or indirectly
- Level 3 **-** inputs to the valuation techniques that are unobservable for the assets or liabilities

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis as of April 30, 2021, May 1, 2020, and January 29, 2021:

		Fair Value Measurements at		
(In millions)	**Measurement Level**	**April 30, 2021**	**May 1, 2020**	**January 29, 2021**
Assets:				
Short-term investments:				
Available-for-sale debt securities				
U.S Treasury securities	Level 1	$ 190	$ 133	$ 223
Corporate debt securities	Level 2	148	28	47
Money market funds	Level 1	86	33	109
Agency securities	Level 2	30	7	30
Commercial paper	Level 2	—	—	97
Total short-term investments		**$ 454**	**$ 201**	**$ 506**
Other current assets:				
Derivative instruments				
Forward interest rate swaps	Level 2	$ 22	$ —	$ —
Total other current assets		**$ 22**	**$ —**	**$ —**
Long-term investments:				
Available-for-sale debt securities				
U.S. Treasury securities	Level 1	$ 128	$ 214	$ 129
Corporate debt securities	Level 2	50	56	58
Municipal obligations	Level 2	13	—	13
Agency securities	Level 2	6	30	—
Total long-term investments		**$ 197**	**$ 300**	**$ 200**
Other assets:				
Derivative instruments				
Forward interest rate swaps	Level 2	$ —	$ —	$ 4
Total other assets		**$ —**	**$ —**	**$ 4**
Liabilities:				
Other current liabilities:				
Derivative instruments				
Forward interest rate swaps	Level 2	$ —	$ 15	$ 8
Total other current liabilities		**$ —**	**$ 15**	**$ 8**
Other liabilities:				
Derivative instruments				
Forward interest rate swaps	Level 2	$ —	$ 17	$ —
Total other liabilities		**$ —**	**$ 17**	**$ —**

There were no transfers between Levels 1, 2, or 3 during any of the periods presented.

When available, quoted prices were used to determine fair value. When quoted prices in active markets were available, investments were classified within Level 1 of the fair value hierarchy. When quoted prices in active markets were not available, fair values were determined using pricing models, and the inputs to those pricing models were based on observable market inputs. The inputs to the pricing models were typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads, and benchmark securities, among others.

Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

During the three months ended April 30, 2021, and May 1, 2020, the Company had no material measurements of assets and liabilities at fair value on a nonrecurring basis subsequent to their initial recognition.

Other Fair Value Disclosures

The Company's financial assets and liabilities not measured at fair value on a recurring basis include cash and cash equivalents, accounts receivable, held-to-maturity securities, short-term borrowings, accounts payable, and long-term debt and are reflected in the financial statements at cost. With the exception of long-term debt, cost approximates fair value for these items due to their short-term nature. The fair values of the Company's unsecured notes were estimated using quoted market prices. The fair values of the Company's mortgage notes were estimated using discounted cash flow analyses, based on the future cash outflows associated with these arrangements and discounted using the applicable incremental borrowing rate.

Carrying amounts and the related estimated fair value of the Company's long-term debt, excluding finance lease obligations, are as follows:

	April 30, 2021		May 1, 2020		January 29, 2021	
(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Unsecured notes (Level 1)	$ 22,585	$ 24,774	$ 20,106	$ 23,209	$ 21,121	$ 24,349
Mortgage notes (Level 2)	5	5	5	5	5	5
Long-term debt (excluding finance lease obligations)	**$ 22,590**	**$ 24,779**	**$ 20,111**	**$ 23,214**	**$ 21,126**	**$ 24,354**

Note 5: Goodwill and Intangible Assets

Goodwill and intangible assets resulting from acquisitions are recorded within other assets on the consolidated balance sheets and are evaluated for impairment annually on the first day of the fourth quarter or whenever events or changes in circumstances indicate that it is more likely than not that the carrying amount may not be recoverable.

The carrying amount of goodwill as well as the gross carrying amount and accumulated amortization of intangible assets consist of the following:

	April 30, 2021		May 1, 2020		January 29, 2021	
(In millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Goodwill	**$ 311**	**$ —**	**$ 311**	**$ —**	**$ 311**	**$ —**
Definite-lived intangible assets:						
Customer-related	$ 348	$ (76)	$ 362	$ (84)	$ 372	$ (99)
Trademarks and trade names	270	(124)	245	(77)	264	(119)
Other	2	(1)	12	(11)	12	(11)
Total definite-lived intangible assets	**$ 620**	**$ (201)**	**$ 619**	**$ (172)**	**$ 648**	**$ (229)**
Indefinite-lived intangible assets:						
Trademark [1]	134	—	—	—	—	—
Total intangible assets	**$ 754**	**$ (201)**	**$ 619**	**$ (172)**	**$ 648**	**$ (229)**

[1] *In April 2021, the Company acquired the STAINMASTER® brand for total consideration of $134 million, which was determined to have an indefinite life.*

Note 6: Short-Term Borrowings -

Commercial Paper Program

The $1.02 billion five-year unsecured revolving credit agreement entered into in March 2020 (2020 Credit Agreement) and the $1.98 billion five-year unsecured second amended and restated credit agreement (Second Amended and Restated Credit Agreement) entered into in September 2018 support the Company's commercial paper program. The amounts available to be drawn under the 2020 Credit Agreement and the Second Amended and Restated Credit Agreement are reduced by the amount of borrowings under the commercial paper program. As of April 30, 2021, January 29, 2021, and May 1, 2020, there were no outstanding borrowings under the Company's commercial paper program, the 2020 Credit Agreement, or the Second Amended and Restated Credit Agreement. Total combined availability under the 2020 Credit Agreement and the Second Amended and Restated Credit Agreement was $3.0 billion as of April 30, 2021.

Other Short-Term Borrowings

In April 2021, the Company entered into a $1.0 billion unsecured 364-day term loan facility (2021 Term Loan), which has a maturity date of April 21, 2022. Borrowings under the 2021 Term Loan will bear interest, at the Company's option, calculated according to a base rate or a Eurodollar rate, as the case may be, plus an applicable rate. The 2021 Term Loan contains customary representations, warranties and covenants for a transaction of this type. The Company was in compliance with those covenants at April 30, 2021. There were no outstanding borrowings under the 2021 Term Loan as of April 30, 2021.

Note 7: Long-Term Debt - On March 31, 2021, the Company issued $2.0 billion of unsecured fixed rate notes (2021 Notes) as follows:

Principal Amount (in millions)		Maturity Date	Interest Rate	Discount (in millions)	
$	1,500	April 2031	2.625%	$	7
$	500	April 2051	3.500%	$	5

Interest on the 2021 Notes is payable semiannually in arrears in April and October of each year until maturity.

The indentures governing the 2021 Notes contain a provision that allows the Company to redeem these notes at any time, in whole or in part, at specified redemption prices, plus accrued and unpaid interest, if any, up to, but excluding, the date of redemption. The indenture also contains a provision that allows the holders of the notes to require the Company to repurchase all or any part of their notes if a change of control triggering event occurs. If elected under the change of control provisions, the repurchase of the notes will occur at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any, on such notes up to, but excluding, the date of purchase. The indentures governing the 2021 Notes do not limit the aggregate principal amount of debt securities that the Company may issue and does not require the Company to maintain specified financial ratios or levels of net worth or liquidity.

Note 8: Derivative Instruments - The Company utilizes derivative financial instruments to hedge its exposure to changes in benchmark interest rates on forecasted debt issuances. The Company held forward interest rate swap agreements with notional amounts as follows:

(In millions)		April 30, 2021		May 1, 2020		January 29, 2021
Forward interest rate swap agreement notional amounts	$	375	$	638	$	638

See Note 4 for the gross fair values of the Company's outstanding derivative financial instruments and corresponding fair value classifications. The cash flows related to forward interest rate swap agreements are included within operating activities in the accompanying consolidated statements of cash flows.

The Company accounts for these contracts as cash flow hedges, thus the effective portion of gains and losses resulting from changes in fair value are recognized in other comprehensive income/(loss), net of tax effects, in the consolidated statements of comprehensive income and is recognized in earnings when the underlying hedged transaction impacts the consolidated statements of earnings. A summary of the gain/(loss) on forward interest rate swap derivatives designated as cash flow hedges recorded in other comprehensive income/(loss) and earnings for the three months ended April 30, 2021, and May 1, 2020, including its line item in the financial statements, is as follows:

(In millions)	Three Months Ended April 30, 2021	May 1, 2020
Other comprehensive income/(loss)		
Cash flow hedges – net of tax (expense)/benefit of ($9) million and $34 million, respectively	$ 27	$ (104)
Net earnings		
Interest – net	$ 3	$ 1

Note 9: Shareholders' Equity - The Company has a share repurchase program that is executed through purchases made from time to time either in the open market, which may be made under pre-set trading plans meeting the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934, or through private off-market transactions. Shares purchased under the repurchase program are retired and returned to authorized and unissued status. As of April 30, 2021, the Company had $16.7 billion remaining in its share repurchase program.

In February 2021, the Company entered into an Accelerated Share Repurchase (ASR) agreement with a third-party financial institution to repurchase $2.0 billion of the Company's common stock. The terms of the ASR agreement entered into during the quarter are as follows (in millions):

Agreement Execution Date	Agreement Settlement Date	ASR Agreement Amount	Initial Shares Delivered at Inception	Additional Shares Delivered at Settlement	Total Shares Delivered
Q1 2021	Q1 2021	$ 2,000	10.7	0.2	10.9

Under the terms of the ASR agreement, upon settlement, the Company would either receive additional shares from the financial institution or be required to deliver additional shares or cash to the financial institution. The Company controlled its election to either deliver additional shares or cash to the financial institution and was subject to provisions which limit the number of shares the Company would be required to deliver.

The final number of shares received upon settlement of the ASR agreement was determined with reference to the volume-weighted average price of the Company's common stock over the term of the applicable ASR agreement. The initial repurchase of shares under the agreement resulted in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted earnings per share.

The ASR agreement was accounted for as a treasury stock transaction and forward stock purchase contract. The par value of the shares received was recorded as a reduction to common stock with the remainder recorded as a reduction to capital in excess of par value and retained earnings. The forward stock purchase contract was considered indexed to the Company's own stock and was classified as an equity instrument.

In addition, the Company repurchased shares of its common stock through the open market as follows:

	Three Months Ended April 30, 2021	
(In millions)	Shares	Cost
Open market share repurchases	5.6	$ 1,000

The Company also withholds shares from employees to satisfy either the exercise price of stock options exercised or the statutory withholding tax liability resulting from the vesting of share-based awards.

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Shares repurchased for the three months ended April 30, 2021, and May 1, 2020, were as follows:

	Three Months Ended			
	April 30, 2021		May 1, 2020	
(In millions)	Shares	Cost [1]	Shares	Cost [1]
Share repurchase program	16.5	$ 3,000	9.5	$ 940
Shares withheld from employees	0.3	67	0.1	7
Total share repurchases	**16.8**	**$ 3,067**	**9.6**	**$ 947**

[1] *Reductions of $2.9 billion and $927 million were recorded to retained earnings, after capital in excess of par value was depleted, for the three months ended April 30, 2021 and May 1, 2020, respectively.*

Note 10: Earnings Per Share - The Company calculates basic and diluted earnings per common share using the two-class method. The following table reconciles earnings per common share for the three months ended April 30, 2021, and May 1, 2020:

	Three Months Ended	
(In millions, except per share data)	April 30, 2021	May 1, 2020
Basic earnings per common share:		
Net earnings	$ 2,321	$ 1,337
Less: Net earnings allocable to participating securities	(9)	(4)
Net earnings allocable to common shares, basic	**$ 2,312**	**$ 1,333**
Weighted-average common shares outstanding	**718**	**755**
Basic earnings per common share	**$ 3.22**	**$ 1.76**
Diluted earnings per common share:		
Net earnings	$ 2,321	$ 1,337
Less: Net earnings allocable to participating securities	(9)	(4)
Net earnings allocable to common shares, diluted	**$ 2,312**	**$ 1,333**
Weighted-average common shares outstanding	718	755
Dilutive effect of non-participating share-based awards	2	1
Weighted-average common shares, as adjusted	**720**	**756**
Diluted earnings per common share	**$ 3.21**	**$ 1.76**
Anti-dilutive securities excluded from diluted weighted-average common shares	0.4	1.0

Note 11: Income Taxes - The Company's effective income tax rates were 23.5% and 25.1% for the three months ended April 30, 2021 and May 1, 2020, respectively. The decrease in the effective tax rate for the three months ended April 30, 2021, is primarily due to excess tax benefits associated with vesting and exercises of share based compensation.

Note 12: Supplemental Disclosure

Net interest expense is comprised of the following:

	Three Months Ended	
(In millions)	April 30, 2021	May 1, 2020
Long-term debt	$ 200	$ 187
Lease obligations	8	8
Short-term borrowings	—	10
Interest income	(3)	(5)
Other	6	5
Interest – net	**$ 211**	**$ 205**

Supplemental disclosures of cash flow information:

	Three Months Ended	
(In millions)	April 30, 2021	May 1, 2020
Cash paid for interest, net of amount capitalized	$ 219	$ 345
Cash paid for income taxes – net	$ 115	$ 9
Non-cash investing and financing activities:		
Leased assets obtained in exchange for new finance lease liabilities	$ 14	$ 34
Leased assets obtained in exchange for new operating lease liabilities [1]	$ 155	$ 153
Cash dividends declared but not paid	$ 430	$ 416

[1] *Excludes $584 million of leases signed but not yet commenced as of April 30, 2021.*

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Lowe's Companies, Inc.

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheets of Lowe's Companies, Inc. and subsidiaries (the "Company") as of April 30, 2021 and May 1, 2020, the related consolidated statements of earnings, comprehensive income, shareholders' equity, and cash flows for the fiscal three-month periods ended April 30, 2021 and May 1, 2020, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of January 29, 2021, and the related consolidated statements of earnings, comprehensive income, shareholders' equity, and cash flows for the fiscal year then ended (not presented herein); and in our report dated March 22, 2021, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph regarding the adoption of Financial Accounting Standards Board Accounting Standards Update 2016-02, *Leases (Topic 842)*. In our opinion, the information set forth in the accompanying consolidated balance sheet as of January 29, 2021, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our review in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina
May 27, 2021

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis summarizes the significant factors affecting our consolidated operating results, liquidity and capital resources during the three months ended April 30, 2021, and May 1, 2020. This discussion and analysis should be read in conjunction with the consolidated financial statements and notes to the consolidated financial statements that are included in our Annual Report on Form 10-K for the fiscal year ended January 29, 2021 (the Annual Report), as well as the consolidated financial statements (unaudited) and notes to the consolidated financial statements (unaudited) contained in this report. Unless otherwise specified, all comparisons made are to the corresponding period of 2020. This discussion and analysis is presented in six sections:

- Executive Overview
- Operations
- Financial Condition, Liquidity and Capital Resources
- Off-Balance Sheet Arrangements
- Contractual Obligations and Commercial Commitments
- Critical Accounting Policies and Estimates

EXECUTIVE OVERVIEW

Performance Overview

Net sales in the first quarter of 2021 increased 24.1% to $24.4 billion compared to net sales of $19.7 billion in the first quarter of 2020. The increase in total sales was primarily driven by an increase in comparable sales. Net earnings in the first quarter of 2021 were $2.3 billion, which represents an increase of 73.6% compared to net earnings of $1.3 billion in the first quarter of 2020. Diluted earnings per common share increased 82.1% in the first quarter of 2021 to $3.21 from $1.76 in the first quarter of 2020. Excluding the impact of the Canada restructuring in the first quarter of 2020, diluted earnings per common share increased 81.4% to $3.21 in the first quarter of 2021 from adjusted diluted earnings per common share of $1.77 in the first quarter of 2020 (see the discussion of non-GAAP financial measures).

For the first three months of 2021, cash flows from operating activities were approximately $4.5 billion, while $461 million was used for capital expenditures. Continuing to deliver on our commitment to return excess cash to shareholders, we repurchased $3.0 billion shares of common stock and paid $440 million in dividends during the three months ended April 30, 2021.

During the first quarter of 2021, comparable sales increased by 25.9% with all U.S. regions generating positive comparable sales of more than 18% and growth in our Canadian operations that outpaced the U.S. We experienced consistent broad-based demand from both Do-It-Yourself (DIY) and Pro customers throughout the quarter in-store and online with 13 of 15 product categories generating positive comparable sales of more than 15%.

At the end of fiscal 2020, we launched our Total Home strategy aimed at accelerating market share gains with a focus on the Pro customer, expanding our online business, modernizing installation services, improving localization, and elevating our product assortment. During the first quarter of 2021, we continued to gain momentum with the Pro customer through our improved in-stock inventory levels, our enhanced service offering, and our new Pro Loyalty program. Our new Pro customer relationship management tool, as well as the redesigned store layout that aligns product adjacencies, has enabled us to more effectively serve their needs for their entire project, across all their jobs. We also introduced new convenience products at the checkout, and services such as dedicated Pro customer trailer parking to help add value to every trip the Pro customer makes away from their job site.

We continued to enhance the online customer experience with improved search and navigation functionality that allows customers to easily shop for products across categories. In addition, we continued to see a strong download rate of our mobile application as we build customer loyalty through a great mobile experience.

As a result of our merchandising excellence initiative, we delivered improvement in our product margins with disciplined vendor cost management, improved and enhanced pricing systems, and our transition to an Everyday Competitive Price strategy. Our operating margin also reflects the progress made on our Perpetual Productivity Improvement (PPI) initiative. PPI allows us to leverage store payroll by using technology to reduce tasking hours, improve customer service, and increase sales productivity. We are also leveraging an improved Freight Flow Application, creating a fully digital process that gives our associates better line of sight to when products will arrive at our stores. In addition, we launched secure mobile checkout, which we are using to improve the speed of service in high traffic areas inside the store and on the exterior of the store in areas such as outside Lawn & Garden and under the Pro Canopy. In the first quarter, we also completed the rollout of our buy online pickup in store (BOPIS) lockers in the U.S., which allows us to expand our omnichannel capabilities, further improve customer satisfaction, and limit congestion at our service desk.

COVID-19 Response

As we enter the second year of the COVID-19 pandemic, we remain focused on protecting the health and safety of our associates and communities. As part of our commitment, we incurred $59 million of additional COVID-related expense in the first quarter, which included contributions to nonprofit organizations in India that are working to respond to the aggressive resurgence of COVID-19.

Looking Forward

Our first quarter performance gives us confidence that we are making the right investments to accelerate our market share gains through our Total Home strategy by enhancing our investments in the Pro customer, online, installation services, localization, and elevated product assortment. These initiatives allow us to drive sustainable growth as we deliver a Total Home solution for our Pro and DIY customers.

We are encouraged by our strong performance in the first quarter, and we remain confident in our ability to outpace market growth, driving both market share gains and operating efficiency. In addition, our enhanced technology infrastructure and improved operating capabilities make us more agile and able to respond quickly to potential changes in the business environment.

OPERATIONS

The following table sets forth the percentage relationship to net sales of each line item of the consolidated statements of earnings (unaudited), as well as the percentage change in dollar amounts from the prior period. This table should be read in conjunction with the following discussion and analysis and the consolidated financial statements (unaudited), including the related notes to the consolidated financial statements (unaudited).

	Three Months Ended		Basis Point Increase / (Decrease) in Percentage of Net Sales from Prior Period	Percentage Increase / (Decrease) in Dollar Amounts from Prior Period
	April 30, 2021	**May 1, 2020**	**2021 vs. 2020**	**2021 vs. 2020**
Net sales	**100.00 %**	**100.00 %**	**N/A**	**24.1 %**
Gross margin	**33.29**	**33.10**	**19**	**24.8**
Expenses:				
Selling, general and administrative	18.40	21.32	(292)	7.1
Depreciation and amortization	1.60	1.66	(6)	19.9
Operating income	**13.29**	**10.12**	**317**	**63.0**
Interest – net	0.87	1.04	(17)	3.2
Pre-tax earnings	**12.42**	**9.08**	**334**	**69.8**
Income tax provision	2.92	2.28	64	58.7
Net earnings	**9.50 %**	**6.80 %**	**270**	**73.6 %**

The following table sets forth key metrics utilized by management in assessing business performance. This table should be read in conjunction with the following discussion and analysis and the consolidated financial statements (unaudited), including the related notes to the consolidated financial statements (unaudited).

Other Metrics	Three Months Ended	
	April 30, 2021	May 1, 2020
Comparable sales increase [1]	25.9 %	11.2 %
Total customer transactions (in millions)	261	233
Average ticket [2]	$ 93.74	$ 84.38
At end of period:		
Number of stores	1,972	1,970
Sales floor square feet (in millions)	208	208
Average store size selling square feet (in thousands) [3]	105	106
Net earnings to average debt and equity [4]	24.3 %	17.2 %
Return on invested capital [4]	29.9 %	19.7 %

[1] *A comparable location is defined as a retail location that has been open longer than 13 months. A location that is identified for relocation is no longer considered comparable in the month of its relocation. The relocated location must then remain open longer than 13 months to be considered comparable. A location we have decided to close is no longer considered comparable as of the beginning of the month in which we announce its closing. Comparable sales are presented on a transacted basis when tender is accepted from a customer. Comparable sales include online sales, which positively impacted first quarter fiscal 2021 and first quarter fiscal 2020 comparable sales by approximately 310 basis points and 430 basis points, respectively. The comparable store sales calculation included in the preceding table was calculated using comparable 13-week periods.*

[2] *Average ticket is defined as net sales divided by the total number of customer transactions.*

[3] *Average store size selling square feet is defined as sales floor square feet divided by the number of stores open at the end of the period. The average Lowe's-branded home improvement store has approximately 112,000 square feet of retail selling space.*

[4] *Return on invested capital is calculated using a non-GAAP financial measure. Net earnings to average debt and equity is the most comparable GAAP ratio. See below for additional information and reconciliations of non-GAAP measures.*

Non-GAAP Financial Measures

Adjusted Diluted Earnings Per Share

Adjusted diluted earnings per share is considered a non-GAAP financial measure. The Company believes this non-GAAP financial measure provides useful insight for analysts and investors in evaluating what management considers the Company's core financial performance. Adjusted diluted earnings per share excludes the impact of a discrete item, further described below, not contemplated in the Company's business outlook for the first quarter of fiscal 2020. Unless otherwise noted, the income tax effect of these adjustments is calculated using the marginal rates for the respective periods.

Fiscal 2020 Impacts

- Beginning in the third quarter of fiscal 2019, the Company began a strategic review of its Canadian operations, and in the fourth quarter of fiscal 2019, the Company announced additional actions to improve future performance and profitability of its Canadian operations. As a result of this review and related actions, during the first quarter of 2020, the Company recognized $9 million of pre-tax operating costs related to severance and other costs (Canada restructuring).

Adjusted diluted earnings per share should not be considered an alternative to, or more meaningful indicator of, the Company's diluted earnings per common share as prepared in accordance with GAAP. The Company's methods of determining non-GAAP financial measures may differ from the method used by other companies and may not be comparable.

	Three Months Ended		
	May 1, 2020		
	Pre-Tax Earnings	Tax	Net Earnings
Diluted earnings per share, as reported			**$ 1.76**
Non-GAAP adjustments – per share impacts			
Canada restructuring	0.01	—	0.01
Adjusted diluted earnings per share			**$ 1.77**

Return on Invested Capital

Return on Invested Capital (ROIC) is calculated using a non-GAAP financial measure. Management believes ROIC is a meaningful metric for analysts and investors as a measure of how effectively the Company is using capital to generate profits. Although ROIC is a common financial metric, numerous methods exist for calculating ROIC. Accordingly, the method used by our management may differ from the methods used by other companies. We encourage you to understand the methods used by another company to calculate ROIC before comparing its ROIC to ours.

We define ROIC as the rolling 12 months' lease adjusted net operating profit after tax (Lease adjusted NOPAT) divided by the average of current year and prior year ending debt and equity. Lease adjusted NOPAT is a non-GAAP financial measure, and net earnings is considered to be the most comparable GAAP financial measure. The calculation of ROIC, together with a reconciliation of net earnings to Lease adjusted NOPAT, is as follows:

	For the Periods Ended	
(In millions, except percentage data)	April 30, 2021	May 1, 2020
Calculation of Return on Invested Capital		
Numerator		
Net Earnings	$ 6,819	$ 4,572
Plus:		
Interest expense – net	855	733
Loss on extinguishment of debt	1,060	—
Operating lease interest	168	189
Provision for income taxes	2,167	1,583
Lease adjusted net operating profit	11,069	7,077
Less:		
Income tax adjustment [1]	2,670	1,820
Lease adjusted net operating profit after tax	$ 8,399	$ 5,257
Denominator		
Average debt and equity [2]	$ 28,053	$ 26,645
Net earnings to average debt and equity	**24.3 %**	**17.2 %**
Return on invested capital	**29.9 %**	**19.7 %**

[1] *Income tax adjustment is defined as lease adjusted net operating profit multiplied by the effective tax rate, which was 24.1% and 25.7% for the periods ended April 30, 2021, and May 1, 2020, respectively.*

[2] *Average debt and equity is defined as average current year and prior year ending debt, including current maturities, short-term borrowings, and operating lease liabilities, plus the average current year and prior year ending total equity.*

Results of Operations

Net Sales – Net sales in the first quarter of 2021 increased 24.1% to $24.4 billion. The increase in total sales was primarily driven by comparable sales growth. Comparable sales increased 25.9% over the same period, driven by a 14.1% increase in comparable average ticket and a 11.8% increase in comparable customer transactions.

During the first quarter of 2021, we experienced comparable sales increases in 14 of 15 product categories with broad-based strength in performance across both DIY and Pro customers. Comparable sales were above the Company average in Lumber, Electrical, Seasonal & Outdoor Living, Kitchens & Bath, Décor, and Millwork. Lumber experienced strong unit demand from Pro customers along with inflation. Growth in Electrical was also driven by inflation as well as demand from the repair and remodel market. Seasonal & Outdoor Living benefited from demand in patio and grills as homeowners prepared for the arrival of spring. In support of our Total Home strategy, we drove engagement with customers in Kitchens & Bath as homeowners continue to enhance their living spaces. Within Décor, we saw strong performance as a result of elevated product assortments we launched this quarter that spanned a broad array of product categories. We experienced low single-digit negative comparable sales in Paint due to cycling prior year demand at the onset of the COVID-19 pandemic. Geographically, all 15 U.S. regions experienced positive comparable sales in excess of 18%, and sales for our Canadian operations outpaced our U.S. regions.

Gross Margin – For the first quarter of 2021, gross margin as a percentage of sales increased 19 basis points. The gross margin increase for the quarter is driven by approximately 165 basis points of total rate improvement, driven by continued improvements in managing product costs and disciplined pricing strategies. This favorable impact was partially offset by 90 basis points of pressure from product mix shifts, 20 basis points of deleverage from supply chain costs, 20 basis points of deleverage from lower credit revenue, and 15 basis points of deleverage from inventory shrink.

SG&A – For the first quarter of 2021, SG&A expense leveraged 292 basis points as a percentage of sales compared to the first quarter of 2020. This is primarily driven by approximately 140 basis points of leverage due to lower COVID-19 related expenses, 100 basis points of leverage in retail operating salaries due to increased sales and improved operating efficiencies, and 35 basis points of occupancy leverage due to higher sales volume compared to fixed occupancy costs.

Depreciation and Amortization – Depreciation and amortization leveraged six basis points as a percentage of sales for the first quarter of 2021 compared to the prior year primarily due to an increase in sales during the period. Property, less accumulated depreciation, increased to $19.1 billion at April 30, 2021, compared to $18.6 billion at May 1, 2020.

Interest – Net – Interest expense for the first quarter of 2021 leveraged 17 basis points primarily as a result of increased sales during the period, partially offset by interest expense related to the issuance of $4.0 billion unsecured notes in March 2020 and $4.0 billion unsecured notes in October 2020.

Income Tax Provision – Our effective income tax rates were 23.5% and 25.1% for the three months ended April 30, 2021, and May 1, 2020, respectively. The decrease in the effective tax rate for the quarter was impacted by excess tax benefits associated with vesting and exercises of share-based compensation.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

Continued customer demand and operating performance during the quarter drove consistent cash flows from operations compared to the prior year. These strong cash flows from operations, supplemented with our short-term and long-term borrowings, have been sufficient to fund our operations while allowing us to make strategic investments in our omnichannel capabilities to support long-term growth and return excess cash to shareholders in the form of dividends and share repurchases. As of April 30, 2021, we held $6.7 billion of cash and cash equivalents, as well as $3.0 billion in undrawn capacity on our revolving credit facilities and a $1.0 billion term loan that has not been drawn as of the end of the quarter.

Cash Flows Provided by Operating Activities

	Three Months Ended	
(In millions)	**April 30, 2021**	**May 1, 2020**
Net cash provided by operating activities	$ 4,492	$ 4,450

Cash flows from operating activities continued to provide the primary source of our liquidity. The increase in net cash provided by operating activities for the three months ended April 30, 2021, versus the three months ended May 1, 2020, was driven primarily by higher net earnings, offset by changes in working capital. Accounts payable increased for the first three months of 2021 by $3.1 billion, compared to an increase for the first three months of 2020 of $3.2 billion. The increase in accounts payable in the current year is driven by high sustained inventory purchase volume. Deferred revenues increased operating cash flow for the first three months of 2021 by $442 million compared to an increase of $13 million for the first three months of

2020. The increase in deferred revenue in the current year is driven by an increase in sales volume and shifts in timing of fulfillment. Other operating liabilities increased $421 million for the first three months of 2021 compared to an increase of $703 million in the first three months of 2020. The increase in other operating liabilities in the current year is driven by increased income taxes payable related to higher sales in the current year. Inventory decreased operating cash flow for the first three months of 2021 by approximately $2.1 billion, compared to a decrease of approximately $1.2 billion for the first three months of 2020, primarily due to higher inventory purchases to meet elevated customer demand in 2021.

Cash Flows Used in Investing Activities

	Three Months Ended	
(In millions)	**April 30, 2021**	**May 1, 2020**
Net cash used in investing activities	$ (477)	$ (288)

Net cash used in investing activities primarily consists of transactions related to capital expenditures.

Capital expenditures

Our capital expenditures generally consist of investments in our strategic initiatives to enhance our ability to serve customers, improve existing stores, and support expansion plans. The following table provides our capital expenditures for the three months ended April 30, 2021, and May 1, 2020:

	Three Months Ended	
(In millions)	**April 30, 2021**	**May 1, 2020**
Existing store investments [1]	$ 365	$ 266
Strategic initiatives [2]	58	40
New stores, new corporate facilities and international [3]	38	22
Total capital expenditures	**$ 461**	**$ 328**

[1] *Includes merchandising resets, facility repairs, replacements of IT and store equipment, among other specific efforts.*

[2] *Represents investments related to our strategic focus areas aimed at improving customers' experience and driving improved performance in the near and long term.*

[3] *Represents expenditures primarily related to land purchases, buildings, and personal property for new store projects and new corporate facilities projects, as well as expenditures related to our international operations.*

Our 2021 outlook for capital expenditures is approximately $2.0 billion.

Cash Flows Used in Financing Activities

	Three Months Ended	
(In millions)	**April 30, 2021**	**May 1, 2020**
Net cash (used in) provided by financing activities	$ (2,020)	$ 1,092

Net cash used in or provided by financing activities primarily consists of transactions related to our long-term debt, short-term borrowings, share repurchases, and cash dividend payments.

Short-term Borrowing Facilities

In April 2021, we entered into a $1.0 billion unsecured 364-day term loan facility (2021 Term Loan), which has a maturity date of April 21, 2022. There were no outstanding borrowings under the 2021 Term Loan as of April 30, 2021.

The 2020 Credit Agreement and the Second Amended and Restated Credit Agreement support our commercial paper program. The amount available to be drawn under the 2020 Credit Agreement and the Second Amended and Restated Credit Agreement is reduced by the amount of borrowings under our commercial paper program. There were no outstanding borrowings under the Company's commercial paper program, the 2020 Credit Agreement, or the Second Amended and Restated Credit Agreement as of April 30, 2021, and May 1, 2020. Total combined availability under the 2020 Credit Agreement and the Second Amended and Restated Credit Agreement as of April 30, 2021, was $3.0 billion.

The following table includes additional information related to our short-term borrowings for the three months ended April 30, 2021, and May 1, 2020:

	Three Months Ended	
(In millions, except for interest rate data)	April 30, 2021	May 1, 2020
Net change in commercial paper	$ —	$ (941)
Maximum commercial paper outstanding at any month-end	$ 400	$ 1,858
Short-term borrowings outstanding at quarter-end	$ —	$ 1,000
Weighted-average interest rate of short-term borrowings outstanding	— %	1.86 %

The 2020 Credit Agreement and the Second Amended and Restated Credit Agreement contain customary representations, warranties, and covenants. We were in compliance with those covenants at April 30, 2021.

Long-Term Debt

The following table includes additional information related to the Company's long-term debt for the three months ended April 30, 2021, and May 1, 2020:

	Three Months Ended	
(In millions)	April 30, 2021	May 1, 2020
Net proceeds from issuance of debt	$ 1,988	$ 3,961
Repayment of debt	$ (543)	$ (543)

During the three months ended April 30, 2021, we issued $2.0 billion of unsecured notes, to be used for general corporate purposes. During the three months ended April 30, 2021, we also paid $525 million to retire scheduled debts at maturity.

Share Repurchases

We have an ongoing share repurchase program, authorized by the Company's Board of Directors, that is executed through purchases made from time to time either in the open market or through private off-market transactions. We also withhold shares from employees to satisfy tax withholding liabilities. Shares repurchased are retired and returned to authorized and unissued status. The following table provides, on a settlement date basis, the total number of shares repurchased, average price paid per share, and the total amount paid for share repurchases for the three months ended April 30, 2021, and May 1, 2020:

	Three Months Ended	
(In millions, except per share data)	April 30, 2021	May 1, 2020
Total amount paid for share repurchases	$ 3,038	$ 966
Total number of shares repurchased	16.7	9.8
Average price paid per share	$ 182.20	$ 98.78

As of April 30, 2021, we had $16.7 billion remaining available under our share repurchase program with no expiration date.

Dividends

Dividends are paid in the quarter immediately following the quarter in which they are declared. Dividends paid per share increased from $0.55 per share for the three months ended May 1, 2020, to $0.60 per share for the three months ended April 30, 2021.

Capital Resources

We expect to continue to have access to the capital markets on both a short-term and long-term basis when needed for liquidity purposes by issuing commercial paper or new long-term debt. The availability and the borrowing costs of these funds could be adversely affected, however, by a downgrade of our debt ratings or a deterioration of certain financial ratios. The table below reflects our debt ratings by Standard & Poor's (S&P) and Moody's as of May 27, 2021, which we are disclosing to enhance understanding of our sources of liquidity and the effect of our ratings on our cost of funds. Our debt ratings have enabled, and should continue to enable, us to refinance our debt as it becomes due at favorable rates in capital markets. Our commercial paper and senior debt ratings may be subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating.

Debt Ratings	S&P	Moody's
Commercial Paper	A-2	P-2
Senior Debt	BBB+	Baa1
Senior Debt Outlook	**Stable**	**Stable**

There are no provisions in any agreements that would require early cash settlement of existing debt or leases as a result of a downgrade in our debt rating or a decrease in our stock price. In addition, we do not believe it will be necessary to repatriate significant cash and cash equivalents and short-term investments held in foreign affiliates to fund domestic operations.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet financing that has, or is reasonably likely to have, a material, current or future effect on our financial condition, cash flows, results of operations, liquidity, capital expenditures or capital resources.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

During the first quarter of 2021, we issued $2.0 billion of unsecured notes in the ordinary course of business to be used for general corporate purposes. The table below summarizes our contractual obligations relating to long-term debt, excluding operating and finance lease obligations, at April 30, 2021. The unsecured notes issued in the first quarter of fiscal year 2021 are further described in Note 7 to the consolidated financial statements included herein.

	Payments Due by Period				
(In millions)	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
Long-term debt (principal amounts, excluding discounts and debt issuance costs)	$ 22,788	$ 1,250	$ 518	$ 3,301	$ 17,719
Long-term debt (interest payments)	11,994	770	1,549	1,455	8,220
Total	**$ 34,782**	**$ 2,020**	**$ 2,067**	**$ 4,756**	**$ 25,939**

As of April 30, 2021, there were no other material changes to our contractual obligations and commercial commitments outside the ordinary course of business since the end of fiscal year 2020. Refer to the Annual Report on Form 10-K for additional information regarding our contractual obligations and commercial commitments.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are described in Note 1 to the consolidated financial statements presented in the Annual Report. Our critical accounting policies and estimates are described in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Annual Report. Our significant and critical accounting policies have not changed significantly since the filing of the Annual Report.

Item 3. - Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to certain market risks, including changes in foreign currency exchange rates related to our international operations, interest rates, and commodity prices. The Company's market risks have not changed materially from that disclosed in the Annual Report for the fiscal year ended January 29, 2021.

Item 4. - Controls and Procedures

The Company’s management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company’s “disclosure controls and procedures,” (as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act)). Based upon their evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of April 30, 2021, the Company’s disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the SEC (1) is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (2) is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

In addition, no change in the Company’s internal control over financial reporting occurred during the quarter ended April 30, 2021, that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Part II – OTHER INFORMATION

Item 1. - Legal Proceedings

The Company is from time to time a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. With respect to such lawsuits, claims and proceedings, the Company records reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe that any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on its results of operations, financial position or cash flows. The Company maintains liability insurance for certain risks that are subject to certain self-insurance limits.

Item 1A. - Risk Factors

There have been no material changes in the Company's risk factors from those disclosed in "Item 1A. Risk Factors" in our Annual Report filed with the SEC on March 22, 2021.

Item 2. - Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table sets forth information with respect to purchases of the Company's common stock made during the three months ended April 30, 2021:

	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [2]
January 30, 2021 - February 26, 2021 [3]	12,893,549	$ 181.42	12,888,193	$ 17,346,197,655
February 27, 2021 - April 2, 2021	2,313,790	176.64	1,969,160	17,003,330,481
April 3, 2021 - April 30, 2021 [3]	1,613,601	197.72	1,612,588	16,717,612,296
As of April 30, 2021	**16,820,940**	**$ 182.33**	**16,469,941**	**$ 16,717,612,296**

[1] *The total number of shares repurchased includes shares withheld from employees to satisfy either the exercise price of stock options or the statutory withholding tax liability upon the vesting of share-based awards.*

[2] *On December 9, 2020, the Company announced that its Board of Directors authorized an additional $15.0 billion of share repurchases under the program, in addition to the $10.0 billion of share repurchases authorized by the Board of Directors and announced by the Company on December 12, 2018, with no expiration in each case.*

[3] *In February 2021, the Company entered into an Accelerated Share Repurchase (ASR) agreement with a third-party financial institution to repurchase the Company's common stock. At inception, pursuant to the agreement, the Company paid $2.0 billion to the financial institution and received an initial delivery of 10.7 million shares. In April, prior to the end of the first quarter, the Company finalized the transaction and received an additional 0.2 million shares. The average price paid per share in settlement of the ASR agreement included in the table above was determined with reference to the volume-weighted average price of the Company's common stock over the term of the ASR agreement. See Note 9 to the consolidated financial statements included herein for additional information regarding share repurchases.*

Item 6. - Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Restated Charter of Lowe’s Companies, Inc.	10-Q	001-07898	3.1	September 1, 2009
3.2	Bylaws of Lowe’s Companies, Inc., as amended and restated May 29, 2020.	8-K	001-07898	3.1	June 2, 2020
4.1	Eighteenth Supplemental Indenture, dated as of March 31, 2021, between Lowe’s Companies, Inc. and U.S. Bank National Association (as successor trustee).	8-K	001-07898	4.2	March 31, 2021
4.2	364-day Term Loan Facility, dated as of April 22, 2021, by and between Lowe’s Companies, Inc. and Wells Fargo Bank, National Association.	8-K	001-07898	10.1	April 27, 2021
10.1	Offer Letter between Lowe’s Companies, Inc. and Dan C. Griggs, Jr. entered into on February 12, 2021.	10-K	001-07898	10.39	March 22, 2021
10.2	Form of Lowe’s Companies, Inc. Performance Share Unit Award Agreement. ‡				
10.3	Form of Lowe’s Companies, Inc. Non-Qualified Stock Option Agreement. ‡				
10.4	Form of Lowe’s Companies, Inc. Restricted Stock Award Agreement. ‡				
15.1	Deloitte & Touche LLP Letter re Unaudited Interim Financial Information.‡				
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.‡				
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.‡				
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.†				
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.†				
99.1	Eleventh Amendment to the Lowe’s 401(k) Plan, effective as of April 3, 2021 (filed to include this amendment as an exhibit to the Registration Statement on Form S-8, Registration No. 033-29772). ‡				
101.INS	XBRL Instance Document.‡				
101.SCH	XBRL Taxonomy Extension Schema Document.‡				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.‡				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.‡				
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.‡				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.‡				

104	Cover Page Interactive Data File (formatted as Inline XBRL document and included in Exhibit 101).‡

*	Indicates a management contract or compensatory plan or arrangement.
‡	Filed herewith.
†	Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	LOWE'S COMPANIES, INC. (Registrant)
May 27, 2021 Date	By: /s/ Dan C. Griggs, Jr. Dan C. Griggs, Jr. Senior Vice President, Tax and Chief Accounting Officer

Exhibit 10.2

PERFORMANCE SHARE UNIT AWARD AGREEMENT

Non-transferable

GRANT TO

____

("Grantee")

by Lowe's Companies, Inc. (the "Company") of

____

(the "Performance Share Units")

pursuant to and subject to the provisions of the Lowe's Companies, Inc. 2006 Long Term Incentive Plan, as amended and restated (the "Plan") and to the terms and conditions set forth on the following pages (the "Terms and Conditions").

Unless terminated or paid earlier in accordance with the Plan or Section 4 of the Terms and Conditions, the Performance Share Units will be earned and become vested and payable to the Grantee in the form of shares of the Company's common stock, $0.50 par value, after the third anniversary of the Date of Grant based on achievement of the Performance Objectives applicable to the Performance Share Units.

IN WITNESS WHEREOF, Lowe's Companies, Inc., acting by and through its duly authorized officer, has caused this Agreement to be executed as of the Date of Grant.

LOWE'S COMPANIES, INC.

By:

Date of Grant:

Accepted by Grantee:

TERMS AND CONDITIONS

1. Grant of Performance Share Units. The Company hereby grants Performance Share Units (the "Performance Share Units") indicated on the Performance Share Unit Award Agreement grant notice (the "Grant Notice"), subject to the terms and conditions set forth in the Plan, these Terms and Conditions and the Grant Notice (collectively, this "Agreement") and any applicable recoupment or "clawback" policies of the Company, as in effect from time to time. The actual number of Performance Share Units earned by the Grantee shall be based on the Company's achievement of the Performance Objectives as described in Sections 2 and 3 for the three fiscal year period beginning FY[ ] and ending FY[ ] (the "Performance Period"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

2. Performance Objectives for Performance Share Units. The Performance Objectives for the Performance Share Units shall be:

   (a) the Company's Average Return on Invested Capital ("ROIC") for the Performance Period; and

   (b) the total shareholder return ("TSR") with respect to the Company's Common Stock for the Performance Period relative to the median TSR of the companies comprising the S&P 500 Index at the beginning of the Performance Period.

"Average ROIC" for the Performance Period means the amount determined by dividing the sum of the ROIC for each fiscal year in the Performance Period by three (3).

"ROIC" for a fiscal year is determined by dividing:

(a) the Company's net operating profit after taxes for such fiscal year, by

(b) the average of the Company's invested capital as of the beginning and as of the end of such fiscal year.

For this purpose, invested capital means total debt plus lease liabilities and shareholder's equity.

"TSR" shall be determined by assuming the reinvestment of all dividends as of the ex-dividend date and using the twenty trading day average closing price preceding the beginning and ending of the Performance Period.

The Committee shall make equitable adjustments to the Performance Objectives where necessary (i) in response to changes in applicable laws or regulations, (ii) to account for items of gain, loss or expense that are related to the disposal (or acquisition) of a business or change in accounting principles that was not anticipated at the Date of Grant, (iii) to account for unusual or non-recurring transactions that were not anticipated at the Date of Grant, or (iv) to reflect other unusual, non-recurring or unexpected items, including but not limited to stock buybacks, as determined in good faith by the Committee. All such adjustments shall be made in a consistent manner and in accordance with the objectives of the Plan.

3. Determination of Number of Performance Share Units Earned. The number of Performance Share Units earned for the Performance Period shall be determined in two steps.

(a) First, the number of Performance Share Units earned based on the Company's Average ROIC for the Performance Period (the "ROIC PSUs") shall be determined in accordance with the following table:

Average ROIC	% of Performance Share Units Earned
[ ]% or higher	150%
[ ]%	100%
[ ]%	50%
Less than [ ]%	0%

The percentage of ROIC Performance Share Units earned for Average ROIC between [ ]% and [ ]% and [ ]% and [ ]% shall be determined by linear interpolation.

(b) Second, the number of ROIC PSUs will be multiplied by the TSR modifier shown in the following table with the result being the Performance Share Units earned for the Performance Period:

Company's TSR Percentage Difference from the Median TSR of the S&P 500 Index	TSR Modifier
$\geq$+20%	1.33x
0%	1.00x
$\leq$ -20%	0.67x

The number of Performance Shares Units earned for performance between discrete points in either of the tables in (a) or (b) above shall be determined by linear interpolation.

4. Distribution of Common Stock for Performance Share Units Earned.

(a) Distribution Following Expiration of Performance Period. Unless otherwise sooner forfeited in accordance with Section 4(b) or distributed in accordance with Section 4(d), on or within 60 days after [ ] (the "Distribution Date"), the Company shall distribute to the Grantee one share of Common Stock for each whole Performance Share Unit earned by the Grantee in accordance with Sections 2 and 3.

(b) Termination of Employment Prior to Distribution Date. The Grantee shall forfeit all of Grantee's right, title and interest in and to the Performance Share Units in the event Grantee's employment with the Company terminates before the Distribution Date for any reason other than death, Disability or Retirement.

(c) Termination Due to Death, Disability or Retirement. In the event the Grantee's employment with the Company terminates prior to the Distribution Date due to death, Disability or Retirement, the Performance Share Units shall remain outstanding and shall be earned in accordance with Sections 2 and 3 and shares of Common Stock for each whole Performance Share earned shall be distributed on or within 60 days after the Distribution Date in accordance with Section 4(a). The definition of "Retirement" for purposes of this Agreement shall have the following meaning and not the meaning assigned to such term in the Plan: The voluntary termination of employment with the approval of the Board at least six (6) months after the Date of Grant and on or after the date Grantee has attained age fifty-five (55) and Grantee's age plus years of service equal or exceed seventy (70); provided that, Grantee has given the Board at least ten (10) days advance notice of such Retirement and Grantee has executed and not revoked a Release of Claims provided to Grantee by the Company upon receipt of Grantee's notice.

(d) Change in Control Prior to Distribution Date. In the event a change in control of the Company (as defined in Section 409A of the Internal Revenue Code) occurs before the Distribution Date, the Performance Share Units shall be earned in accordance with Sections 2 and 3 based on the achievement of the Performance Objectives through the end of the fiscal year quarter ending immediately prior to such change in control. Shares of Common Stock for each whole Performance Share Unit earned shall be distributed to the Grantee as soon as administratively practicable, but in no event later than 30 days following such change in control.

5. No Stockholder Rights. The Performance Share Units shall not entitle the Grantee to any voting, dividend or other rights as a stockholder of the Company until shares of Common Stock are distributed to Grantee in accordance with Section 4.

6. Competing Activity. If Grantee engages in any Competing Activity during Grantee's employment with the Company or a Subsidiary or within 2 years after the termination of Grantee's employment with the Company or its Subsidiaries for any reason, (a) Grantee shall forfeit all of Grantee's right, title and interest in and to any Performance Share Units as of the time of the Grantee's engaging in such Competing Activity and such Performance Share Units shall revert to the Company immediately following such event of forfeiture, and (b) Grantee shall remit, upon demand by the Company, the "Repayment Amount" with respect to any shares of Common Stock that were granted to Grantee as payment of Performance Share Units under the terms of this Agreement. The "Repayment Amount" is the aggregate Fair Market Value of the Common Stock underlying the Performance Share Units at the time of delivery to Grantee. The Repayment Amount shall be payable in cash (which shall include a certified check or bank check), by the tender of shares of Common Stock or by a combination of cash and Common Stock; provided that, regardless of the Fair Market Value of such shares at the time of tender, the tender of the shares shall satisfy the obligation to pay the Repayment Amount for the same number of shares of Common Stock delivered to the Company.

For purposes of this Agreement, Grantee will be deemed to be engaged in a "Competing Activity" if Grantee, acting in the same or similar capacity in which Grantee performed services for the Company or acting in a capacity which involves executive, managerial, financial or other significant leadership responsibilities, owns, manages, operates, controls, is employed by, or participates in as a 5% or greater shareholder, partner, member or joint venturer, in a Competing Enterprise, or engages in, as an independent contractor or otherwise, a Competing Enterprise for himself or on behalf of another person or entity. A "Competing Enterprise" is any business engaged in any market which is a part of the Home Improvement Business as described below (i) with total annual sales or revenues of at least five hundred million dollars ($500 million USD) and (ii) with retail locations or distribution facilities in a US State or the District of Columbia or which engages in providing goods and/or services within the Home Improvement Business to customers in the United States through electronic means (internet, mobile application, etc.), including but not limited to the following entities: The Home Depot, Inc.; Sears Holdings, Inc. or Transform Holdco LLC; Menard, Inc.; Amazon.com, Inc.; Ace Hardware Corp.; Lumber Liquidators Holdings, Inc.; Wayfair, Inc.; Walmart, Inc.; Best Buy Co., Inc., HD Supply Holding, Inc.; Floor & Décor Holdings, Inc.; and True Value Company.

The Company and its affiliated entities comprise an omni-channel provider of home improvement products and supplies for maintenance, repair, remodeling, and decorating as well as appliances, installation or other services, supplies for the multi-family housing industry, and supplies for builders, contractors, and maintenance professionals. (the "Home Improvement Business"). The Company operates retail locations and support facilities and offers products and services to consumers in all 50 states, the District of Columbia, and Canada through traditional retail locations, sales organizations, and on-line channels. The Company's Home Improvement Business requires a complex sourcing and supply network, multi-channel distribution and delivery systems, innovative information technology resources, and a robust infrastructure support organization.

Grantee recognizes and acknowledges that the Company has a legitimate business interest in maintaining its competitive position in a dynamic industry and that restricting Grantee for a reasonable period from performing work for, providing services to, or owning more than a 5% interest in an enterprise which engages in business activities which are in competition with the Company is reasonable and appropriate. Grantee further acknowledges that the Company's business would likely be damaged by Grantee's engaging in competitive work activity during the non-competition period detailed above. Grantee agrees that in Grantee's position with the Company, Grantee was provided access to or helped develop business information proprietary to the Company and that Grantee would inevitably disclose or otherwise utilize such information if Grantee were to work for, provide services to, or own a substantial interest in a Competing Activity during the non-competition period.

Should Grantee wish to undertake a Competing Activity during Grantee's employment or before the expiration of the above-referenced 2-year period, Grantee must request written permission from the Executive Vice President, Human Resources of the Company before undertaking such Competing Activity. The Company may approve or not approve the Competing Activity at its sole discretion.

Nothing contained in this Section 6 shall be interpreted as or deemed to constitute a waiver of, or diminish or be in lieu of, any other rights that the Company or a Subsidiary may possess as a result of Grantee's misconduct or involvement with a business competing with the business of the Company or a Subsidiary.

7. No Solicitation of Employees. During Grantee's employment with the Company or any of its subsidiaries and until the date that is 2 years after date of termination for any reason, Grantee will not, directly or indirectly, solicit or encourage any person who was an employee of the Company or any of its subsidiaries during Grantee's employment who worked within Grantee's organization within the Company during the 1 year immediately prior to Grantee's date of termination ("Protected Employee"), to leave employment with the Company or any of its subsidiaries or assist in any way with the hiring of any Protected Employee by any future employer, person or other entity including but not limited to referral, identification for potential employment, recommendation, interview, or direct or indirect supervision.

8. No Solicitation of Customers or Vendors. During Grantee's employment with the Company or any of its subsidiaries and until the date that is 2 years after date of termination for any reason, Grantee will not, directly or indirectly, solicit the Company's customers or vendors with whom Grantee had material contact or about whom Grantee has confidential information obtained during the 1 year immediately prior to Grantee's date of termination to divert their business away from or otherwise interfere with the business relationships of the Company with its customers and/or vendors on Grantee's behalf or on behalf of any other entity or person.

9. Injunctive Relief. Grantee agrees that the provisions herein are important to and of material consideration to the Company and that a breach of these provisions will cause irreparable harm to the Company and that monetary damages alone are an inadequate remedy to the Company for any such breach. Grantee further stipulates that, upon any breach by Grantee of the provisions herein the Company shall be entitled to injunctive relief against Grantee without the necessity to post a bond or, if such bond is nevertheless required, Grantee consents to setting such bond at the lowest amount permitted by law. This section shall not be deemed to limit the legal and equitable remedies available to the Company or to limit the nature and extent of any claim by the Company for damages caused by Grantee for breach of this Agreement.

10. No Right of Continued Employment. Nothing in this Agreement shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate Grantee's employment at any time, nor confer upon Grantee any right to continue in the employ of the Company or any Subsidiary.

11. Payment of Taxes.

(a) The Company will automatically withhold a number of shares of Common Stock or Units (as the case may be) having a fair market value equal to an amount up to the maximum statutory rate to satisfy federal, state, local and foreign taxes (including Grantee's FICA obligation), *unless* Grantee notifies the Company thirty (30) days prior to the date such withholding is required that he or she will satisfy his or her tax withholding obligations in cash.

(b) If Grantee chooses to satisfy his or her tax withholding obligations in cash *and* complies with the above notification requirement, Grantee will, no later than the date as of which any amount related to the Performance Share Units first becomes includable in Grantee's gross income for federal income tax purposes, pay to the Company, or make other arrangements satisfactory to the Committee regarding payment of, any federal, state and local taxes of any kind (including Grantee's FICA obligation) required by law to be withheld with respect to such amount.

The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company, and, where applicable, its Subsidiaries will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Grantee.

12. Amendment. The Committee may amend or terminate this Agreement without the consent of Grantee; provided, however, that such amendment or termination shall not, without Grantee's consent, reduce or diminish the value of this award.

13. Plan Controls. The terms contained in the Plan, including without limitation the antidilution adjustment provisions, are incorporated into and made a part of this Agreement, and this Agreement shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of the Plan shall be controlling and determinative.

14. Successors. This Agreement shall be binding upon any successor of the Company, in accordance with the terms of this Agreement and the Plan.

15. Severability. If any one or more of the provisions contained in this Agreement are invalid, illegal or unenforceable, the other provisions of this Agreement will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

16. Notice. Notices and communications under this Agreement must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to:

Lowe's Companies, Inc.
1000 Lowes Boulevard
Mooresville, NC 28117
Attn: Stock Plan Administration

or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

Governing Law and Venue. This Agreement shall be governed by the laws of the State of North Carolina other than its choice of laws provisions to the extent that such provisions would require or permit the application of the laws of a state other than North Carolina. Each of the Parties to this Agreement consents to submit to the personal jurisdiction and venue of the Charlotte Division of the U.S. District Court for the Western Division of North Carolina or the North Carolina Superior Court by motion or request for leave from any such court. Each of the Parties further waives any right to seek change of venue from such Court due to inconvenient forum or other similar justification and will pay to the other Parties the costs associated with responding to or otherwise opposing any motion or request for such relief.

LOWE'S COMPANIES, INC.
2006 Long Term Incentive Plan
Non-Qualified Stock Option Agreement

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (this "Agreement"), between LOWE'S COMPANIES, INC., a North Carolina corporation (the "Company"), and the individual ("Participant") identified in the accompanying Notice of Grant of Stock Options and Non-Qualified Stock Option Agreement (the "Notice"), is made pursuant and subject to the Notice and the provisions of the Company's 2006 Long Term Incentive Plan, as amended and restated (the "Plan"), a copy of which has been made available to Participant. All terms used herein that are defined in the Plan have the same meaning given them in the Plan.

1. **Terms and Conditions**. This Option is subject to the terms and conditions of the Notice and the following terms and conditions:

(a) Date of Grant and Expiration Date. The Date of Grant of this Option and the Expiration Date of the Option are as specified in the Notice.

(b) Exercise of Option. Except as provided in paragraphs 2, 3, 4 and 5 of this Agreement, this Option shall be exercisable as prescribed in the Notice. Except to the extent otherwise provided in paragraphs 2 and 3, once this Option has become exercisable in accordance with the preceding sentence, it shall continue to be exercisable until the earlier of the termination of Participant's rights hereunder pursuant to paragraph 4 or 5, or until the Expiration Date. A partial exercise of this Option shall not affect Participant's right to exercise this Option with respect to the remaining shares, subject to the conditions of the Notice, the Plan and this Agreement.

(c) Method of Exercise and Payment for Shares. Unless the exercise is executed through the Company's designated brokerage firm for on-line options processing (currently E*Trade), this Option shall be exercised by written notice substantially in the form of Exhibit "A" hereto delivered to the Company or its designee by mail or overnight delivery service, in person, or via other means authorized by the Company. Any notice delivered to the Company shall be addressed to the attention of the Director - Stock Plan Administration at the Company's principal office in Mooresville, North Carolina. Such notice shall be accompanied by payment in full of the Option exercise price, and applicable withholding taxes, in cash or cash equivalent acceptable to the Administrator, or by the surrender of shares of Common Stock (by attestation of ownership or actual delivery of one or more share certificates) with an aggregate Fair Market Value (determined as of the business day preceding the exercise date) which, together with any cash or cash equivalent paid by Participant, is not less than the Option exercise price, and applicable withholding taxes, for the number of shares of Common Stock for which the Option is being exercised. To the extent permitted under Regulation T of the Federal Reserve Board, and subject to applicable securities laws and the Company's adoption of such program in connection with the Plan, if Participant is subject to the reporting and other provisions of Section 16 of the Securities Exchange Act of 1934, as amended, the Option may be exercised through a broker in a so-called "cashless exercise" whereby the broker sells the Option shares and delivers cash sales proceeds to the Company in payment of the Option exercise price, and applicable withholding taxes. In such case, the written notice of exercise will be accompanied by such documents as required by the Company in accordance with its cashless exercise procedure. Participant's right to exercise the Option shall be conditioned upon and subject to satisfaction, in a manner acceptable to the Company, of any withholding tax liability under any state or federal law arising in connection with exercise of the Option.

(d) Transferability. This Option shall not be assignable or transferable by a Participant other than by will or the laws of descent and distribution.

(e) Recoupment or "Clawback". This Option is subject to any applicable recoupment or "clawback" policies of the Company, as in effect from time to time.

2. **Vesting and Exercise Period in the Event of Death or Disability**. In the event (a) Participant dies while employed by the Company or a Subsidiary or (b) Participant's employment with the Company or a Subsidiary is terminated due to Participant's Disability, this Option shall become vested and exercisable for all of the number of shares of Common Stock subject to the Option, reduced by the number of shares for which the Option was previously exercised. In such case, Participant's vested Options may be exercised by Participant, or, in the case of Participant's death, by Participant's estate, or the person or persons to whom Participant's rights under this Option shall pass by will or the laws of descent and distribution, during the remainder of the period preceding the Expiration Date.

3. **Vesting and Exercise Period in the Event of Retirement**. In the event Participant's employment with the Company and its Subsidiaries is terminated for any reason other than death, Disability or Cause, following eligibility for Retirement, this Option shall continue to vest following Participant's Retirement (as defined in "Exhibit B" attached hereto and not the Plan) pursuant to the vesting schedule set forth in the Notice, reduced by the number of shares for which the Option was previously exercised. In such event, Participant's vested Options may be exercised by Participant during the remainder of the period preceding the Expiration Date.

4. **Vesting and Exercise Period in the Event of Other Termination of Employment**. In the event Participant's employment with the Company and its Subsidiaries is terminated for any reason other than death, Disability or Cause and prior to Retirement, this Option shall be vested and exercisable only to the extent vested at the time of termination pursuant to the vesting schedule set forth in the Notice, reduced by the number of shares for which the Option was previously exercised. In such event, Participant's vested Options may be exercised by Participant until the date that is three months after the date of such termination of employment or during the remainder of the period preceding the Expiration Date, whichever is shorter.

5. **Termination for Cause; Competing Activity; Solicitation.** Notwithstanding anything to the contrary herein:

(a) Termination for Cause. This Option shall expire on the date that Participant's employment with the Company or any of its Subsidiaries is terminated for Cause, and this Option shall not be exercisable thereafter.

(b) Competing Activity. If Participant engages in any Competing Activity during Participant's employment with the Company or a Subsidiary or within 2 years after the termination of Participant's employment with the Company or its Subsidiaries for any reason, (i) Participant shall forfeit all of Participant's right, title and interest in and to any Options that are unexercised as of the time of the Participant's engaging in such Competing Activity and such Options shall be cancelled immediately following such event of forfeiture, and (ii) Participant shall remit, upon demand by the Company, the "Repayment Amount" (as defined below).

(c) No Solicitation of Employees. During Participant's employment with the Company or any of its subsidiaries and until the date that is 2 years after date of termination for any reason, Participant will not, directly or indirectly, solicit or encourage any person who was an employee of the Company or any of its subsidiaries during Participant's employment or during the

1 year immediately prior to Participant's date of termination ("Protected Employee"), to leave employment with the Company or any of its subsidiaries or assist in any way with the hiring of any Protected Employee by any future employer, person or other entity including but not limited to referral, identification for potential employment, recommendation, interview, or direct or indirect supervision.

(d) No Solicitation of Customers or Vendors. During Participant's employment with the Company or any of its subsidiaries and until the date that is 2 years after date of termination for any reason, Participant will not, directly or indirectly, solicit the Company's customers or vendors who were customers or vendors during the 1 year immediately prior to Participant's date of termination to divert their business away from or otherwise interfere with the business relationships of the Company with its customers and/or vendors on Participant's behalf or on behalf of any other entity or person. The foregoing restrictions shall only apply to those Company customers or vendors with whom Participant had direct contact during the 1 year immediately prior to Participant's date of termination.

(e) The "Repayment Amount" is (1) The excess of (i) the aggregate Fair Market Value, on the date of exercise, of the shares of Common Stock for which this Option was exercised over (ii) the aggregate option price for such shares of Common Stock; and, (2) The aggregate aftertax proceeds received by Participant upon the exercise of any Option granted under the terms of the Plan and this Agreement. The Repayment Amount shall be payable in cash (which shall include a certified check or bank check), by the tender of shares of Common Stock or by a combination of cash and Common Stock; provided that, regardless of the Fair Market Value of such shares at the time of tender, the tender of the shares shall satisfy the obligation to pay the Repayment Amount for the same number of shares of Common Stock delivered to the Company.

(f) For purposes of this Agreement, Participant will be deemed to be engaged in a "Competing Activity" if Participant, acting in the same or similar capacity in which Participant performed services for the Company or acting in a capacity which involves executive, managerial, financial or other significant leadership responsibilities, owns, manages, operates, controls, is employed by, or participates in as a 5% or greater shareholder, partner, member or joint venturer, in a Competing Enterprise, or engages in, as an independent contractor or otherwise, a Competing Enterprise for himself or on behalf of another person or entity. A "Competing Enterprise" is any business engaged in any market which is a part of the Home Improvement Business as described below (i) with total annual sales or revenues of at least five hundred million dollars ($500 million USD) and (ii) with retail locations or distribution facilities in a US State or the District of Columbia or which engages in providing goods and/or services within the Home Improvement Business to customers in the United States through electronic means (internet, mobile application, etc.), including but not limited to the following entities: The Home Depot, Inc.; Sears Holdings, Inc. or Transform Holdco LLC; Menard, Inc.; Amazon.com, Inc.; Ace Hardware Corp.; Lumber Liquidators Holdings, Inc.; Wayfair, Inc.; Walmart, Inc.; Best Buy, Inc.; HD Supply Holding, Inc.; Floor & Décor Holdings, Inc.; and True Value Company.

The Company and its affiliated entities comprise an omni-channel provider of home improvement products and supplies for maintenance, repair, remodeling, and decorating as well as appliances, installation and other services, supplies for the multi-family housing industry, and supplies for builders, contractors, and maintenance professionals (the "Home Improvement Business"). The Company operates retail locations and support facilities and offers products and services to consumers in all 50 states, the District of Columbia, and Canada through traditional retail locations, sales organizations, and on-line channels. The Company's Home Improvement Business requires a complex sourcing and supply network, multi-channel distribution and delivery systems, innovative information technology resources, and a robust infrastructure support organization.

Participant recognizes and acknowledges that the Company has a legitimate business interest in maintaining its competitive position in a dynamic industry and that restricting Participant for a reasonable period from performing work for, providing services to, or owning more than a 5% interest in an enterprise which engages in business activities which are in competition with the Company is reasonable and appropriate. Participant further acknowledges that the Company's business would likely be damaged by Participant's engaging in competitive work activity during the non-competition period detailed above. Participant agrees that in Participant's position with the Company, Participant was provided access to or helped develop business information proprietary to the Company and that Participant would inevitably disclose or otherwise utilize such information if Participant were to work for, provide services to, or own a substantial interest in a Competing Enterprise during the non-competition period.

Should Participant wish to undertake a Competing Activity during Participant's employment or before the expiration of the above-referenced 2-year period, Participant must request written permission from the Executive Vice President, Human Resources of the Company before undertaking such Competing Activity. The Company may approve or not approve the Competing Activity at its sole discretion.

(g) Injunctive Relief. Grantee agrees that the provisions herein are important to and of material consideration to the Company and that a breach of these provisions will cause irreparable harm to the Company and the Company considers that monetary damages alone are an inadequate remedy to the Company for any such breach. Grantee further stipulates that, upon any breach by Grantee of the provisions herein the Company shall be entitled to injunctive relief against Grantee without the necessity to post a bond or, if such bond is nevertheless required, Grantee consents to setting such bond at the lowest amount permitted by law. This section shall not be deemed to limit the legal and equitable remedies available to the Company or to limit the nature and extent of any claim by the Company for damages caused by Grantee for breach of this Agreement.

(h) No Waiver. Nothing contained in this paragraph 5 shall be interpreted as or deemed to constitute a waiver of, or diminish or be in lieu of, any other rights that the Company or a Subsidiary may possess as a result of Participant's misconduct or involvement with a business competing with the business of the Company or a Subsidiary.

6. **Minimum Exercise**. This Option may not be exercised for less than fifty shares of Common Stock unless it is exercised for the full number of shares that remain subject to the Option.

7. **Fractional Shares**. Fractional shares shall not be issuable hereunder, and when any provision hereof otherwise would entitle Participant to a fractional share, the Committee shall determine, in its discretion, whether such fractional share shall be disregarded, whether cash shall be given in lieu of a fractional share, or whether such fractional share shall be eliminated by rounding up.

8. **No Right to Continued Employment**. This Option does not confer upon Participant any right with respect to continuance of employment by the Company or a Subsidiary, nor shall it interfere in any way with the right of the Company or a Subsidiary to terminate his employment at any time.

9. **Change in Capital Structure**. In the event of a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the terms of this Option shall be adjusted as provided in the Plan.

10. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of North Carolina other than its choice of laws provisions to the extent that such provisions would require or permit the application of the laws of a state other than North Carolina. Each of the Parties to this Agreement consents to submit to the personal jurisdiction and venue of the Charlotte Division of the U.S. District Court for the Western Division of North Carolina or the North Carolina Superior Court by motion or request for leave from any such court. Each of the Parties further waives any right to seek change of venue from such Court due to inconvenient forum or other similar justification and will pay to the other Parties the costs associated with responding to or otherwise opposing any motion or request for such relief.

11. **Conflicts**. In the event of any conflict between the provisions of the Plan as in effect on the date hereof and the provisions of this Agreement, the provisions of the Plan shall govern; provided, however, that the use of different definitions for certain terms in this Agreement from the definitions of such terms in the Plan shall not be deemed to be a conflict with the Plan. All references herein to the Plan shall mean the Plan, as it may be amended from time to time.

12. **Participant Bound by Plan**. Participant hereby acknowledges that a copy of the Plan has been made available to Participant and agrees to be bound by all the terms and provisions thereof.

13. **Binding Effect**. Subject to the limitations stated above and in the Plan, this Agreement shall be binding upon and inure to the benefit of the legatees, distributees, and personal representatives of Participant and the successors of the Company.

14. **Incorporation of Notice**. The Notice is incorporated by reference and made a part of this Agreement.

Exhibit A

Lowe's Companies, Inc.
1000 Lowes Boulevard
Mail Code CBT11
Mooresville, NC 28117
Fax: (704) 757-0640

Attention: Stock Plan Administration

RE: Exercise of Stock Option

Pursuant to the terms of the Stock Option Agreement between Lowe's Companies, Inc. and myself, I hereby give notice that I elect to exercise such Option as indicated below. Therefore, enclosed is cash or cash equivalent acceptable to the Administrator, or Common Stock and/or combination thereof in full payment of such option shares in accordance with said Agreement.

Type of exercise (check one): Hold All Shares ___ Sell-to-Cover ___ Sell All Shares ___

This request to exercise stock options relates to the following grant:

Date of Grant: ________________________________
Number of Options to exercise: ___________________

At this time, I am paying for the cost of the options and any applicable taxes due:

Amount of check: $____________________________

________________________	________________________	________________________
Signature	Date	Sales ID

Residence Mailing Address **or** Brokerage Account Information for Electronic Delivery:

_______________________________________ DTC #________________________
_______________________________________ Account # _____________________

Exhibit B

Certain Defined Terms

The following terms, as used in this Agreement, shall have the following meaning for purposes of this Agreement, notwithstanding any different definition for any such term as set forth in the Plan. Embedded defined terms have the definitions prescribed in the Plan.

"Retirement" of Participant means the voluntary termination of employment with approval of the Board at least six (6) months after the Date of Grant of this Option and on or after the date Participant has attained age fifty-five (55) and Participant's age plus years of service equal or exceed seventy (70); provided that, Participant has given the Board at least ten (10) days advance notice of such Retirement and participant has executed and not revoked a Release of Claims provided to Participant by the Company upon receipt of Participant's notice.

"Cause" to the extent permitted by the plan, shall be defined as any willful act or omission by Participant during their employment which participant knew or should have known was contrary to law or the reasonable policies, procedures, rules, expectations, codes, or guidelines of the Company. The definition of Cause shall also include the willful non-performance by Participant of the reasonable requirements of their position with the Company.

Exhibit 10.4

R E S T R I C T E D S T O C K A W A R D A G R E E M E N T

Non-transferable

G R A N T T O

____

(“Grantee”)

by Lowe’s Companies, Inc. (the “Company”) of

____

shares of its common stock, $0.50 par value (the “Shares”)

pursuant to and subject to the provisions of the Lowe’s Companies, Inc. 2006 Long Term Incentive Plan, as amended and restated (the “Plan”), and to the terms and conditions set forth on the following pages (the “Terms and Conditions”).

Except as otherwise provided in Section 2 of the Terms and Conditions, the Shares shall vest and no longer be subject to forfeiture as to the following percentage of the Shares awarded hereunder, on the following date:

Percentage of Shares	Date of Vesting
[]%	[]

Notwithstanding the vesting of the Shares on the Date of Vesting set forth above or as otherwise provided in Section 2 of the Terms and Conditions, the Shares shall be Non-transferable Shares until the expiration of the transfer restrictions set forth in Section 3 of the Terms and Conditions.

IN WITNESS WHEREOF, Lowe’s Companies, Inc., acting by and through its duly authorized officer, has caused this Agreement to be executed as of the Date of Grant.

LOWE’S COMPANIES, INC.

By:

Date of Grant:

Accepted by Grantee:

TERMS AND CONDITIONS

1. Grant of Shares. The Company hereby grants to Grantee the Shares indicated on the Restricted Stock Award Agreement grant notice (the "Grant Notice"), subject to the restrictions and the other terms and conditions set forth in the Plan, these Terms and Conditions and the Grant Notice (collectively, this "Agreement"), and any applicable recoupment or "clawback" policies of the Company, as in effect from time to time. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

2. Vesting of Shares. As of the Date of Grant, the Shares shall be "Unvested Shares" and fully forfeitable. The Unvested Shares shall become "Vested Shares" as of the earliest to occur of the following (the period prior to such vesting being referred to herein as the "Vesting Period"):

   (a) As of the Date of Vesting specified in the Grant Notice;

   (b) On the date of termination of Grantee's employment with the Company and its Subsidiaries by reason of Grantee's death, Disability or Retirement; or

   (c) On the date of termination of Grantee's employment with the Company and its Subsidiaries by the Company without Cause or by Grantee's resignation for Good Reason, in either case within twelve (12) months after the occurrence of a Change in Control.

   If Grantee's employment with the Company and its Subsidiaries terminates for any reason prior to the Unvested Shares becoming Vested Shares in accordance with this Section 2, Grantee shall forfeit all of Grantee's right, title and interest in and to the Unvested Shares as of the date of Grantee's termination of employment, and such Unvested Shares shall revert to the Company immediately following the event of forfeiture.

   The definition of "Retirement" for purposes of this Agreement shall have the following meaning and not the meaning assigned to such term in the Plan: The voluntary termination of employment with the approval of the Board at least six (6) months after the Date of Grant and on or after the date Grantee has attained age fifty-five (55) and Grantee's age plus years of service equal or exceed seventy (70); provided that, Grantee has given the Board at least ten (10) days advance notice of such Retirement and Grantee has executed and not revoked a Release of Claims provided to Grantee by the Company upon receipt of Grantee's notice.

3. Share Transfer Restrictions. "Non-transferable Shares" means those Shares that are subject to the transfer restrictions imposed under this Section 3 which restrictions have not expired or terminated. Non-transferable Shares may not be sold, transferred, exchanged, assigned, pledged, hypothecated or otherwise encumbered.

   The restrictions imposed under this Section shall apply to all shares of the Company's common stock or other securities issued with respect to Non-transferable Shares hereunder in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the common stock of the Company.

   The transfer restrictions imposed under this Section 3 will expire as to all of the Shares indicated in the Grant Notice on the earliest to occur of the following (the period prior to such expiration being referred to herein as the "Non-transferable Period"):

(a) On the Date of Vesting specified in the Grant Notice;

(b) On the date of termination of Grantee's employment with the Company and its Subsidiaries by reason of Grantee's death or Disability; or

(c) On the date of termination of Grantee's employment with the Company and its Subsidiaries by the Company without Cause or by Grantee's resignation for Good Reason, in either case within twelve (12) months after the occurrence of a Change in Control.

4. Delivery of Shares. The Shares will be registered in the name of Grantee as of the Date of Grant and will be held by the Company during the Non-transferable Period in certificated or uncertificated form. If a certificate for Non-transferable Shares is issued during the Non-transferable Period, such certificate shall be registered in the name of Grantee and shall bear a legend in substantially the following form (in addition to any legend required under applicable state securities laws):

"This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in a Restricted Stock Award Agreement between the registered owner of the shares represented hereby and Lowe's Companies, Inc. Release from such terms and conditions shall be made only in accordance with the provisions of such Agreement, copies of which are on file in the offices of Lowe's Companies, Inc."

Stock certificates for the Shares, without the above legend, shall be delivered to Grantee or Grantee's designee upon request of Grantee after the expiration of the Non-transferable Period, but delivery may be postponed for such period as may be required for the Company with reasonable diligence to comply if deemed advisable by the Company, with registration requirements under the Securities Act of 1933, listing requirements under the rules of any stock exchange, and requirements under any other law or regulation applicable to the issuance or transfer of the Shares.

5. Voting and Dividend Rights. Grantee, as beneficial owner of the Shares, shall have full voting and dividend rights with respect to the Shares during and after the Vesting Period and Non-transferable Period. If Grantee forfeits any rights Grantee may have under this Agreement, Grantee shall no longer have any rights as a shareholder with respect to the Shares or any interest therein and Grantee shall no longer be entitled to receive dividends on such Shares. In the event that for any reason Grantee shall have received dividends upon such Shares after such forfeiture, Grantee shall repay to the Company an amount equal to such dividends.

6. Competing Activity. If Grantee engages in any Competing Activity during Grantee's employment with the Company or a Subsidiary or within 2 years after the termination of Grantee's employment with the Company or its Subsidiaries for any reason, (i) Grantee shall forfeit all of Grantee's right, title and interest in and to any Unvested Shares or Non-transferable Shares as of the time of the Grantee's engaging in such Competing Activity and such Shares shall revert to the Company immediately following such event of forfeiture, and (ii) Grantee shall remit, upon demand by the Company, the "Repayment Amount" (as defined in the following sentence), with respect to any Shares that were granted to Grantee under the terms of this Agreement.

The "Repayment Amount" is the aggregate Fair Market Value of the Shares at the time of delivery to Grantee. The Repayment Amount shall be payable in cash (which shall include a certified check or bank check), by the tender of shares of Common Stock or by a combination of cash and Common Stock; provided that, regardless of the Fair Market Value of such shares at the time of tender, the tender of the shares shall satisfy the obligation to pay the Repayment Amount for the same number of shares of Common Stock delivered to the Company.

For purposes of this Agreement, Grantee will be deemed to be engaged in a "Competing Activity" if Grantee, acting in the same or similar capacity in which Grantee performed services for the Company or acting in a capacity which involves executive, managerial, financial or other significant leadership responsibilities, owns, manages, operates, controls, is employed by, or participates in as a 5% or greater shareholder, partner, member or joint venturer, in a Competing Enterprise, or engages in, as an independent contractor or otherwise, a Competing Enterprise for himself or on behalf of another person or entity. A "Competing Enterprise" is any business engaged in any market which is a part of the Home Improvement Business as described below (i) with total annual sales or revenues of at least five hundred million dollars ($500 million USD) and (ii) with retail locations or distribution facilities in a US State or the District of Columbia or which engages in providing goods and/or services within the Home Improvement Business to customers in the United States through electronic means (internet, mobile application, etc.), including but not limited to the following entities: The Home Depot, Inc.; Sears Holdings, Inc. or Transform Holdco LLC; Menard, Inc.; Amazon.com, Inc.; Ace Hardware Corp.; Lumber Liquidators Holdings, Inc.; Wayfair, Inc.; Walmart, Inc.; Best Buy Co., Inc., HD Supply Holding, Inc.; Floor & Décor Holdings, Inc.; and True Value Company.

The Company and its affiliated entities comprise an omni-channel provider of home improvement products and supplies for maintenance, repair, remodeling, and decorating as well as appliances, installation and other services, supplies for the multi-family housing industry, and supplies for builders, contractors, and maintenance professionals (the "Home Improvement Business"). The Company operates retail locations and support facilities and offers products and services to consumers in all 50 states, the District of Columbia, and Canada through traditional retail locations, sales organizations, and on-line channels. The Company's Home Improvement Business requires a complex sourcing and supply network, multi-channel distribution and delivery systems, innovative information technology resources, and a robust infrastructure support organization.

Grantee recognizes and acknowledges that the Company has a legitimate business interest in maintaining its competitive position in a dynamic industry and that restricting Grantee for a reasonable period from performing work for, providing services to, or owning more than a 5% interest in an enterprise which engages in business activities which are in competition with the Company is reasonable and appropriate. Grantee further acknowledges that the Company's business would likely be damaged by Grantee's engaging in competitive work activity during the non-competition period detailed above. Grantee agrees that in Grantee's position with the Company, Grantee was provided access to or helped develop business information proprietary to the Company and that Grantee would inevitably disclose or otherwise utilize such information if Grantee were to work for, provide services to, or own a substantial interest in a Competing Enterprise during the non-competition period.

Should Grantee wish to undertake a Competing Activity during Grantee's employment or before the expiration of the above-referenced 2-year period, Grantee must request written permission from the Executive Vice President, Human Resources of the Company before undertaking such Competing Activity. The Company may approve or not approve the Competing Activity at its sole discretion.

Nothing contained in this Section 6 shall be interpreted as or deemed to constitute a waiver of, or diminish or be in lieu of, any other rights that the Company or a Subsidiary may possess as a result of Grantee's misconduct or involvement with a business competing with the business of the Company or a Subsidiary. This section does not apply to Grantee if Grantee works in the State of California at the end of Grantee's employment with the Company.

7. <u>No Solicitation of Employees</u>. During Grantee's employment with the Company or any of its subsidiaries and until the date that is 2 years after date of termination for any reason, Grantee will not, directly or indirectly, solicit or encourage any person who was an employee of the Company or any of its subsidiaries during Grantee's employment or during the 1 year immediately prior to Grantee's date of termination ("Protected Employee"), to leave employment with the Company or any of its subsidiaries or assist in any way with the hiring of any Protected Employee by any future employer, person or other entity including but not limited to referral, identification for potential employment, recommendation, interview, or direct or indirect supervision.

8. <u>No Solicitation of Customers or Vendors</u>. During Grantee's employment with the Company or any of its subsidiaries and until the date that is 2 years after date of termination for any reason, Grantee will not, directly or indirectly, solicit the Company's customers or vendors who were customers or vendors during the 1 year immediately prior to Grantee's date of termination to divert their business away from or otherwise interfere with the business relationships of the Company with its customers and/or vendors on Grantee's behalf or on behalf of any other entity or person. The foregoing restrictions shall only apply to those Company customers or vendors with whom Grantee had direct contact during the 1 year immediately prior to Grantee's date of termination.

9. <u>Injunctive Relief</u>. Grantee agrees that the provisions herein are important to and of material consideration to the Company and that a breach of these provisions will cause irreparable harm to the Company and the Company considers that monetary damages alone are an inadequate remedy to the Company for any such breach. Grantee further stipulates that, upon any breach by Grantee of the provisions herein the Company shall be entitled to injunctive relief against Grantee without the necessity to post a bond or, if such bond is nevertheless required, Grantee consents to setting such bond at the lowest amount permitted by law. This section shall not be deemed to limit the legal and equitable remedies available to the Company or to limit the nature and extent of any claim by the Company for damages caused by Grantee for breach of this Agreement.

10. <u>No Right of Continued Employment</u>. Nothing in this Agreement shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate Grantee's employment at any time, nor confer upon Grantee any right to continue in the employ of the Company or any Subsidiary.

11. <u>Payment of Taxes</u>.

(a) Upon issuance of the Shares hereunder, Grantee may make an election to be taxed upon such award under Section 83(b) of the Code. To effect such election, Grantee may file an appropriate election with Internal Revenue Service within thirty (30) days after award of the Shares and otherwise in accordance with applicable Treasury Regulations.

(b) At the end of the Vesting Period, the Company will automatically withhold a number of Shares having a fair market value equal to an amount up to the maximum statutory rate to satisfy federal, state, local and foreign taxes (including Grantee's FICA obligation), unless Grantee notifies the Company thirty (30) days prior to the expiration and termination of the Vesting Period that he or she will satisfy his or her tax withholding obligations in cash.

(c) In the event Grantee chooses to satisfy Grantee's tax withholding obligations in cash *and* complies with the above notification requirement, Grantee will, no later than the date as of which any amount related to the Shares first becomes includable in Grantee's gross taxable income for federal income tax purposes, pay to the Company, or make other arrangements satisfactory to the Committee regarding payment of, any federal, state and local taxes of any kind (including Grantee's FICA obligation) required by law to be withheld with respect to such amount.

The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company, and, where applicable, its Subsidiaries will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Grantee.

12. Amendment. The Committee may amend or terminate this Agreement without the consent of Grantee; provided, however, that such amendment or termination shall not, without Grantee's consent, reduce or diminish the value of this award determined as if it had been fully vested (i.e., as if all restrictions on the Shares hereunder had expired) on the date of such amendment or termination.

13. Plan Controls. The terms contained in the Plan, including without limitation the antidilution adjustment provisions, are incorporated into and made a part of this Agreement, and this Agreement shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of the Plan shall be controlling and determinative.

14. Successors. This Agreement shall be binding upon any successor of the Company, in accordance with the terms of this Agreement and the Plan.

15. Severability. If any one or more of the provisions contained in this Agreement are invalid, illegal or unenforceable, the other provisions of this Agreement will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

16. Notice. Notices and communications under this Agreement must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to:

Lowe's Companies, Inc.
1000 Lowes Boulevard
Mooresville, NC 28117 United States of America

Attn: Stock Plan Administration

or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

17. Governing Law and Venue. This Agreement shall be governed by the laws of the State of North Carolina other than its choice of laws provisions to the extent that such provisions would require

or permit the application of the laws of a state other than North Carolina. Each of the Parties to this Agreement consents to submit to the personal jurisdiction and venue of the Charlotte Division of the U.S. District Court for the Western District of North Carolina, or if federal jurisdiction is not available, the North Carolina Superior Court in any action or proceeding arising out of or relating to this Agreement and specifically waives any right to attempt to deny or defeat personal jurisdiction of the U.S. District Court for the Western District of North Carolina or the North Carolina Superior Court by motion or request for leave from any such court. Each of the Parties further waives any right to seek change of venue from such Court due to inconvenient forum or other similar justification and will pay to the other Parties the costs associated with responding to or otherwise opposing any motion or request for such relief.

Exhibit 15.1

May 27, 2021

The Board of Directors and Stockholders of Lowe’s Companies, Inc.

Lowe’s Companies, Inc.
1000 Lowe’s Boulevard
Mooresville, North Carolina 28117

We are aware that our report dated May 27, 2021, on our review of the interim financial information of Lowe’s Companies, Inc. and subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended April 30, 2021, is incorporated by reference in the following Registration Statements:

Description	Registration Statement Number
Form S-3 ASR	
Lowe’s Stock Advantage Direct Stock Purchase Plan	333-248600
Debt Securities, Preferred Stock, Common Stock	333-226983
Form S-8	
Lowe’s 401(k) Plan	33-29772
Lowe’s Companies, Inc. Directors’ Stock Incentive Plan	33-54497
Lowe’s Companies, Inc. 1994 Incentive Plan	33-54499
Lowe’s Companies, Inc. 1997 Incentive Plan	333-34631
Lowe’s Companies, Inc. Directors’ Stock Option Plan	333-89471
Lowe’s Companies Benefit Restoration Plan	333-97811
Lowe’s Companies Cash Deferral Plan	333-114435
Lowe’s Companies, Inc. 2006 Long-Term Incentive Plan	333-138031; 333-196513
Lowe’s Companies Employee Stock Purchase Plan - Stock Options for Everyone	333-36096; 333-143266; 333-181950
Lowe’s Companies, Inc. 2020 Employee Stock Purchase Plan	333-249586

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina

Exhibit 31.1

CERTIFICATION

I, Marvin R. Ellison, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended April 30, 2021 of Lowe's Companies, Inc. (the Registrant);

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

(4) The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

(5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

May 27, 2021	/s/ Marvin R. Ellison
Date	Marvin R. Ellison President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, David M. Denton, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended April 30, 2021 of Lowe’s Companies, Inc. (the Registrant);

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

(4) The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

(5) The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

May 27, 2021	/s/ David M. Denton
Date	David M. Denton Executive Vice President, Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Lowe's Companies, Inc. (the Company) for the period ended April 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Marvin R. Ellison, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Marvin R. Ellison
Marvin R. Ellison
President and Chief Executive Officer
May 27, 2021

Exhibit 32.2

**Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Lowe's Companies, Inc. (the Company) for the period ended April 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David M. Denton, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David M. Denton
David M. Denton
Executive Vice President, Chief Financial Officer
May 27, 2021

AMENDMENT NUMBER ELEVEN TO THE
LOWE’S 401(k) PLAN

This Amendment Number Eleven to the Lowe’s 401(k) Plan, as last restated effective as of January 1, 2013 (the “Plan”), is adopted by Lowe’s Companies, Inc. (the “Company”).

WITNESSETH:

WHEREAS, the Company currently maintains the Plan for the benefit of its eligible employees and the eligible employees of its subsidiaries which have adopted and participate in the Plan; and

WHEREAS, the Company desires to amend the Plan to add Roth contributions pursuant to Internal Revenue Code Section 402A; and

WHEREAS, under Section 15 of the Plan, the Company may amend the Plan in whole or in part at any time;

NOW, THEREFORE, the Company hereby amends the Plan effective as of April 3, 2021 as follows:

1. The definition of “Account” in Section 2 is amended to state as follows:

   The separate record maintained for each Participant to reflect all allocations and distributions with respect to the Participant under the Plan. Each Participant may have a Salary Deferral Account, a Roth Account, a Matching Account, an ESOP Diversification Account, an ESOP Account, a Rollover Account, a Roth Rollover Account, or any other Account or sub-account established by the Committee from time to time. See Section 6.

2. The following new definition shall be added to Section 2:

   Roth Contributions. . . . . Salary Deferral Contributions made pursuant to the elections of Participants in accordance with Section 4(j).

3. The following new definition shall be added to Section 2:

   Roth Account. . . . . The Account which reflects any interest attributable to Roth Contributions, other than Roth rollover contributions (which are reflected in the Roth Rollover Account). See Section 4(j).

4. The definition of “Salary Deferral Account” in Section 2 is amended to state as follows:

Salary Deferral Account. . . . . The Account which reflects each Participant’s interest attributable to pre-tax Salary Deferral Contributions.

5. Section 3(f) is amended to state as follows:

   (f) <u>Election to Make Salary Deferral Contributions</u>. In order to become a Participant, an eligible Employee shall elect to have Salary Deferral Contributions made by Lowe’s to the Trust on his behalf, as provided in Section 4(a). Salary Deferral Contributions shall be made, at the eligible Employee’s election, on a pre-tax basis, or pursuant to Section 4(j), as Roth Contributions. An eligible Employee must make such an election to be eligible to receive Company Match Contributions under Section 4(c). An eligible Employee may elect to have Salary Deferral Contributions made on his behalf (and become a Participant) at any time after he has satisfied the requirements of Section 3(a).

6. The following sentence shall be added to the end of Section 4(a):

   Salary Deferral Contributions shall be made, at the eligible Employee’s election, on a pre-tax basis, or pursuant to Section 4(j), as Roth Contributions.

7. The second sentence of Section 4(b) shall be revised to read as follows:

   A Participant who makes an election, or is deemed to have made an election, to reduce his Deferral Compensation under Section 4(a) or 4(j), and who is eligible to make Catch-Up Contributions in accordance with this Section 4(b), shall be deemed to have elected to make Catch-Up Contributions to the extent the Participant’s Salary Deferral Contributions (including, if elected, Roth Contributions) made in accordance with the Participant’s compensation reduction election, or deemed election, under Section 4(a) or 4(j) would exceed the limitation of Code Section 402(g) or 415.

8. Section 4(i)(i) is amended to state as follows:

   (i) The Plan will accept a direct rollover of a distribution made to the Plan on behalf of such an Employee from (A) a qualified plan described in Section 401(a) or 403(a) of the Code, including after- tax employee contributions and Roth Contributions, (B) an annuity contract described in Section 403(b) of the Code, excluding after- tax employee contributions, or (C) an eligible plan under Section 457(b) of the Code that is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state. The Plan will only accept a rollover contribution to a Roth Rollover Account if it is directly from another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c).

9. The following Section 4(j) shall be added to the Plan to read as follows:

(j) Roth Contributions. Effective for the pay period beginning April 3, 2021 and thereafter, the Plan will accept Roth Contributions made on behalf of Participants. A Roth Contribution is a Salary Deferral Contribution that is (i) an elective deferral designated irrevocably by the Participant at the time of the cash or deferred election as a Roth Contribution that is being made in lieu of all or a portion of the pre-tax Salary Deferral Contributions the Participant is otherwise eligible to make under the Plan, subject to the same limitations in combination with such pre-tax Salary Deferral Contributions, and (ii) treated by Lowe's as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election. Contributions and withdrawals of Roth Contributions will be credited and debited to the Roth Account maintained for each Participant. The Plan will maintain a record of the amount of Roth Contributions in each Participant's Roth Account. Gains, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis to each Participant's Roth Account and the Participant's other Accounts under the Plan. No contributions other than Roth Contributions and properly attributable earnings will be credited to each Participant's Roth Account.

A Participant may elect to receive a withdrawal from the Participant's Roth Account subject to the same conditions and restrictions applicable to in-service withdrawals from the Participant's Salary Deferral Account under Section 10. The Committee shall establish rules and procedures applicable to the making and distribution of Roth Contributions that are not inconsistent with the provisions of this Section 4(j).

Notwithstanding the foregoing, a Participant may not elect Roth Contributions under the Plan after January 1 of a Plan Year if the

Participant has made the irrevocable election to participate in the Lowe's Companies Benefit Restoration Plan (the "BRP") for that Plan Year. Participants of the BRP may elect to make Roth Contributions under this Plan, but such election must be made prior to or contemporaneous with the Participant's irrevocable election to participate in the BRP for a specific Plan Year, and the election to make Roth Contributions is irrevocable during the Plan Year in which the Participant is also participating in the BRP. Regardless of BRP participation, a Participant is eligible to roll over Roth deferrals to the Roth Rollover Account in accordance with Section 4(i)(i).

10. The first sentence of Section 5 is amended to state:

Trust Assets under the Plan attributable to Salary Deferral Accounts, Roth Accounts, Rollover Accounts, Roth Rollover Accounts, Matching Accounts, ESOP Diversification Accounts and ESOP Accounts shall be invested by the Trustee as directed by Participants in the investment funds (and options) available under the Plan as set forth below.

11. The first sentence of Section 6(a) shall be amended to read as follows:

The Salary Deferral Account, Roth Account, Matching Account and Catch-Up Account maintained for each Participant will be credited throughout each Plan Year with Salary Deferral Contributions, Roth Contributions, Company Match Contributions, and Catch-Up Contributions respectively made on a Participant's behalf pursuant to Sections 4(a), (b), (c) and (j) of the Plan.

12. Section 9(d) is amended to state as follows:

(d) Automatic Cashout and Mandatory Rollover. If a terminated Participant's vested Capital Accumulation (excluding any amount in a Rollover Account, but including any amount in a Roth Rollover Account) does not exceed $5,000, the Participant's vested Capital Accumulation shall be distributed in accordance with this paragraph (d).

If a terminated Participant's vested Capital Accumulation (including any amount in any Rollover Account) does not exceed $1,000, unless the Participant elects to have such distribution paid directly to an "eligible retirement plan" in a direct rollover as provided in Section 9(g), the Participant's vested Capital Accumulation shall be distributed to the Participant or the Participant's Beneficiary as soon as administratively practicable following the Participant's separation from Service. If the distribution of a terminated Participant's vested Capital Accumulation is subject to this paragraph and, including any amount in any Rollover Account, exceeds $1,000, unless the Participant elects to receive the distribution directly, the Participant's vested Capital Accumulation shall be distributed in a direct rollover to an individual retirement plan designated by the Participant, or if the Participant fails to make such designation, by the Committee. For purposes of determining whether a direct rollover to an individual retirement plan is required, amounts within Roth and Roth Rollover Accounts are considered separately from the Participant's other non-Roth Accounts in determining whether the total amount of the Participant's Capital Accumulation exceeds $1,000 (should a Participant's non-Roth Accounts exceed $1,000 while a Participant's Roth and Roth Rollover Accounts total less than $1,000, only the Participant's non- Roth Account balances are subject to a direct rollover to an individual retirement plan in the absence of an affirmative election by the Participant to receive a cash distribution or elect a rollover).

13. The first sentence of Section 9(f) is amended to state as follows:

    If a Participant's Capital Accumulation (excluding any amount in any Rollover Account, but including any amount in a Roth Rollover Account) exceeds $5,000, his Capital Accumulation shall not be distributed to him before he attains age 62 without his consent.

14. The last sentence of Section 9(g) is deleted and the following is added to the end of Section 9(g):

    Notwithstanding the foregoing, a direct rollover of a distribution from a Roth Account or Roth Rollover Account under the Plan will be made only to another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 402(c).

15. The first sentence of Section 10(a) regarding Hardship Withdrawals shall be amended to read as follows:

    A Participant who is still employed by Lowe's shall be entitled to request a hardship withdrawal of all or a portion of his Salary Deferral Account, Rollover Account, Roth Rollover Account, ESOP Diversification Account, Catch-Up Contribution Account, or Roth Account; provided, however, that any earnings attributable to his

Salary Deferral Account, Roth Account or Catch-Up Contribution Account may not be withdrawn, and the minimum hardship withdrawal permissible shall be $1,000.

16. Except as expressly or by necessary implication amended by this Amendment Number Eleven, the Plan shall continue in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Amendment Number Ten to be executed by its duly authorized officer this 31st day of March 2021.

LOWE’S COMPANIES, INC.

By: /s/ David R. Green
David R. Green, Vice President, Tax
Administrative Committee Chair