

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 August 2, 2024

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 (State or other jurisdiction of incorporation or organization)	56-0578072 (I.R.S. Employer Identification No.)
1000 Lowes Blvd., Mooresville, North Carolina (Address of principal executive offices)	28117 (Zip Code)
Registrant's telephone number, including area code:	(704) 758-1000
Former name, former address and former fiscal year, if changed since last report: Not Applicable	

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 8/27/2024
Common Stock, \$0.50 par value	567,294,169

LOWE'S COMPANIES, INC.

- TABLE OF CONTENTS -

	Page No.
Forward-Looking Statements	ii
PART I - Financial Information	1
Item 1. Financial Statements	1
Consolidated Statements of Earnings	1
Consolidated Statements of Comprehensive Income	1
Consolidated Balance Sheets	2
Consolidated Statements of Shareholders' Deficit	3
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6
Note 1: Summary of Significant Accounting Policies	6
Note 2: Revenue	6
Note 3: Restricted Investments	7
Note 4: Fair Value Measurements	8
Note 5: Accounts Payable	9
Note 6: Debt	9
Note 7: Derivative Instruments	10
Note 8: Shareholders' Deficit	10
Note 9: Earnings Per Share	11
Note 10: Supplemental Disclosure	12
Report of Independent Registered Public Accounting Firm	13
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 3. Quantitative and Qualitative Disclosures about Market Risk	20
Item 4. Controls and Procedures	20
PART II - Other Information	21
Item 1. Legal Proceedings	21
Item 1A. Risk Factors	21
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	21
Item 5. Other Information	21
Item 6. Exhibits	22
Signature	23

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 (including objectives related to environmental and social matters), business outlook, priorities, sales growth, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for products and services including customer acceptance of new offerings and initiatives, macroeconomic conditions and consumer spending, share repurchases, and 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 volatility and/or lack of liquidity from time to time in U.S. and world financial markets and the consequent reduced availability and/or higher cost of borrowing to Lowe’s and its customers, slower rates of growth in real disposable personal income that could affect the rate of growth in consumer spending, inflation and its impacts on discretionary spending and on our costs, shortages, and other disruptions in the labor supply, interest rate and currency fluctuations, home price appreciation or decreasing housing turnover, age of housing stock, the availability of consumer credit and of mortgage financing, trade policy changes or additional tariffs, outbreaks of pandemics, fluctuations in fuel and energy costs, inflation or deflation of commodity prices, natural disasters, geopolitical or armed conflicts, acts of both domestic and international terrorism, 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” and “Item 7 - Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates” in our most recent Annual Report on Form 10-K and as may be updated from time to time in our quarterly reports on Form 10-Q or other subsequent filings with the SEC. 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				Six Months Ended			
	August 2, 2024		August 4, 2023		August 2, 2024		August 4, 2023	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Current Earnings								
Net sales	\$ 23,586	100.00 %	\$ 24,956	100.00 %	\$ 44,950	100.00 %	\$ 47,304	100.00 %
Cost of sales	15,691	66.53	16,557	66.34	29,965	66.66	31,378	66.33
Gross margin	7,895	33.47	8,399	33.66	14,985	33.34	15,926	33.67
Expenses:								
Selling, general and administrative	4,025	17.07	4,086	16.38	8,034	17.88	7,912	16.73
Depreciation and amortization	423	1.79	427	1.71	851	1.89	841	1.78
Operating income	3,447	14.61	3,886	15.57	6,100	13.57	7,173	15.16
Interest – net	317	1.34	341	1.36	669	1.49	689	1.45
Pre-tax earnings	3,130	13.27	3,545	14.21	5,431	12.08	6,484	13.71
Income tax provision	747	3.17	872	3.50	1,294	2.88	1,551	3.28
Net earnings	\$ 2,383	10.10 %	\$ 2,673	10.71 %	\$ 4,137	9.20 %	\$ 4,933	10.43 %
Weighted average common shares outstanding – basic	568		584		570		590	
Basic earnings per common share	\$ 4.18		\$ 4.56		\$ 7.24		\$ 8.34	
Weighted average common shares outstanding – diluted	570		585		571		591	
Diluted earnings per common share	\$ 4.17		\$ 4.56		\$ 7.23		\$ 8.32	

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				Six Months Ended			
	August 2, 2024		August 4, 2023		August 2, 2024		August 4, 2023	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Net earnings	\$ 2,383	10.10 %	\$ 2,673	10.71 %	\$ 4,137	9.20 %	\$ 4,933	10.43 %
Foreign currency translation adjustments – net of tax	—	—	5	0.01	—	—	5	0.01
Cash flow hedges – net of tax	(3)	(0.01)	(3)	(0.01)	(6)	(0.01)	(6)	(0.02)
Other	2	0.01	—	—	1	—	—	—
Other comprehensive (loss)/income	(1)	—	2	—	(5)	(0.01)	(1)	(0.01)
Comprehensive income	\$ 2,382	10.10 %	\$ 2,675	10.71 %	\$ 4,132	9.19 %	\$ 4,932	10.42 %

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

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

	August 2, 2024	August 4, 2023	February 2, 2024
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,360	\$ 3,494	\$ 921
Short-term investments	330	374	307
Merchandise inventory – net	16,841	17,422	16,894
Other current assets	806	946	949
Total current assets	22,337	22,236	19,071
Property, less accumulated depreciation	17,515	17,373	17,653
Operating lease right-of-use assets	3,819	3,650	3,733
Long-term investments	292	182	252
Deferred income taxes – net	184	230	248
Other assets	787	850	838
Total assets	\$ 44,934	\$ 44,521	\$ 41,795
Liabilities and shareholders' deficit			
Current liabilities:			
Current maturities of long-term debt	\$ 1,290	\$ 592	\$ 537
Current operating lease liabilities	552	534	487
Accounts payable	10,336	10,333	8,704
Accrued compensation and employee benefits	1,055	1,026	954
Deferred revenue	1,417	1,566	1,408
Other current liabilities	3,596	3,561	3,478
Total current liabilities	18,246	17,612	15,568
Long-term debt, excluding current maturities	34,659	35,839	35,384
Noncurrent operating lease liabilities	3,738	3,611	3,737
Deferred revenue – Lowe's protection plans	1,256	1,231	1,225
Other liabilities	798	960	931
Total liabilities	58,697	59,253	56,845
Shareholders' deficit:			
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 – 568 million, 582 million, and 574 million shares, respectively	284	291	287
Capital in excess of par value	—	12	—
Accumulated deficit	(14,342)	(15,341)	(15,637)
Accumulated other comprehensive income	295	306	300
Total shareholders' deficit	(13,763)	(14,732)	(15,050)
Total liabilities and shareholders' deficit	\$ 44,934	\$ 44,521	\$ 41,795

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



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

	Three Months Ended August 2, 2024					
	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Shares	Amount				
Balance May 3, 2024	572	\$ 286	\$ —	\$ (15,188)	\$ 296	\$ (14,606)
Net earnings	—	—	—	2,383	—	2,383
Other comprehensive loss	—	—	—	—	(1)	(1)
Cash dividends declared, \$1.15 per share	—	—	—	(654)	—	(654)
Share-based payment expense	—	—	60	—	—	60
Repurchases of common stock	(4)	(2)	(129)	(883)	—	(1,014)
Issuance of common stock under share-based payment plans	—	—	69	—	—	69
Balance August 2, 2024	568	\$ 284	\$ —	\$ (14,342)	\$ 295	\$ (13,763)

	Six Months Ended August 2, 2024					
	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Shares	Amount				
Balance February 2, 2024	574	\$ 287	\$ —	\$ (15,637)	\$ 300	\$ (15,050)
Net earnings	—	—	—	4,137	—	4,137
Other comprehensive loss	—	—	—	—	(5)	(5)
Cash dividends declared, \$2.25 per share	—	—	—	(1,283)	—	(1,283)
Share-based payment expense	—	—	110	—	—	110
Repurchases of common stock	(7)	(4)	(193)	(1,559)	—	(1,756)
Issuance of common stock under share-based payment plans	1	1	83	—	—	84
Balance August 2, 2024	568	\$ 284	\$ —	\$ (14,342)	\$ 295	\$ (13,763)

Three Months Ended August 4, 2023

	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Shares	Amount				
Balance May 5, 2023	592	\$ 296	\$ —	\$ (15,310)	\$ 304	\$ (14,710)
Net earnings	—	—	—	2,673	—	2,673
Other comprehensive income	—	—	—	—	2	2
Cash dividends declared, \$1.10 per share	—	—	—	(641)	—	(641)
Share-based payment expense	—	—	58	—	—	58
Repurchases of common stock	(10)	(5)	(117)	(2,063)	—	(2,185)
Issuance of common stock under share-based payment plans	—	—	71	—	—	71
Balance August 4, 2023	582	\$ 291	\$ 12	\$ (15,341)	\$ 306	\$ (14,732)

Six Months Ended August 4, 2023

	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Shares	Amount				
Balance February 3, 2023	601	\$ 301	\$ —	\$ (14,862)	\$ 307	\$ (14,254)
Net earnings	—	—	—	4,933	—	4,933
Other comprehensive loss	—	—	—	—	(1)	(1)
Cash dividends declared, \$2.15 per share	—	—	—	(1,266)	—	(1,266)
Share-based payment expense	—	—	113	—	—	113
Repurchases of common stock	(21)	(11)	(176)	(4,146)	—	(4,333)
Issuance of common stock under share-based payment plans	2	1	75	—	—	76
Balance August 4, 2023	582	\$ 291	\$ 12	\$ (15,341)	\$ 306	\$ (14,732)

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



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

	Six Months Ended	
	August 2, 2024	August 4, 2023
Cash flows from operating activities:		
Net earnings	\$ 4,137	\$ 4,933
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	967	941
Noncash lease expense	260	241
Deferred income taxes	66	23
(Gain)/loss on property and other assets – net	(4)	23
Gain on sale of business	(43)	(67)
Share-based payment expense	110	113
Changes in operating assets and liabilities:		
Merchandise inventory – net	53	1,109
Other operating assets	129	224
Accounts payable	1,679	(191)
Other operating liabilities	61	(1,381)
Net cash provided by operating activities	7,415	5,968
Cash flows from investing activities:		
Purchases of investments	(628)	(878)
Proceeds from sale/maturity of investments	571	811
Capital expenditures	(808)	(765)
Proceeds from sale of property and other long-term assets	22	17
Proceeds from sale of business	43	123
Other – net	—	(23)
Net cash used in investing activities	(800)	(715)
Cash flows from financing activities:		
Net change in commercial paper	—	(499)
Net proceeds from issuance of debt	—	2,983
Repayment of debt	(47)	(45)
Proceeds from issuance of common stock under share-based payment plans	84	76
Cash dividend payments	(1,262)	(1,257)
Repurchases of common stock	(1,930)	(4,356)
Other – net	(21)	(9)
Net cash used in financing activities	(3,176)	(3,107)
Net increase in cash and cash equivalents	3,439	2,146
Cash and cash equivalents, beginning of period	921	1,348
Cash and cash equivalents, end of period	\$ 4,360	\$ 3,494

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 consolidated balance sheets as of August 2, 2024, and August 4, 2023, and the statements of earnings, comprehensive income, and shareholders' deficit for the three and six months ended August 2, 2024, and August 4, 2023, and cash flows for the six months ended August 2, 2024, and August 4, 2023. The February 2, 2024, 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 February 2, 2024 (the Annual Report). The financial results for the interim periods may not be indicative of the financial results for the entire fiscal year.

Accounting Pronouncements Not Yet Adopted

There have been no significant changes in the accounting pronouncements not yet adopted from those disclosed in the Annual Report. Accounting pronouncements not disclosed in this Form 10-Q or in the Annual Report are either not applicable to the Company or are not expected to have a material impact to 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:

(In millions)	Three Months Ended		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
Products	\$ 22,709	\$ 24,035	\$ 43,396	\$ 45,605
Services	548	578	1,080	1,107
Other	329	343	474	592
Net sales	\$ 23,586	\$ 24,956	\$ 44,950	\$ 47,304

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	August 2, 2024	August 4, 2023	February 2, 2024
Anticipated sales returns	Other current liabilities	\$ 207	\$ 256	\$ 191
Right of return assets	Other current assets	119	149	111

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)	August 2, 2024	August 4, 2023	February 2, 2024
Retail deferred revenue	\$ 922	\$ 1,006	\$ 796
Stored-value cards deferred revenue	495	560	612
Deferred revenue	\$ 1,417	\$ 1,566	\$ 1,408

Deferred revenue - Lowe's protection plans

The Company defers revenues for its separately-priced long-term extended protection plan contracts (Lowe's protection plans) 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)	August 2, 2024	August 4, 2023	February 2, 2024
Deferred revenue - Lowe's protection plans	\$ 1,256	\$ 1,231	\$ 1,225

(In millions)	Three Months Ended		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
Lowe's protection plans deferred revenue recognized into sales	\$ 140	\$ 136	\$ 279	\$ 272
Lowe's protection plans claim expenses	50	54	104	107

Disaggregation of Revenues

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

(In millions)	Three Months Ended				Six Months Ended			
	August 2, 2024		August 4, 2023		August 2, 2024		August 4, 2023	
	Net Sales	%	Net Sales	%	Net Sales	%	Net Sales	%
Home Décor ¹	\$ 8,182	34.7 %	\$ 8,688	34.8 %	\$ 15,848	35.3 %	\$ 16,903	35.7 %
Hardlines ²	7,709	32.7	8,297	33.2	14,344	31.9	15,022	31.8
Building Products ³	7,085	30.0	7,336	29.4	13,740	30.6	14,239	30.1
Other	610	2.6	635	2.6	1,018	2.2	1,140	2.4
Total	\$ 23,586	100.0 %	\$ 24,956	100.0 %	\$ 44,950	100.0 %	\$ 47,304	100.0 %

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 Hardlines includes the following product categories: Hardware, Lawn & Garden, Seasonal & Outdoor Living, and Tools.

³ Building Products includes the following product categories: Building Materials, Electrical, Lumber, Millwork, and Rough Plumbing.

Note 3: Restricted Investments

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

(In millions)	August 2, 2024	August 4, 2023	February 2, 2024
Short-term restricted investments	\$ 330	\$ 374	\$ 307
Long-term restricted investments	292	182	252
Total restricted investments	\$ 622	\$ 556	\$ 559

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 August 2, 2024, August 4, 2023, and February 2, 2024:

(In millions)	Classification	Measurement Level	Fair Value Measurements at		
			August 2, 2024	August 4, 2023	February 2, 2024
Available-for-sale debt securities:					
U.S. Treasury securities	Short-term investments	Level 1	\$ 184	\$ 138	\$ 152
Money market funds	Short-term investments	Level 1	81	85	56
Commercial paper	Short-term investments	Level 2	29	17	5
Corporate debt securities	Short-term investments	Level 2	21	62	50
Certificates of deposit	Short-term investments	Level 1	13	72	42
Municipal obligations	Short-term investments	Level 2	2	—	2
U.S. Treasury securities	Long-term investments	Level 1	188	166	213
Corporate debt securities	Long-term investments	Level 2	79	14	35
Foreign government debt securities	Long-term investments	Level 2	22	—	4
Municipal obligations	Long-term investments	Level 2	3	2	—
Derivative instruments:					
Fixed-to-floating interest rate swaps	Other liabilities	Level 2	\$ 57	\$ 92	\$ 76

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, financial assets were classified within Level 1 of the fair value hierarchy. When quoted prices in active markets were not available, fair values for financial assets and liabilities classified within Level 2 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.

The Company has performance-based contingent consideration related to the fiscal 2022 sale of the Canadian retail business which is classified as a Level 3 long-term investment and such contingent consideration had an estimated fair value of zero as of August 2, 2024, August 4, 2023, and February 2, 2024. The Company's measurements of fair value of the contingent consideration are based on an income approach, which requires certain assumptions considering operating performance of the business and a risk-adjusted discount rate. Changes in the estimated fair value of the contingent consideration are recognized within selling, general and administrative expenses (SG&A) in the consolidated statements of earnings.

The rollforward of the fair value of contingent consideration for the three and six months ended August 2, 2024 and August 4, 2023, is as follows:

(In millions)	Three Months Ended		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
Beginning balance	\$ —	\$ —	\$ —	\$ 21
Change in fair value	43	—	43	102
Proceeds received	(43)	—	(43)	(123)
Ending balance	\$ —	\$ —	\$ —	\$ —

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

During the three and six months ended August 2, 2024, and August 4, 2023, 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, 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. As further described in [Note 7](#), certain long-term debt is associated with a fair value hedge and the changes in fair value of the hedged debt is included in the carrying value of long-term debt in the consolidated balance sheets. 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:

(In millions)	August 2, 2024		August 4, 2023		February 2, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Unsecured notes (Level 1)	\$ 35,440	\$ 32,748	\$ 35,881	\$ 31,898	\$ 35,409	\$ 32,757
Mortgage notes (Level 2)	1	1	2	2	2	2
Long-term debt (excluding finance lease obligations)	\$ 35,441	\$ 32,749	\$ 35,883	\$ 31,900	\$ 35,411	\$ 32,759

Note 5: Accounts Payable

The Company has an agreement with a third party to provide a supplier finance program which facilitates participating suppliers' ability to finance payment obligations from the Company with designated third-party financial institutions. Participating suppliers may, at their sole discretion, make offers to finance one or more payment obligations of the Company prior to their scheduled due dates at a discounted price to participating financial institutions. The Company's outstanding payment obligations that suppliers financed to participating financial institutions, which are included in accounts payable on the consolidated balance sheets, are as follows:

(In millions)	August 2, 2024	August 4, 2023	February 2, 2024
Financed payment obligations	\$ 1,447	\$ 1,475	\$ 1,356

Note 6: Debt

The Company's commercial paper program is supported by the \$2.0 billion five-year unsecured revolving credit agreement entered into in September 2023 (2023 Credit Agreement), which amended and restated the Company's \$2.0 billion five-year unsecured revolving credit agreement entered into in March 2020, and as amended (2020 Credit Agreement), and the \$2.0 billion five-year unsecured third amended and restated credit agreement entered into in December 2021, and as amended (Third Amended and Restated Credit Agreement). The amounts available to be drawn under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement are reduced by the amount of borrowings under the commercial paper program. As

of August 2, 2024, August 4, 2023, and February 2, 2024, there were no outstanding borrowings under the Company's commercial paper program, the 2023 Credit Agreement, or the Third Amended and Restated Credit Agreement. Total combined availability under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement was \$4.0 billion as of August 2, 2024.

Note 7: Derivative Instruments

The Company utilizes fixed-to-floating interest rate swap agreements as fair value hedges on certain debt. The notional amounts for the Company's material derivative instruments are as follows:

(In millions)	August 2, 2024	August 4, 2023	February 2, 2024
Fair value hedges:			
Fixed-to-floating interest rate swap agreements	\$ 850	\$ 850	\$ 850

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 settlement of the Company's hedging derivative financial instruments are classified in the consolidated statements of cash flows based on the nature of the underlying hedged items.

The Company accounts for the fixed-to-floating interest rate swap agreements as fair value hedges using the shortcut method of accounting under which the hedges are assumed to be perfectly effective. Thus, the change in fair value of the derivative instruments offsets the change in fair value on the hedged debt, and there is no net impact in the consolidated statements of earnings from the fair value of the derivatives.

Note 8: Shareholders' Deficit

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 returned to authorized and unissued status. Any excess of cost over par value is charged to additional paid-in capital to the extent that a balance is present. Once additional paid-in capital is fully depleted, remaining excess of cost over par value is charged to accumulated deficit. As of August 2, 2024, the Company had \$12.9 billion remaining in its share repurchase program.

During the six months ended August 2, 2024, the Company entered into Accelerated Share Repurchase (ASR) agreements with third-party financial institutions to repurchase a total of 3.0 million shares of the Company's common stock for \$700 million. The terms of the ASR agreements entered into during the six months ended August 2, 2024, 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 2024	Q1 2024	\$ 325	1.1	0.2	1.3
Q2 2024	Q2 2024	375	1.4	0.3	1.7

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

(In millions)	Three Months Ended August 2, 2024		Six Months Ended August 2, 2024	
	Shares	Cost	Shares	Cost
Open market share repurchases	2.7	\$ 637	4.1	\$ 964

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.



Total shares repurchased for the three and six months ended August 2, 2024, and August 4, 2023, were as follows:

(In millions)	Three Months Ended			
	August 2, 2024		August 4, 2023	
	Shares	Cost	Shares	Cost
Share repurchase program ¹	4.4	\$ 1,012	10.1	\$ 2,182
Shares withheld from employees	—	2	—	3
Total share repurchases	4.4	\$ 1,014	10.1	\$ 2,185

(In millions)	Six Months Ended			
	August 2, 2024		August 4, 2023	
	Shares	Cost	Shares	Cost
Share repurchase program ¹	7.1	\$ 1,664	20.0	\$ 4,200
Shares withheld from employees	0.4	92	0.7	133
Total share repurchases	7.5	\$ 1,756	20.7	\$ 4,333

¹ Includes excise tax on share repurchases in excess of issuances as part of the cost basis of the shares acquired.

Note 9: 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 and six months ended August 2, 2024, and August 4, 2023:

(In millions, except per share data)	Three Months Ended		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
Basic earnings per common share:				
Net earnings	\$ 2,383	\$ 2,673	\$ 4,137	\$ 4,933
Less: Net earnings allocable to participating securities	(6)	(7)	(10)	(13)
Net earnings allocable to common shares, basic	\$ 2,377	\$ 2,666	\$ 4,127	\$ 4,920
Weighted-average common shares outstanding	568	584	570	590
Basic earnings per common share	\$ 4.18	\$ 4.56	\$ 7.24	\$ 8.34
Diluted earnings per common share:				
Net earnings	\$ 2,383	\$ 2,673	\$ 4,137	\$ 4,933
Less: Net earnings allocable to participating securities	(6)	(7)	(10)	(13)
Net earnings allocable to common shares, diluted	\$ 2,377	\$ 2,666	\$ 4,127	\$ 4,920
Weighted-average common shares outstanding	568	584	570	590
Dilutive effect of non-participating share-based awards	2	1	1	1
Weighted-average common shares, as adjusted	570	585	571	591
Diluted earnings per common share	\$ 4.17	\$ 4.56	\$ 7.23	\$ 8.32
Anti-dilutive securities excluded from diluted weighted-average common shares	0.5	0.5	0.4	0.5

Note 10: Supplemental Disclosure

Net interest expense is comprised of the following:

(In millions)	Three Months Ended		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
Long-term debt	\$ 364	\$ 368	\$ 729	\$ 711
Short-term borrowings	—	1	—	15
Lease obligations	6	6	12	12
Interest income	(52)	(35)	(74)	(51)
Interest capitalized	(1)	(1)	(2)	(2)
Interest on tax uncertainties	—	—	3	—
Other	—	2	1	4
Interest – net	\$ 317	\$ 341	\$ 669	\$ 689

Supplemental disclosures of cash flow information:

(In millions)	Six Months Ended	
	August 2, 2024	August 4, 2023
Cash paid for interest, net of amount capitalized	\$ 735	\$ 716
Cash paid for income taxes – net ^{1,2}	1,004	2,565
Non-cash investing and financing activities:		
Leased assets obtained in exchange for new finance lease liabilities	\$ 33	\$ 22
Leased assets obtained in exchange for new operating lease liabilities ³	353	379
Cash dividends declared but not paid	654	641

¹ Cash paid for income taxes - net for the six months ended August 2, 2024 includes \$541 million of cash paid for the purchase of federal transferable tax credits.

² Cash paid for income taxes - net for the six months ended August 4, 2023 includes \$1.2 billion of estimated income tax payments for the third and fourth quarter of fiscal 2022 that were deferred under the Internal Revenue Service's income tax relief for businesses located in states affected by Hurricane Ian.

³ Excludes \$20 million of leases signed but not yet commenced as of August 2, 2024.



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 August 2, 2024 and August 4, 2023, the related consolidated statements of earnings, comprehensive income, and shareholders' deficit for the fiscal three-month and six-month periods ended August 2, 2024 and August 4, 2023, and cash flows for the fiscal six-month periods ended August 2, 2024 and August 4, 2023, 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 February 2, 2024, and the related consolidated statements of earnings, comprehensive income, shareholders' deficit, and cash flows for the fiscal year then ended (not presented herein); and in our report dated March 25, 2024, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of February 2, 2024, 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
August 29, 2024

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 and six months ended August 2, 2024, and August 4, 2023. 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 February 2, 2024 (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 fiscal 2023. This discussion and analysis is presented in four sections:

- [Executive Overview](#)
- [Operations](#)
- [Financial Condition, Liquidity and Capital Resources](#)
- [Critical Accounting Policies and Estimates](#)

EXECUTIVE OVERVIEW

The following table highlights our financial results:

(in millions, except per share data)	Three Months Ended		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
Net sales	\$ 23,586	\$ 24,956	\$ 44,950	\$ 47,304
Net earnings	2,383	2,673	4,137	4,933
Diluted earnings per share	4.17	4.56	7.23	8.32
Net cash provided by operating activities			\$ 7,415	\$ 5,968
Capital expenditures			808	765
Repurchases of common stock ¹			1,756	4,333
Cash dividend payments			1,262	1,257

¹ Repurchases of common stock on a trade-date basis.

Net sales in the second quarter of fiscal 2024 declined 5.5% to \$23.6 billion compared to net sales of \$25.0 billion in the second quarter of fiscal 2023. Comparable sales for the second quarter of fiscal 2024 decreased 5.1%, consisting of a 5.9% decrease in comparable customer transactions, partially offset by an increase of 0.8% in comparable average ticket. Net earnings in the second quarter of fiscal 2024 were \$2.4 billion, compared to net earnings of \$2.7 billion in the second quarter of fiscal 2023. Diluted earnings per common share were \$4.17 in the second quarter of fiscal 2024 compared to \$4.56 in the second quarter of fiscal 2023. Included in the second quarter of 2024 results was pre-tax income of \$43 million consisting of a realized gain on the contingent consideration associated with the fiscal 2022 sale of the Canadian retail business, which increased diluted earnings per common share by \$0.07. Excluding the impact of this item, adjusted diluted earnings per common share was \$4.10 in the second quarter of 2024 (see the [non-GAAP financial measures](#) discussion).

For the first six months of fiscal 2024, cash flows from operating activities were approximately \$7.4 billion, with \$808 million used for capital expenditures. Continuing to deliver on our commitment to return excess cash to shareholders, during the three months ended August 2, 2024, we repurchased \$1.0 billion of common stock and paid \$629 million in dividends.

Second quarter fiscal 2024 comparable sales declined 5.1% driven by continued softness in Do-It-Yourself (DIY) demand and unfavorable weather adversely impacting sales in seasonal and other outdoor categories. These pressures were partially offset by positive comparable sales with our Pro customers and online, demonstrating the importance of our ongoing investments in our Total Home strategy and the success of our expanded omnichannel fulfillment offerings.

Despite prolonged sales pressure this quarter, we delivered strong operating performance and disciplined expense management across the Company due to our continued progress of our Perpetual Productivity Improvement (PPI) initiatives. These PPI initiatives give us the agility to adapt and manage expenses in line with sales trends.

While the near-term macroeconomic environment remains uncertain, the core medium-to-long-term drivers of our business are strong: home price appreciation, disposable personal income, and aging housing stock. We also expect that current generational



trends will be supportive of home improvement demand over the long-term. We believe we are well-positioned for market share growth when the home improvement market recovers. In the meantime, we plan to invest in technology and innovation as part of our Total Home strategy, while maintaining operational discipline.

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	Six Months Ended		Basis Point Increase/(Decrease) in Percentage of Net Sales
	August 2, 2024	August 4, 2023		August 2, 2024	August 4, 2023	
Net sales	100.00 %	100.00 %	N/A	100.00 %	100.00 %	N/A
Gross margin	33.47	33.66	(19)	33.34	33.67	(33)
Expenses:						
Selling, general and administrative	17.07	16.38	69	17.88	16.73	115
Depreciation and amortization	1.79	1.71	8	1.89	1.78	11
Operating income	14.61	15.57	(96)	13.57	15.16	(159)
Interest – net	1.34	1.36	(2)	1.49	1.45	4
Pre-tax earnings	13.27	14.21	(94)	12.08	13.71	(163)
Income tax provision	3.17	3.50	(33)	2.88	3.28	(40)
Net earnings	10.10 %	10.71 %	(61)	9.20 %	10.43 %	(123)

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		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
Comparable sales decrease ¹	(5.1)%	(1.6)%	(4.6)%	(2.9)%
Total customer transactions (in millions)	230	244	437	458
Average ticket ²	\$ 102.71	\$ 102.35	\$ 102.82	\$ 103.33
At end of period:				
Number of stores	1,746	1,742		
Sales floor square feet (in millions)	195	195		
Average store size selling square feet (in thousands) ³	112	112		
Net earnings to average debt and shareholders' deficit	26.5 %	23.7 %		
Return on invested capital ⁴	30.9 %	27.8 %		

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 decide to close is no longer considered comparable as of the beginning of the month in which we announce its closing. Operating locations which are sold are included in comparable sales until the date of sale. Comparable sales are presented on a transacted basis when tender is accepted from a customer. Comparable sales include online sales, which positively impacted second quarter fiscal 2024 and fiscal 2023 comparable sales by approximately 30 basis points and 70 basis points, respectively, and year-to-date fiscal 2024 and fiscal 2023 sales by approximately 20 basis points and 65 basis points, respectively. The comparable store sales calculation included in the preceding table was calculated using comparable 13-week and 26-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.

⁴ Return on invested capital is calculated using a non-GAAP financial measure. 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 understanding the comparison of operational performance for fiscal 2024. Adjusted diluted earnings per share excludes the impact of a certain item, further described below, not contemplated in the Company's business outlook for fiscal 2024. There were no non-GAAP adjustments to diluted earnings per share for the three months ended August 4, 2023.

Fiscal 2024 Impacts

- In the second quarter of fiscal 2024, the Company recognized pre-tax income of \$43 million consisting of a realized gain on the contingent consideration associated with the fiscal 2022 sale of the Canadian retail business (Canadian retail business transaction).

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		
	August 2, 2024		
	Pre-Tax Earnings	Tax ¹	Net Earnings
Diluted earnings per share, as reported			\$ 4.17
Non-GAAP adjustments – per share impacts			
Canadian retail business transaction	(0.07)	—	(0.07)
Adjusted diluted earnings per share			\$ 4.10

¹ Represents the corresponding tax benefit or expense specifically related to the item excluded from adjusted diluted earnings per share.

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 financial returns. 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 shareholders' deficit. 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:



(In millions, except percentage data)	For the Periods Ended	
	August 2, 2024	August 4, 2023
Calculation of Return on Invested Capital		
Numerator		
Net Earnings	\$ 6,931	\$ 6,044
Plus:		
Interest expense – net	1,361	1,305
Operating lease interest	169	158
Provision for income taxes	2,191	2,452
Lease adjusted net operating profit	10,652	9,959
Less:		
Income tax adjustment ¹	2,559	2,874
Lease adjusted net operating profit after tax	\$ 8,093	\$ 7,085
Denominator		
Average debt and shareholders' deficit ²	\$ 26,160	\$ 25,504
Net earnings to average debt and shareholders' deficit	26.5 %	23.7 %
Return on invested capital³	30.9 %	27.8 %

¹ Income tax adjustment is defined as lease adjusted net operating profit multiplied by the effective tax rate, which was 24.0% and 28.9% for the periods ended August 2, 2024, and August 4, 2023, respectively.

² Average debt and shareholders' deficit 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 shareholders' deficit.

³ For the period ended August 4, 2023, return on invested capital was negatively impacted 750 basis points as a result of the sale of the Canadian retail business.

Results of Operations

Net Sales – Net sales in the second quarter of 2024 decreased 5.5% to \$23.6 billion. Comparable sales declined 5.1%, consisting of a 5.9% decline in comparable customer transactions, partially offset by a 0.8% increase in comparable average ticket.

During the second quarter of 2024, we experienced growth in Building Materials and performance above company average in Rough Plumbing, Electrical, and Millwork which reflect continued strong demand with the Pro customer. Comparable sales in Appliances also exceeded the company average as we continue to be an industry leader in this category.

Net sales decreased 5.0% to \$45.0 billion for the first six months of 2024 compared to 2023. Comparable sales also declined 4.6% over the same period, driven by a 4.6% decline in comparable customer transactions, while comparable average ticket was flat.

Gross Margin – For the second quarter of 2024, gross margin as a percentage of sales decreased 19 basis points. The gross margin contraction for the quarter is driven by higher costs associated with investments in our supply chain, partially offset by lower transportation costs and ongoing PPI initiatives.

Gross margin as a percentage of sales decreased 33 basis points in the first six months of 2024 compared to 2023, primarily due to the same factors that impacted gross margin for the second quarter, as well as a decline in credit revenue.

SG&A – For the second quarter of 2024, SG&A expense deleveraged 69 basis points as a percentage of sales compared to the second quarter of 2023, primarily due to cycling the prior year favorable legal settlement and lower sales, partially offset by the current year gain on contingent consideration associated with the fiscal 2022 sale of the Canadian retail business and our ongoing PPI initiatives to manage expenses in-line with sales trends.

SG&A expense as a percentage of sales deleveraged 115 basis points as a percentage of sales for the first six months of 2024 compared to 2023, primarily due to the same factors that impacted gross margin for the second quarter.

Depreciation and Amortization – Depreciation and amortization deleveraged eight basis points as a percentage of sales for the second quarter of 2024 compared to 2023.

Depreciation and amortization deleveraged 11 basis points as a percentage of sales for the first six months of 2024 compared to 2023.

Interest – Net – Net interest expense for the second quarter of 2024 leveraged two basis points as a percentage of sales.

Net interest expense for the first six months of 2024 deleveraged four basis points as a percentage of sales.

Income Tax Provision – Our effective income tax rates were 23.9% and 24.6% for the three months ended August 2, 2024 and August 4, 2023, respectively, and 23.8% and 23.9% for the six months ended August 2, 2024 and August 4, 2023, respectively.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

Cash flows from operations, combined with our continued access to capital markets on both a short-term and long-term basis, as needed, remain adequate to fund our operations, make strategic investments to support long-term growth, return excess cash to shareholders in the form of dividends and share repurchases, and repay debt maturities as they become due. We believe these sources of liquidity will continue to support our business for the next twelve months. As of August 2, 2024, we held \$4.4 billion of cash and cash equivalents, as well as \$4.0 billion in undrawn capacity on our revolving credit facilities.

Cash Flows Provided by Operating Activities

(In millions)	Six Months Ended	
	August 2, 2024	August 4, 2023
Net cash provided by operating activities	\$ 7,415	\$ 5,968

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 six months ended August 2, 2024, compared to the six months ended August 4, 2023, was primarily driven by timing of prior year income tax payments and other changes in working capital, partially offset by lower net earnings. Cash flows relating to changes in other operating liabilities improved \$1.4 billion driven by the first quarter of fiscal 2023 payment of our third and fourth quarter fiscal 2022 estimated federal tax payments that were deferred under the income tax relief announced by the Internal Revenue Service for businesses located in states impacted by Hurricane Ian. In addition, cash flows relating to changes in inventory and accounts payable increased \$819 million primarily due to timing of purchases as we managed inventory replenishment in line with sales trends.

Cash Flows Used in Investing Activities

(In millions)	Six Months Ended	
	August 2, 2024	August 4, 2023
Net cash used in investing activities	\$ (800)	\$ (715)

Net cash used in investing activities primarily consists of transactions related to 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. Capital expenditures were \$808 million and \$765 million for the six months ended August 2, 2024, and August 4, 2023, respectively. For fiscal 2024, our guidance for capital expenditures is approximately \$2.0 billion.

Cash Flows Used in Financing Activities

(In millions)	Six Months Ended	
	August 2, 2024	August 4, 2023
Net cash used in financing activities	\$ (3,176)	\$ (3,107)

Net cash used in financing activities primarily consists of transactions related to our debt, share repurchases, and cash dividend payments.



Debt

Our commercial paper program is supported by the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement. The amounts available to be drawn under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement are reduced by the amount of borrowings under our commercial paper program. There were no outstanding borrowings under our commercial paper program, 2023 Credit Agreement, or the Third Amended and Restated Credit Agreement as of August 2, 2024. Total combined availability under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement as of August 2, 2024, was \$4.0 billion.

The 2023 Credit Agreement and the Third Amended and Restated Credit Agreement contain customary representations, warranties, and covenants. We were in compliance with those covenants at August 2, 2024.

The following table includes additional information related to our debt for the six months ended August 2, 2024, and August 4, 2023:

(In millions)	Six Months Ended	
	August 2, 2024	August 4, 2023
Net proceeds from issuance of debt	\$ —	\$ 2,983
Repayment of debt	(47)	(45)
Net change in commercial paper	—	(499)
Maximum commercial paper outstanding at any period	250	2,195

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 cash used to repurchase shares for the six months ended August 2, 2024, and August 4, 2023:

(In millions, except per share data)	Six Months Ended	
	August 2, 2024	August 4, 2023
Total amount paid for share repurchases ¹	\$ 1,930	\$ 4,356
Total number of shares repurchased	8.4	21.0
Average price paid per share	\$ 230.91	\$ 207.60

¹ Excludes unsettled share repurchases and unpaid excise taxes.

As of August 2, 2024, we had \$12.9 billion remaining available under our share repurchase program with no expiration date. The Company determines the timing and amount of repurchases based on its assessment of various factors including prevailing market conditions, alternate uses of capital, liquidity, and the economic environment, among others. The timing and amount of these share repurchases are subject to change at any time.

Dividends

Dividends are paid in the quarter immediately following the quarter in which they are declared. Dividends paid per share increased from \$2.10 per share for the six months ended August 4, 2023, to \$2.20 per share for the six months ended August 2, 2024.

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 August 29, 2024, which we are disclosing to enhance understanding of our sources of liquidity and the effect of our ratings on our cost of funds. 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.

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 and estimates 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 interest rates and commodity prices. The Company’s market risks have not changed materially from those disclosed in the Annual Report for the fiscal year ended February 2, 2024.

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 August 2, 2024, 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.

The Company is undergoing a multi-year technology transformation which includes updating and modernizing our merchandise selling system, as well as certain accounting and finance systems. These updates are expected to continue for the next few years, and management will continue to evaluate the design and implementation of the Company’s internal controls over financial reporting as the transformation continues. No change in the Company’s internal control over financial reporting occurred during the quarter ended August 2, 2024, 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**

In addition to the matter referenced in our annual report on Form 10-K for the fiscal year ended February 2, 2024, 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 applies a threshold of \$1,000,000 for purposes of disclosing environmental proceedings involving a governmental authority, if any, under this Item 1. 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 Part I, “Item 1A. Risk Factors” in our Annual Report filed with the SEC on March 25, 2024.

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 on a trade date basis made during the three months ended August 2, 2024:

	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 ^{2,3}
May 4, 2024 - May 31, 2024 ⁴	2,028,121	\$ 224.67	2,028,067	\$ 13,412,015,422
June 1, 2024 - July 5, 2024	1,079,207	220.38	1,070,999	13,176,012,771
July 6, 2024 - August 2, 2024 ⁴	1,340,272	232.33	1,340,132	12,936,012,781
As of August 2, 2024	4,447,600	\$ 225.94	4,439,198	\$ 12,936,012,781

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 7, 2022, the Company announced that its Board of Directors authorized an additional \$15.0 billion of share repurchases with no expiration.

³ Excludes excise tax on share repurchases in excess of issuances, which is recognized as part of the cost basis of the shares acquired in the consolidated statements of shareholders’ deficit.

⁴ In May 2024, 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 \$375 million to the financial institution and received an initial delivery of 1.4 million shares. In August 2024, prior to the end of the second quarter, the Company finalized the transaction and received an additional 0.3 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 8](#) to the consolidated financial statements included herein for additional information regarding share repurchases.

Item 5. - Other Information

During the three months ended August 2, 2024, none of the Company’s directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” (as those terms are defined in Regulation S-K, Item 408).

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 November 11, 2022.	8-K	001-07898	3.1	November 16, 2022
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	Lowe’s 401(k) Plan, as amended and restated, executed on July 15, 2024 (filed to include this amendment as an exhibit to the Registration Statement on Form S-8, Registration No. 033-29772). ‡				
101.INS	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. ‡				
101.SCH	Inline XBRL Taxonomy Extension Schema Document. ‡				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document. ‡				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document. ‡				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document. ‡				
101.PRE	Inline 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)

August 29, 2024
Date

By: /s/ Dan C. Griggs, Jr.
Dan C. Griggs, Jr.
Senior Vice President, Tax and Chief Accounting Officer



August 29, 2024

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

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

We are aware that our report dated August 29, 2024, 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 August 2, 2024, 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	333-274288
Debt Securities, Preferred Stock, Common Stock	333-280893
Form S-8	
Lowe's 401(k) Plan	033-29772
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, Inc. 2020 Employee Stock Purchase Plan	333-249586

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina

CERTIFICATION

I, Marvin R. Ellison, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended August 2, 2024 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.

August 29, 2024

Date

/s/ Marvin R. Ellison

Marvin R. Ellison
Chairman, President and Chief Executive Officer

CERTIFICATION

I, Brandon J. Sink, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended August 2, 2024 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.

August 29, 2024

Date

/s/ Brandon J. Sink

Brandon J. Sink
Executive Vice President, Chief Financial Officer

**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 August 2, 2024, 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

Chairman, President and Chief Executive Officer

August 29, 2024

**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 August 2, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Brandon J. Sink, 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/ Brandon J. Sink

Brandon J. Sink

Executive Vice President, Chief Financial Officer

August 29, 2024

LOWE'S 401(k) PLAN

As Amended and Restated Effective January 1, 2024

TABLE OF CONTENTS

	<u>PAGE</u>
Section 1 Nature of the Plan	1
Section 2 Definitions	2
Section 3 Eligibility and Participation	8
(a) Eligibility to Make Salary Deferral Contributions	8
(b) Eligibility to Receive Company Match Contributions	9
(c) Eligibility Following Reemployment	10
(d) L G Sourcing, Inc. and Lowe's Home Improvement, LLC	10
(e) Hours of Service	10
(f) Election to Make Salary Deferral Contributions	11
(g) ESOP Eligibility	11
(h) Collective Bargaining Agreements	11
(i) Military Service	12
Section 4 Contributions	13
(a) Salary Deferral Contributions	13
(b) Catch-Up Contributions	13
(c) Company Match Contributions	15
(d) Performance Matching Contributions	15
(e) Nondiscrimination Rules Applicable to Salary Deferral Contributions	15
(f) Nondiscrimination Rules Applicable to Matching Contributions	18
(g) Limitations on Contributions	19
(h) Return of Contributions	20
(i) Rollover Contributions	20
(j) Roth Contributions.	21
Section 5 Investment of Trust Assets	22
Section 6 Allocations to Participants' Accounts	25
(a) Allocations to Accounts	25
(b) Allocation Limitation	25
(c) ESOP Diversification	26
Section 7 Expenses of the Plan and Trust	27
Section 8 Disclosure to Participants	27
(a) Summary Plan Description	27
(b) Summary Annual Report	27
(c) Statement of Account	28
(d) Additional Disclosure	28
Section 9 Distribution of Capital Accumulation	29
(a) General	29
(b) Beneficiaries	29

(c) Latest Distribution Date	30
(d) Automatic Cashout and Mandatory Rollover	30
(e) Special Tax Notice and Withholding	31
(f) Participant Consent to Distribution	31
(g) Eligibility for Rollover	32
(h) Forfeiture of Account	34
(i) Distribution to Alternate Payee	34
Section 10 In-Service Distributions	34
(a) Hardship Withdrawals	34
(b) Age 59½ and Disability Withdrawals	36
(c) One-Time Withdrawals from ESOP Accounts	36
(d) Cash Dividends	37
(e) Availability of In-Service Distributions to Alternate Payees	37
(f) Distributions to Qualified Reservists	38
Section 11 No Assignment of Benefits	38
Section 12 Administration	38
(a) Administrative Committee	38
(b) Committee Action	39
(c) Powers and Duties of the Committee	39
(d) Performance of Duties	40
(e) Delegation of Fiduciary Responsibility	40
(f) Bonding, Insurance and Indemnity	40
(g) Notices, Statements and Reports	41
Section 13 Claims Procedure	41
Section 14 Guaranties	42
Section 15 Future of the Plan	43
Section 16 “Top-Heavy” Contingency Provisions	44
(a) General	44
(b) Top-Heavy Plan	44
(c) Minimum Top-Heavy Contributions	45
(d) Matching Contributions	45
(e) Determination of Account Balances	45
Section 17 Minimum Required Distributions	46
(a) General Rules	46
(b) Time and Manner of Distributions	46
(c) Required Minimum Distribution During the Participant’s Lifetime	46
(d) Required Minimum Distributions After the Participant’s Death.	47
(e) Definitions	47

Section 18 Governing Law	48
Section 19 Merger of Plans	48
(a) Merger of the Alacrity Renovation Services, LLC 401(k) Plan	49
(b) Merger of the Maintenance Supply Headquarters, LP 401(k) Plan	51
Section 20 Execution	54

LOWE'S 401(k) PLAN

As Amended and Restated Effective as of January 1, 2024

Section 1 **Nature of the Plan**

The purpose of this Plan is to encourage participating Employees to save funds on a tax- favored basis and to provide Participants with an opportunity to accumulate capital for their future economic security. The Plan (originally adopted effective as of February 1, 1984) is hereby amended and restated effective as of January 1, 2024. The Plan is a combination profit sharing plan that includes a “cash or deferred arrangement” under Section 401(k) of the Code, stock bonus plan and, effective on and after September 13, 2002, employee stock ownership plan, as described below.

All Trust Assets accumulated under the Plan will be administered, distributed and otherwise governed by the provisions of this Plan and the related Trust Agreement. The Plan is administered by a Committee for the exclusive benefit of Participants (and their Beneficiaries).

Effective as of June 22, 2002, Lowe’s added a stock bonus feature to the Plan in the form of Performance Matching Contributions. Performance Matching Contributions were eliminated for Plan Years beginning on and after February 3, 2007.

Effective as of September 13, 2002, the Lowe’s Companies Employees Stock Ownership Plan (the “ESOP”) was merged into this Plan. In connection with such merger, the account of each participant in the ESOP on September 13, 2002 was transferred to a separate ESOP Account in this Plan on his behalf. The Lowe’s Stock fund under this Plan is designed to invest primarily in qualifying employer securities and continues to constitute an employee stock ownership plan under Section 4975(e)(7) of the Code.

Section 2 **Definitions**

In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine or neuter gender shall be deemed to include the other, the terms “he,” “his” and “him” shall refer to a Participant, and the capitalized terms shall have the following meanings:

Account	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.
Anniversary Date	December 31 st of each year (the last day of each Plan Year).
Beneficiary	The person (or persons) entitled to receive any benefit under the Plan in the event of a Participant’s death. See Section 9(b).
Board of Directors	The Board of Directors of Lowe’s Companies, Inc., a North Carolina corporation.
Capital Accumulation	The total balances in a Participant’s Accounts under the Plan.
Catch-Up Contributions	Contributions made pursuant to the elections of Participants in accordance with Section 4(b).
Code	The Internal Revenue Code of 1986, as amended.
Committee	The Committee appointed by the Board of Directors to administer the Plan. See Section 12.
Company Match Contributions	Contributions made under the Plan with respect to a Participant’s Salary Deferral Contributions as described in Section 4(c).

Compensation

From January 1, 2020 through December 31, 2022, the total remuneration paid to an Employee by Lowe's in each Plan Year, as reportable on IRS Form W 2, including the amount (if any) of (i) Salary Deferral Contributions made on the Employee's behalf for the Plan Year, (ii) salary reductions under the Lowe's Companies Flexible Benefit Plan (pursuant to Section 125 of the Code), and (iii) elective amounts that are not includible in the gross income of the Employee under Section 132(f), 402(e)(3), 402(h) or 403(b) of the Code, but excluding reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits and any amount in excess of \$255,000 (as adjusted after 2013 for increases in the cost of living pursuant to Section 401(a)(17) of the Code); *provided, however*, notwithstanding the foregoing with respect to any Participant employed by Maintenance Supply Headquarters, LP during the 2020 plan year, Compensation shall mean the total remuneration paid to any Employee, as reported on IRS Form W-2, without exclusions.

Effective as of January 1, 2023, the total remuneration paid to an Employee by Lowe's in each Plan Year, as reportable on IRS Form W 2, including the amount (if any) of (i) Salary Deferral Contributions made on the Employee's behalf for the Plan Year, (ii) salary reductions under the Lowe's Companies Flexible Benefit Plan (pursuant to Section 125 of the Code), and (iii) elective amounts that are not includible in the gross income of the Employee under Section 132(f), 402(e)(3), 402(h) or 403(b) of the Code, but excluding reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits and any amount in excess of \$330,000 (as adjusted after 2023 for increases in the cost of living pursuant to Section 401(a)(17) of the Code).

Contributions

Salary Deferral Contributions and Company Match Contributions paid to the Trust by Lowe's. See Section 4.

Deferral Compensation

Effective from January 1, 2013 through April 30, 2022, the salary or wages, overtime premium pay, incentive bonuses and commissions paid to a Participant during a payroll period but excluding any amount in excess of \$280,000 (as adjusted after 2019 for increases in the cost of living pursuant to Code Section 401(a)(17)). Effective May 1, 2022, the salary or wages, overtime premium pay,

incentive bonuses (other than any sign-on bonuses, recognition awards or other cash awards not connected with a formal incentive plan) and commissions paid to a Participant during a payroll period but excluding any amount in excess of \$280,000 (as adjusted after 2019 for increases in the cost of living pursuant to Code Section 401(a)(17)). Deferral Compensation shall include compensation paid after a Participant separates from service but only to the extent such compensation would have been Deferral Compensation if paid prior to such separation from service and only if paid prior to the first pay period that begins 30 days after such separation from service.

Effective as of January 1, 2023, the total remuneration paid to an Employee by Lowe's in each Plan Year, as reportable on IRS Form W 2, including the amount (if any) of (i) Salary Deferral Contributions made on the Employee's behalf for the Plan Year, (ii) salary reductions under the Lowe's Companies Flexible Benefit Plan (pursuant to Section 125 of the Code), and (iii) elective amounts that are not includible in the gross income of the Employee under Section 132(f), 402(e)(3), 402(h) or 403(b) of the Code, but excluding reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits and any amount in excess of \$330,000 (as adjusted after 2023 for increases in the cost of living pursuant to Section 401(a)(17) of the Code).

Employee

Any individual who is treated as a common-law employee by Lowe's; provided, however, that an independent contractor (or other individual) who is reclassified as a common-law employee on a retroactive basis shall not be treated as having been an Employee for purposes of the Plan for any period prior to the date that he is so reclassified. A leased employee, as described in Section 414(n)(2) of the Code, is not an Employee for purposes of this Plan.

ERISA

The Employee Retirement Income Security Act of 1974, as amended.

ESOP

The Lowe's Companies Employee Stock Ownership Plan, which was an "employee stock ownership plan" within the meaning of Section 4975(e)(7) of the Code and which was merged into the Plan effective as of September 13, 2002.

ESOP Account	The Account which reflects a Participant's interest in the ESOP which was transferred to the Plan from the ESOP in connection with the merger of the ESOP into the Plan effective as of September 13, 2002.
ESOP Diversification Account	The Account which reflects a Participant's interest attributable to amounts transferred to the Plan from the ESOP prior to September 13, 2002 pursuant to Section 14(b) of the ESOP.
Highly Compensated Employee	An Employee who (i) had Statutory Compensation in excess of \$150,000 in the preceding Plan Year or (ii) is a "5% owner" (as defined in Section 416(i)(1)(B)(i) of the Code) at any time during the Plan Year or the preceding Plan Year. The \$150,000 amount shall be adjusted after 2023 for increases in the cost of living pursuant to Section 414(q)(1) of the Code. The top paid group election set forth in Section 414(q)(3) of the Code is not being applied until otherwise elected by Lowe's by means of a Plan amendment.
Lowe's	Lowe's Companies, Inc., a North Carolina corporation, and each direct and indirect wholly-owned subsidiary (including a limited liability company) which adopts the Plan for the benefit of its Employees.
Lowe's Stock	Shares of common stock issued by Lowe's Companies, Inc., which shares are traded on the New York Stock Exchange.
Matching Account	The Account that reflects each Participant's interest attributable to Matching Contributions. The portion of the Participants' Matching Accounts that consists of the Performance Matching Contributions made for Plan Years ending on or after January 31, 2003 shall be considered a stock bonus plan so long as such contributions consist of Lowe's Stock.
Matching Contributions	Company Match Contributions and, for Plan Years prior to February 3, 2007, Performance Matching Contributions.
Participant	Any Employee who is participating in this Plan. See Section 3.

Performance Matching Contributions	Additional contributions made under the Plan prior to February 3, 2007 with respect to a Participant's Salary Deferral Contributions. As described in Section 4(d), effective for Plan Years beginning on and after February 3, 2007, no Performance Matching Contributions are made to the Plan.
Plan	The Lowe's 401(k) Plan, which includes the Plan and the Trust Agreement.
Plan Year	The calendar year. Prior to February 3, 2007, the Plan Year was the 52-53-week period ending on each Anniversary Date (and coinciding with the fiscal year of Lowe's). The Plan Year shall also be the "limitation year" for purposes of Section 415 of the Code.
Rollover Account	The Account which reflects any interest attributable to a direct rollover made on behalf of an Employee pursuant to Section 4(i), other than a Roth rollover described in Section 4(i)(i)(A).
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).
Roth Contributions	Salary Deferral Contributions made pursuant to the elections of Participants in accordance with Section 4(j).
Roth Rollover Account	The Account which reflects any interest attributable to a direct rollover of an Employee's Roth contributions made on behalf of an Employee pursuant to Section 4(i)(i)(A) of the Plan.
Salary Deferral Account	The Account which reflects each Participant's interest attributable to pre-tax Salary Deferral Contributions.
Salary Deferral Contributions	Contributions made pursuant to the elections of Participants. See Section 4(a).
Service	Employment with Lowe's.
Statutory Compensation	The total remuneration paid to an Employee by Lowe's during the Plan Year for personal services rendered to Lowe's, including (i) any Salary Deferral Contributions contributed on his behalf for the Plan Year, (ii) any salary

reductions under the Lowe's Companies Flexible Benefit Plan (pursuant to Section 125 of the Code) and (iii) any salary reductions that are not includible in the gross income of the Employee by reason of Section 132(f)(4) of the Code, but excluding employer contributions to a plan of deferred compensation, amounts realized in connection with stock options, amounts which receive special tax benefits, and except as provided in the immediately succeeding sentence, amounts paid after the Employee's severance from employment with Lowe's (as defined in Section 1.415(a)-1(f)(5) of the regulations). The following payments made after severance from employment shall be included in Statutory Compensation, but only to the extent such amounts are paid by the later of 2½ months after severance from employment with Lowe's or the end of the Plan Year that includes the date of the severance from employment with Lowe's:

- (i) compensation paid after severance from employment, if the compensation is for services during the Employee's regular working hours or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments and such compensation that would have been paid to the Employee prior to a severance from employment if the Participant had continued in employment with Lowe's; and
- (ii) payments for unused accrued vacation or holiday pay, but only if the Employee would have been entitled to use the leave if employment had continued.

TPA	The third party administrator designed by the Committee.
Trust	The Lowe's Companies 401(k) Plan Trust, maintained under the Trust Agreement entered into between Lowe's Companies, Inc. and the Trustee.
Trust Agreement	The Agreement between Lowe's Companies, Inc. and the Trustee specifying the duties of the Trustee.
Trust Assets	The assets held in the Trust for the benefit of Participants.
Trustee	The Trustee (and any successor Trustee) appointed by the Board of Directors to hold and invest the Trust Assets.

Section 3
Eligibility and Participation

(a) Eligibility to Make Salary Deferral Contributions.

- (1) Participants on December 31, 2012. Each Employee who was eligible to participate in the Plan and make Salary Deferral Contributions as of December 31, 2012, shall continue to be eligible to participate in the Plan and make Salary Deferral Contributions from and after January 1, 2013.
- (2) On and After January 1, 2013 and prior to May 1, 2019. Each Employee who commences Service on or after January 1, 2013 shall be eligible to participate in the Plan and make Salary Deferral Contributions as of the first day of the payroll period coinciding with or next following the date which is six months after such Employee's initial date of Service (the date he is first credited with an Hour of Service as defined in Section 3(e)), if he is an Employee on such date.
- (3) On and After May 1, 2019. Subject to Section 3(a)(4) below, each Employee as of May 1, 2019 who is not eligible to participate in the Plan and make Salary Deferral Contributions, and each Employee who commences Service on or after May 1, 2019, shall be eligible to participate in the Plan and make Salary Deferral Contributions as of the first day of the payroll period coinciding with or next following the later of (i) May 1, 2019 or (ii) the first of the month following the date which is 30 days after such Employee's initial date of Service (the date he is first credited with an Hour of Service as defined in Section 3(e)), if he is an Employee on such date.

- (4) Minimum Age Requirement. Notwithstanding anything in this Plan to the contrary, effective as of May 1, 2019, no Employee shall participate in the Plan and make Salary Deferral Contributions prior to the first day of the payroll period coinciding with or next following the first of the month following the date the Participant attains age eighteen (18).

An Employee who is not in Service on the date such Employee would otherwise be eligible to participate in the Plan in accordance with this Section 3(a) shall be eligible to participate in the Plan and make Salary Deferral Contributions as of the date (if any) he resumes Service as an Employee.

(b) Eligibility to Receive Company Match Contributions

- (1) Participants on December 31, 2012 – Each Employee who was eligible to participate in the Plan and receive Company Match Contributions as of December 31, 2012, shall continue to be eligible to participate in the Plan and receive Company Match Contributions from and after January 1, 2013.
- (2) On and After January 1, 2013 and prior to May 1, 2019 – Each Employee who is not eligible to receive Company Match Contributions under Section 3(b)(1) shall be eligible to receive Company Match Contributions with respect to Salary Deferral Contributions made for each payroll period that begins on or after the date which is six months after such Employee's initial date of Service (the date he is first credited with an Hour of Service as defined in Section 3(e)).

(3) On and After May 1, 2019. Each Employee on and after May 1, 2019 shall be eligible to receive Company Match Contributions with respect to Salary Deferral Contributions made on or after May 1, 2019 in accordance with the eligibility requirements of Section 3(a)(3) and 3(a)(4).

(c) **Eligibility Following Reemployment**. A former Employee who is reemployed by Lowe's and has previously satisfied the eligibility requirements of Section 3(a) and Section 3(b) shall be eligible to participate as of the date of his reemployment. In the event such former Employee was a participant in the ESOP prior to the merger of the ESOP into the Plan effective as of September 13, 2002 and terminated employment at a time when the Employee had a non-vested interest in the ESOP, any such non-vested interest that was forfeited under the terms of the ESOP shall be reinstated and credited to such Employee's ESOP Account upon such former Employee's reemployment.

(d) **L G Sourcing, Inc. and Lowe's Home Improvement, LLC**. An Employee of LG Sourcing, Inc. or Lowe's Home Improvement, LLC is eligible to participate in the Plan only if he is employed in the United States or is a United States citizen employed abroad.

(e) **Hours of Service**. For purposes of determining the Hours of Service to be credited to an Employee under Section 3(a) and Section 3(b), the following rules shall be applied:

- (1) Hours of Service shall generally include each hour of Service for which an Employee is paid (or entitled to payment) for the performance of duties; each hour of Service for which an employee is paid (or entitled to payment) for a period during which an Employee is paid (or entitled to payment) for a period during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), lay-off, jury duty, military duty or paid leave of absence; and each additional hour of Service for which back pay is either awarded or agreed to (irrespective of mitigation of damages); provided, however, that no more than 501 Hours

of Service need be credited for one continuous period during which an Employee does not perform duties.

- (2) The crediting of Hours of Service shall be determined by the Committee in accordance with the rules set forth in Section 2530.200b-2 of the regulations prescribed by the Department of Labor, which rules shall be consistently applied with respect to all Employees within the same job classification.
- (3) Hours of Service shall not be credited to an Employee for a period during which no duties are performed if payment is made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation, unemployment compensation or disability insurance laws, and Hours of Service shall not be credited on account of any payment made or due an Employee solely in reimbursement of medical or medically-related expenses.

(f) **Election to Make Salary Deferral Contributions.** 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).

(g) **ESOP Eligibility.** An eligible Employee who had amounts transferred to the Plan on his behalf from the ESOP is a Participant in the Plan for the purpose of maintaining his transferred ESOP Account under this Plan.

(h) **Collective Bargaining Agreements.** An Employee whose terms and conditions of employment are covered by a collective bargaining agreement (a "CBA") shall not be eligible to participate in the Plan unless, and only to the extent that, the terms of such CBA specifically provide for participation in this Plan. A Participant who subsequently becomes covered under a

CBA shall not be entitled to have Salary Deferral Contributions (or Company Match Contributions) made on his behalf after the date of his coverage under the CBA, except as may otherwise be provided in such CBA. An Employee who ceases to be covered by the terms and conditions of a CBA shall not be entitled to have Salary Deferral Contributions (or Company Match Contributions) made on his behalf with respect to Compensation paid for his period of employment covered by the CBA's terms and conditions, except to the extent that the terms and conditions of such CBA or operation of law specifically provide otherwise.

An Employee whose terms and conditions of employment are subject to representation by an authorized collective bargaining representative shall not be eligible to participate in the Plan if coverage is eliminated with the unilateral implementation of a collective bargaining offer made by Lowe's after reaching an impasse in negotiations. A Participant who becomes subject to representation by an authorized collective bargaining representative shall not be entitled to have Salary Deferral Contributions (or Company Match Contributions) made on his behalf for any period of loss of eligibility due to such unilateral implementation of a collective bargaining offer made after impasse. An Employee whose loss of eligibility in this Plan was the result of such unilaterally implemented collective bargaining offer shall not be entitled to have Salary Deferral Contributions (or Company Match Contributions) made on his behalf with respect to Compensation paid for such period of loss of Plan eligibility, except to the extent that the unilaterally implemented collective bargaining offer or operation of law specifically provide otherwise.

(i) **Military Service**. Notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code.

Section 4 Contributions

(a) **Salary Deferral Contributions.** Subject to the limitations described in this Section 4(a) and in Sections 4(e) and 4(g), an Employee who is eligible to participate in the Plan may elect to have from 1% to 75% (or such other percentages as may be determined by the Committee) of his Deferral Compensation withheld by Lowe's and contributed to the Trust on his behalf in lieu of his receiving such amount as Compensation; provided, however, that except as otherwise provided in Section 4(b) regarding Catch-Up Contributions, the amount elected to be withheld may not exceed \$22,500 for any calendar year (as adjusted periodically after 2023 for increases in the cost of living pursuant to Section 402(g)(5) of the Code). The Committee may permit Participants to make such elections (and changes thereof) through any electronic medium designated by the Committee. Salary Deferral Contributions shall be paid by Lowe's to the Trustee in cash as soon as practicable, but in no event later than the 15th business day of the month following the month in which such amounts are withheld from the Participants' Deferral Compensation. Notwithstanding the foregoing, the Committee may limit or alter a Highly Compensated Employee's Salary Deferral Contributions election to facilitate the Plan's compliance with applicable Code limitations on contributions in coordination with other employee benefit plans and programs. 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.

(b) **Catch-Up Contributions.** Participants who have attained age fifty (50) before the close of a calendar year (for this purpose, a Participant who will attain age 50 before the end of a calendar year shall be deemed to be age 50 as of January 1 of such year) may elect to have the Deferral Compensation payable to the Participant reduced for the purpose of making Catch-

Up Contributions during such Plan Year in accordance with, and subject to the limitations of, Code Section 414(v) and any additional limitations, rules and procedures established by the Committee for such purpose. 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. Such Catch-Up Contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Sections 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 410(b) or 416 of the Code, as applicable, by reason of the making of such Catch-Up Contributions. Lowe's shall make a Catch-Up Contribution to the Trust for each Participant whose Deferral Compensation for a payroll period is reduced pursuant to this Section which contribution shall be credited to an existing Account or a separate Account as determined by the Committee. The Committee shall establish rules and procedures in accordance with Code Section 414(v) for the administration of Catch-Up Contributions including when Deferral Compensation reductions pursuant to Section 4(a) will or may be characterized as Catch-Up Contributions. The Committee also may limit the amount of Catch-Up Contributions a Participant may make in a period, below the limitations of Code Section 414(v), to further the orderly administration of the Plan.

(c) **Company Match Contributions.** Subject to the limitations described in this Section 4(c) and in Sections 4(f) and 4(g), Lowe's will make Company Match Contributions to the Trust for each payroll period on behalf of each Participant who meets the eligibility requirements of Section 3(b) and who elects to have Salary Deferral Contributions made to the Plan on his behalf during such payroll period. Such Company Match Contributions for each payroll period shall be in an amount equal to (i) 100% of the first 3% of Deferral Compensation each Participant elects to have contributed to the Plan on his behalf as Salary Deferral Contributions during the payroll period, plus (ii) 50% of the next 2% of Deferral Compensation he elects to have contributed to the Plan on his behalf as Salary Deferral Contributions during the payroll period, plus (iii) 25% of the next 1% of Deferral Compensation he elects to have contributed to the Plan on his behalf as Salary Deferral Contributions during the payroll period. A Participant's Salary Deferral Contributions in excess of 6% of his Deferral Compensation during a payroll period will not be matched under this Section 4(c). Lowe's will make Company Match Contributions based on Participant Catch-Up Contributions to the same extent Company Match Contributions are made based on Salary Deferral Contributions as described in this Section.

(d) **Performance Matching Contributions.** No Performance Matching Contributions will be made to the Plan for any Plan Participant for Plan Years beginning on and after February 3, 2007.

(e) **Nondiscrimination Rules Applicable to Salary Deferral Contributions.** The provisions of this Section 4(e) shall not apply, and the actual deferral percentage testing requirements of Code Sections 401(k)(3) shall not apply, with respect to any Plan Year in which Lowe's makes safe harbor matching contributions or safe harbor nonelective contributions to the

Plan on behalf of eligible Plan Participants and otherwise satisfies the requirements of Code Section 401(k)(12). For any Plan Year in which the Plan does not satisfy the safe harbor plan requirements of Code Section 401(k)(12), the Committee shall limit the Salary Deferral Contributions for Highly Compensated Employees to the extent necessary so that the actual deferral percentage for Highly Compensated Employees bears a relationship to the actual deferral percentage for all other Employees who are eligible to participate in the Plan which meets either of the following tests:

- (1) The actual deferral percentage for the Highly Compensated Employees is not more than 1.25 times the actual deferral percentage for all other Employees.
- (2) The excess of the actual deferral percentage for the Highly Compensated Employees over that of all other Employees is not more than two percentage points, and the actual deferral percentage for the Highly Compensated Employees is not more than two times the actual deferral percentage for all other Employees.

Such deferral percentages for Employees other than Highly Compensated Employees shall be determined based upon the “current Plan Year testing method” as provided under Treasury Regulation 1.401(k)-2(a)(2). A Participant’s actual deferral percentage shall be calculated by dividing his Salary Deferral Contributions for the Plan Year by his Compensation for such Plan Year. A bonus shall be considered to be Compensation in the Plan Year in which the bonus is paid to the Participant.

For purposes of satisfying the above test, the Committee may direct the Trustee to distribute a portion of the Salary Deferral Contributions made on behalf of a Highly Compensated Employee (and any earnings thereon) that are determined to be “excess contributions” within the meaning of Section 1.40(k)-2(b)(2) of the regulations. If possible, such distributions shall be made within two and one-half (2½) months after the close of the Plan Year in which the excess contribution occurred (to avoid excise taxes), but, in any event, such

distributions shall be made by no later than the close of the Plan Year following the Plan Year in which the excess contribution occurred. Such “excess contributions” shall be determined by reducing Salary Deferral Contributions made on behalf of Highly Compensated Employees in order of actual contribution amounts beginning with the highest of such actual contribution amounts. The actual deferral percentage of the Highly Compensated Employee with the highest such contribution amount shall be reduced until it equals that of the Highly Compensated Employee with the next highest contribution amount. This process shall be repeated until one of the above tests is passed. The amount of excess contributions to be distributed under this paragraph shall be reduced by any excess deferrals previously distributed under the following paragraph for the calendar year ending in the Plan Year.

If during a calendar year a Participant participates in more than one qualified cash or deferred arrangement described in Section 401(k) of the Code and he notifies the Committee no later than the March 1st following that calendar year that all or a specified portion of the Salary Deferral Contributions made on his behalf for that calendar year should be paid to him (together with any income attributable thereto) because such Salary Deferral Contributions constitute “excess deferrals,” as described in Section 402(g)(2)(A) of the Code, distribution of such amounts to him shall occur no later than the April 15th following that calendar year. Excess deferrals to be distributed under this paragraph shall be reduced by the excess contributions previously distributed under the preceding paragraph for the Plan Year beginning in such calendar year.

Earnings attributable to “excess” Salary Deferral Contributions or “excess deferrals” that are required to be distributed in accordance with this Section 4(e) shall include earnings for the

period between the end of the Plan Year and the date of distribution only to the extent required by Sections 401(k) and 401(g) of the Code and the regulations thereunder.

(f) Nondiscrimination Rules Applicable to Matching Contributions. The provisions of this Section 4(f) shall not apply, and the actual contribution percentage testing requirements of Code Section 401(m)(2) shall not apply, with respect to any Plan Year in which Lowe's makes safe harbor matching contributions or safe harbor nonelective contributions to the Plan on behalf of eligible Plan Participants and otherwise satisfies the requirements of Code Section 401(m)(11). For any Plan Year in which the Plan does not satisfy the safe harbor plan requirements of Code Section 401(m)(11), Company Match Contributions for Highly Compensated Employees shall be limited by the Committee for any Plan Year to the extent necessary to satisfy one of the contribution percentage requirements described in Section 401(m)(2) of the Code and Section 1.401(m)-1(b) of the regulations thereunder.

Such contribution percentages for Employees other than Highly Compensated Employees shall be determined based upon the "current Plan Year testing method" as provided under Treasury Regulation 1.401(m)-2(a)(2). A Participant's actual contribution percentage shall be calculated by dividing his Company Match Contributions for the Plan Year by his Compensation for such Plan Year. A bonus shall be considered to be compensation in the Plan Year in which the bonus is paid to the Participant.

The Committee may direct the Trustee to distribute a portion of the Company Match Contributions made on behalf of a Highly Compensated Employee (and any earnings thereon) to the Highly Compensated Employee that are determined to be "excess aggregate contributions" within the meaning of Section 1.401(m)-2(b)(2) of the regulations. If possible, such distributions shall be made within two and one-half (2-½) months after the close of the Plan Year in which the

excess contribution occurred (to avoid excise taxes), but, in any event, such distributions shall be made by no later than the close of the Plan Year following the Plan Year in which the excess contribution occurred. Such “excess aggregate contributions” shall be determined in order of actual contribution amounts beginning with the highest of such contribution amounts. The actual contribution amount of the Highly Compensated Employee with the highest such amount shall be reduced until it equals that of the Highly Compensated Employee with the next highest amount. This process shall be repeated until one of the tests described in Section 401(m)(2) of the Code is passed.

Earnings attributable to “excess” Company Match Contributions that are required to be distributed in accordance with this Section 4(f) shall include earnings for the period between the end of the Plan Year and the date of distribution to the extent required by Section 401(m) of the Code and the regulations thereunder.

(g) Limitations on Contributions. Contributions will not be made for a Plan Year in amounts which cannot be allocated to a Participant’s Accounts by reason of the allocation limitation described in Section 6(b) (and, for this purpose, the Committee may adjust the amount that a Participant elects to have withheld from time to time in order to ensure that such limit is not exceeded) or in amounts which are not deductible under Section 404(a) of the Code. A Participant who receives a hardship withdrawal under Section 10(a) prior to January 1, 2019 will not have any Salary Deferral Contributions, Catch-Up Contributions or Company Match Contributions made on his behalf for a period of six months following the withdrawal, as provided in Section 10(a), and during such period, any amount that the Participant previously elected to have withheld pursuant to Section 4(a) shall be paid to him as Compensation. A Participant’s eligibility for having Salary Deferral Contributions, Catch-Up Contributions and

Company Match Contributions made on his behalf shall not be suspended on account of the Participant's receipt of a hardship distribution under Section 10(a) on or after January 1, 2019.

(h) Return of Contributions. Any Contributions, or Catch-Up Contributions, which are not deductible under Section 404(a) of the Code shall be returned to Lowe's by the Trustee (upon the direction of the Committee) within one year after the deduction is disallowed or after it is determined that the deduction is not available. In the event that Contributions, or Catch-Up Contributions, are paid to the Trust by reason of a mistake of fact, such contributions shall be returned to Lowe's by the Trustee (upon the direction of the Committee) within one year after the payment to the Trust.

(i) Rollover Contributions. Subject to such administrative terms and conditions as may be established from time to time by the Committee, the Trustee shall accept a rollover contribution (as described below) to the Plan by or on behalf of an Employee who is in the class of Employees eligible to participate in the Plan, even if such Employee has not yet satisfied the eligibility requirement of Section 3(a) of the Plan, provided that such contribution constitutes an "eligible rollover distribution" under Section 401(a)(31) of the Code. In this regard:

- (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).
- (ii) The Plan will accept a contribution from such an Employee of an eligible rollover distribution from (A) a qualified plan described in Section 401(a) or 403(a) of the Code, (B) an annuity contract described in Section 403(b) of the Code, or (C) an eligible plan under Section 457(b) of the Code that

is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

- (iii) The Plan will accept a rollover contribution from such an Employee of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

Any rollover contributions to the Plan by or on behalf of such an Employee, other than a direct rollover of an Employee's Roth contributions pursuant to Section 4(i)(i)(A), shall be credited to a separate Rollover Account for the Employee and shall be invested and administered as directed by the Employee. A direct rollover on behalf of such an Employee of Roth contributions pursuant to Section 4(i)(i)(A) shall be credited to a separate Roth Rollover Account for the Employee and shall be invested and administered as directed by the Employee. Rollover contributions made to the Plan by or on behalf of an Employee will not constitute Annual Additions under Section 6(b) of the Plan. An Employee will at all times have a 100% vested (nonforfeitable) interest in the balance in his Rollover Account and Roth Rollover Account.

(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).

Section 5 **Investment of Trust Assets**

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. If a Participant elects

to diversify his ESOP Account from Lowe's Stock to another investment available under the Plan, such investment shall continue to be part of the Participant's ESOP Account.

Trust Assets under the Plan attributable to a Participant's Accounts will be invested by the Trustee as directed by Participants in a fund consisting of Lowe's Stock (the "Lowe's Stock Fund") and in such other investment funds (and options) as the Committee shall from time to time make available, such as a mutual fund or any other type of fund that is managed by a professional fund manager. The Committee shall make available from time to time no less than three investment options, or such other number of investment options required to comply with Code Section 401(a)(35), in addition to Lowe's Stock which investment options will be diversified and have materially different risk and return characteristics. The Committee shall not make available any investment fund with respect to which the Committee has investment responsibility. In the event an offer is received by the Trustee (including but not limited to a tender offer or exchange within the meaning of the Securities Exchange Act of 1934, as amended), the Trustee shall act pursuant to the terms of the Trust Agreement.

Each Participant shall bear the sole responsibility for the investment of his Accounts, and neither the Committee nor the Trustee shall have any responsibility or liability for any losses that may occur in connection with such investment.

From among the investment funds made available by the Committee, each Participant shall select the fund or funds in which his Accounts will be invested in increments (such as 1%) that the Committee may permit. All investment elections may be changed on a daily basis. Participants shall also be permitted to change their investment elections on a daily basis with respect to the previously accumulated balances of their Accounts in increments (such as 1%) as the Committee shall from time to time permit. Investment elections by Participants under this

Section 5 shall be made in accordance with rules and procedures established by the Committee and shall be subject to such reasonable guidelines and limitations as the Committee shall deem to be appropriate for the efficient administration of the Plan. The Committee may provide that investment elections by Participants under this Section 5 may be made through any electronic medium designated by the Committee.

Effective on and after May 1, 2019, each Participant may elect to invest up to a maximum of twenty-five percent (25%) of Contributions made by him or on his behalf (such limitation to apply to all Contributions without regard to any distinction between Company Match Contributions and Salary Deferral Contributions) in the Lowe's Stock Fund in accordance with this Section 5. Such a Participant may also elect to transfer amounts, from his Accounts held in investment alternatives other than the Lowe's Stock Fund, to the Lowe's Stock Fund in accordance with this Section 5; provided, however, that no such transfer shall be implemented to the extent that the transfer would cause the value of the Participant's interest in the Lowe's Stock Fund held under the Plan to exceed twenty-five percent (25%) of the value of his interest in all investment alternatives held under the Plan. Notwithstanding the preceding sentence, neither Lowe's nor the Committee, nor any representative of Lowe's, the Committee or of the Plan shall have any obligation to monitor the value of a Participant's interest in the Lowe's Stock Fund, or to manage said fund, and no person shall or shall have any authority to dispose of any Participant's interest in the Lowe's Stock Fund except in accordance with a Participant's valid election or otherwise in accordance with express provisions of this Plan.

All Lowe's Stock in the Trust shall be voted by the Trustee in accordance with the provisions of this Section 5. Each Participant (and Beneficiary) will be entitled to instruct the Trustee as to the manner in which shares of Lowe's Stock then allocated to his Lowe's Stock

Fund will be voted. Each Participant (and Beneficiary) who is so entitled shall be provided with the proxy statement and other materials provided to Lowe's shareholders in connection with each shareholder meeting, together with a form upon which voting instructions may be given to the Trustee. Any shares of Lowe's Stock with respect to which voting instructions are not received from Participants shall be voted in the manner determined by the Committee. The Committee shall apply similar procedures with respect to a tender offer for Lowe's Stock.

Section 6
Allocations to Participants' Accounts

(a) **Allocations to Accounts.** 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. Each Participant's Account will also be credited throughout each Plan Year with the net income (or loss) attributable to the investment of the Account. The net income (or loss) includes the increase (or decrease) in the fair market value of the assets in which an Account is invested, interest income, dividends and other income and gains (or loss), reduced by any expenses charged to the Account. Each Participant shall at all times have a 100% vested (nonforfeitable) interest in the balances of his Accounts. The net income (or loss) of the Trust for each Plan Year will be determined and allocated on a daily basis separately for each Participant's Account based upon his investments.

(b) **Allocation Limitation.** Except to the extent permitted under Section 4(b) and 4(i) of the Plan and Section 414(v) of the Code, for each Plan Year, the "Annual Additions" with respect to any Participant may not exceed the lesser of:

- (1) 100% of his Statutory Compensation; or

(2) \$66,000 as adjusted for increases after 2023 in the cost of living pursuant to Section 415(d)(1)(C) of the Code.

For purposes of this Section 6(b), “Annual Additions” shall be the total amount of all Contributions allocated to the Accounts of a Participant for the Plan Year. Annual Additions shall include any Salary Deferral Contributions distributed to the Participant as “excess contributions” under Section 4(e) but shall not include any Salary Deferral Contributions distributed to the Participants as “excess deferrals” under Section 4(e) or paid to the Participant pursuant to the following paragraph.

If the amount that would be allocated to the Accounts of a Participant in the absence of this limitation would exceed the amount set forth in this limitation, this limitation will be applied to reduce the Participant’s share of Salary Deferral Contributions and Company Match Contributions proportionately. The Committee will direct the Trustee to return the Salary Deferral Contributions (including earnings thereon) to the Participant as Compensation. Any reduction in Company Match Contributions pursuant to this Section will be credited against the amount of Company Match Contributions to be made by Lowe’s for the payroll period following the reduction.

(c) **ESOP Diversification.** In order to satisfy the diversification requirement of Section 401(a)(28)(B) of the Code, prior to September 13, 2002, Section 14(b) of the ESOP permitted certain members of the ESOP to elect to have a portion of their “Lowe’s Stock Accounts” under the ESOP transferred to the Plan. Any amounts that were so transferred on behalf of an Employee were credited to an ESOP Diversification Account established for him and did not constitute an Annual Addition under Section 6(b). ESOP Diversification Accounts that were established prior to September 13, 2002 shall continue to be maintained after such date. The net income (or loss) attributable to the investment of the ESOP Diversification Account will

be credited as provided in Section 6(a). Each Participant shall at all times have a 100% vested (nonforfeitable) interest in the balance of his ESOP Diversification Account.

Section 7
Expenses of the Plan and Trust

All expenses of administering the Plan and Trust, including all reasonable expenses of the Committee, shall be paid by Lowe's to the extent not charged to Participant (or former Employee) Accounts or otherwise paid by the Plan; provided, however, that any expenses applicable to, or charged by, an investment fund shall be charged to, and paid from, that investment fund or the Accounts invested in that investment fund and shall not be charged to, or paid by, Lowe's. The payment of expenses by Lowe's shall not be deemed to be Contributions. Active and former Employee Accounts may be assessed fees to the extent permitted by ERISA and the Code.

Section 8
Disclosure to Participants

(a) **Summary Plan Description**. Each Participant shall be furnished with the summary plan description of the Plan, as required by Sections 102(a)(1) and 104(b)(1) of ERISA, which may include electronic publication. Such summary plan description shall be updated from time to time as required under ERISA and U.S. Department of Labor regulations thereunder.

(b) **Summary Annual Report**. Within two months after the due date for filing the annual return/report (Form 5500) for the Plan, each Participant shall be furnished with the summary annual report of the Plan required by Section 104(b)(3) of ERISA, in the form prescribed in regulations of the U.S. Department of Labor, which may include electronic publication.

(c) **Statement of Account.** At least once per calendar quarter, each Participant shall be furnished with a statement reflecting the following information which may be provided electronically:

- (1) The balances (if any) in his Accounts and in each investment as of the beginning of the period for which the statement has been prepared.
- (2) The amounts of Contributions (or amounts described in Section 4(i) regarding rollover contributions (including Roth rollover contributions)) and net income (or loss) allocated to his Accounts for the period for which the statement has been prepared.
- (3) The new balances in his Accounts and in each investment as of the last day of the period for which the statement has been prepared.
- (4) Information regarding the Department of Labor internet website providing information on investing and diversification.
- (5) An explanation of any limitations or restrictions on the Participant's right to direct the investment of his Accounts.
- (6) A statement regarding the importance of a well-balanced and diversified investment portfolio and the risk of holding more than 20% of a portfolio in a single entity.

(d) **Additional Disclosure.** The Committee shall make available for examination by any Participant copies of the Plan, the Trust Agreement and the latest annual report of the Plan filed (on Form 5500) for the Plan. Upon written request of any Participant, the Committee shall furnish copies of such documents, and may make a reasonable charge to cover the cost of furnishing such copies, as provided in regulations of the U.S. Department of Labor. The Committee shall also deliver to each Participant copies of prospectuses and other documents that may be required by Federal or state securities laws to be provided in connection with his selection of the investment fund or funds in which his Accounts will be invested.

Section 9
Distribution of Capital Accumulation

(a) **General.** A Participant's Capital Accumulation will be computed following the termination of his Service by reason of his retirement, disability, death, resignation or discharge. His Capital Accumulation shall be distributed in a single distribution as soon as practicable following his termination of Service, subject to the Participant's consent to distribution as described in Section 9(f) below. The portion of a Participant's Accounts that is not invested in Lowe's Stock shall be distributed in cash. The portion of a Participant's Accounts that is invested in Lowe's Stock shall be distributed in cash or in whole shares of such stock (with the value of any fractional shares distributed in cash), as determined by the Participant (unless the Participant fails to provide the Trustee with directions regarding such shares, in which case such portion of a Participant's Accounts shall be distributed in cash). For purposes of determining the amount of any cash distribution, the value of Lowe's Stock or any other security for which there is a generally recognized market shall be the closing price of such security on the trading day coinciding with the date that the distribution is processed. Distributions from the Trust shall be made by the Trustee only as directed by the Committee or by a TPA. Distribution shall be made to the Participant if living, and if not, to his Beneficiary.

(b) **Beneficiaries.** Effective from January 1, 2012 through December 31, 2022 in the event of a Participant's death, his Beneficiary shall be his surviving spouse, or if none, his estate. Effective as of January 1, 2023 in the event of a Participant's death, his Beneficiary shall be Participant's surviving spouse, or if none, Participant's descendent, in equal shares, or if none, Participant's ascendants, in equal shares, or if none, Participants estate. A Participant (with the notarized written consent of his spouse, if any) may designate a different Beneficiary or Beneficiaries from time to time, and may change such designation at any time, by filing a written

designation with the Committee. A deceased Participant's entire Capital Accumulation shall be distributed to his Beneficiary on or before the December 31st of the calendar year that includes the fifth anniversary of his death.

(c) **Latest Distribution Date**. Effective January 1, 2023 with respect to any Participant who attained age 70½ after December 31, 2019, the distribution of the Capital Accumulation of any Participant who attains age 72 in a calendar year and either (1) has terminated Service or (2) is a "5% owner" of Lowe's Stock (as defined in Section 416(i)(1)(B)(i) of the Code) must occur not later than April 1st of the next calendar year and must be made in accordance with the regulations under Section 401(a)(9) of the Code, including Section 1.401(a)(9)-2.

(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 \$7,000, the Participant's vested Capital Accumulation shall be distributed in accordance with this paragraph (d). Notwithstanding any other provision of the Plan to the contrary, the automatic cashout and mandatory rollover rules of this paragraph (d) shall also apply to any spouse or former spouse who is the Participant's alternate payee under a "qualified domestic relations order", as defined in Section 414(p) of the Code.

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).

(e) **Special Tax Notice and Withholding**. Lowe's or the TPA shall furnish the recipient of a distribution with the tax consequences explanation required by Section 402(f) of the Code and shall comply with the withholding requirements of Section 3405 of the Code with respect to all distributions from the Trust. Such explanation may be provided through any electronic medium designated by the Committee so long as such explanation is no less comprehensible to a Participant than a written document and is reasonably accessible to the Participant.

(f) **Participant Consent to Distribution**. If a Participant's Capital Accumulation (excluding any amount in any Rollover Account, but including any amount in a Roth Rollover Account) exceeds \$7,000, his Capital Accumulation shall not be distributed to him without his

consent. For this purpose, a Participant's consent may be provided by him through any electronic medium designated by the Committee.

(g) Eligibility for Rollover. If a distribution of a Participant's Capital Accumulation is an "eligible rollover distribution", the Committee or the TPA shall notify the Participant (or any spouse or former spouse who is his alternate payee under a "qualified domestic relations order" (as defined in Section 414(p) of the Code) of his right to elect to have the "eligible rollover distribution" paid directly to an "eligible retirement plan." An "eligible rollover distribution" is a distribution that is neither (1) one of a series of annual installments over a period of ten years or more, nor (2) the minimum amount required to be distributed pursuant to Section 401(a)(9) of the Code, nor (3) any amount that is distributed on account of financial hardship. An "eligible retirement plan" is one of the following plans that accepts "eligible rollover distributions" and agrees to separately account for amounts transferred into such plan from this Plan: (1) an individual retirement account described in Section 408(a) of the Code, (2) an individual retirement annuity described in Section 408(b) of the Code, (3) a qualified trust described in Section 401(a) of the Code, (4) a qualified annuity plan described in Section 403(a) of the Code, (5) an annuity contract described in Section 403(b) of the Code, (6) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, or (7) a Roth IRA described in Code Section 408A(b), the terms of which permit the acceptance of a direct rollover from a qualified plan. If such an "eligible rollover distribution" is to be made to the Participant's surviving spouse or alternate payee under a qualified domestic relations order, the Committee or the TPA shall notify the surviving spouse or alternate payee of his right to elect to have the distribution paid directly to an "eligible retirement plan." Any election under this Section 9(g)

shall be made and effected in accordance with such rules and procedures as may be established from time to time by the Committee in order to comply with Section 401(a)(31) of the Code. A non-spouse beneficiary who is a “designated beneficiary” under Code Section 401(a)(9)(E) and the regulations thereunder may elect a direct rollover, of all or any portion of an eligible rollover distribution within the meaning of Code Section 402(c)(4) to such non-spouse beneficiary, to an individual retirement account established for this purpose. A non-spouse beneficiary who receives a distribution from the Plan is not eligible for a 60-day rollover. The portion of a Participant's Capital Accumulation distribution consisting of after-tax contributions which are not includible in income shall be eligible for a direct rollover to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code, to a defined benefit plan described in Section 401(a) or 403(a) of the Code or to an annuity contract described in Code Section 403(b); provided that the account or plan agrees to account separately for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible in gross income. 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).

(h) Forfeiture of Account. If a Participant has terminated Service and the Committee is unable after a reasonable period of time, as determined by the Committee, to locate the Participant or Beneficiary to whom an Account is distributable after making reasonable efforts to do so, then the Committee may declare the Account to be a forfeiture. All forfeitures

shall be applied to reduce Company Match Contributions. If the Committee at any time is able to locate such Participant, then his forfeited Accounts shall be restored as if there had been no forfeiture. Such restoration shall be made out of forfeitures occurring in the Plan Year the Participant is located. To the extent such forfeitures are not sufficient, special Employer contributions shall be made in order to restore the Participant's Accounts. Any amount so restored to a Participant shall not constitute an Annual Addition under Section 6(b).

(i) **Distribution to Alternate Payee.** Notwithstanding any other provision to the contrary, a qualified domestic relations order, as defined in Section 414(p) of the Code, may provide that any amount to be distributed to an alternate payee may be distributed immediately in a single lump sum payment even though the Participant is not yet entitled to a distribution under the Plan. The intent of this Section 9(i) is to provide for the distribution of benefits to an alternate payee as permitted under Treasury Regulations Section 1.401(a)-13(g)(3).

(j) **Coronavirus Related Distributions.** Notwithstanding any provision in the Plan to the contrary and subject to the provisions of this Section, a Participant who is a Qualified Individual (defined below) may request, by following such procedures as shall be specified by the Committee, a Coronavirus-Related Distribution from the individual's nonforfeitable amount of such Participant's Vested Accounts other than amounts that are pledged as security for a loan, for distribution during the period from January 1, 2020 through December 31, 2020 (the "CRD Distribution Period").

(1) For the purposes of this Section, the following definitions shall apply:

(i) The term Qualified Individual means a Participant who satisfies at least one of the following criteria: (i) the individual is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 ("COVID-19") by a test approved by the Centers for Disease Control and Prevention ("CDC"); (ii) the individual's spouse or dependent (as defined in Code Section 152) is diagnosed with the virus SARS-CoV-2 or with COVID-19 by a test

approved by the CDC; (iii) the individual experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to the virus SARS-CoV-2 or COVID-19, being unable to work due to lack of child care due to the virus SARS-CoV-2 or COVID-19, closing or reducing hours of a business owned or operated by the individual due to the virus SARS-CoV-2 or COVID-19; (iv) the individual has a reduction in pay (or self-employment income), a job offer rescinded, or a start date for a job delayed, in each case, due to COVID-19; (v) the individual's spouse or a member of the individual's household is quarantined, furloughed, or laid off, has work hours reduced, is unable to work due to lack of childcare, has a reduction in pay (or self-employment income), has a job offer rescinded, or has a start date for a job delayed, in each case, due to COVID-19; (vi) the individual's spouse or a member of the individual's household owns or operates a business that closes or has reduced hours due to COVID-19; or (vii) other factors as determined by the Secretary of Treasury (or the Secretary's delegate). The Corporate Benefits Committee may rely on the individual's certification that the individual has satisfied the conditions for being treated as a Qualified Individual.

- (ii) A Coronavirus-Related Distribution means any distribution from the Plan to the Qualified Individual made during the CRD Distribution Period. In no event shall the aggregate amount of such distributions from the Plan and all other plans maintained by the Company or an affiliated company (within the meaning of Code Section 414(b), (c), (m), or (o)) to the Qualified Individual exceed \$100,000.

- (2) Repayment. A Qualified Individual who receives a Coronavirus-Related

Distribution may, at any time during the three-year period beginning on

the day after the date on which the Coronavirus-Related Distribution was received by the Qualified Individual, repay all or a portion of such

Coronavirus-Related Distribution by making one or more contributions to the Plan in an aggregate amount not to exceed the amount of the

Coronavirus-Related Distribution. The Plan's receipt of any amount of a Coronavirus-Related Distribution that is so repaid within the three-year

period shall be treated as the receipt of an eligible rollover distribution (as defined in Code Section 402(c)(4) of the Code) having transferred in a

direct trustee-to-trustee transfer within sixty (60) days of distribution. The

Committee may apply the provisions of this clause (b) to the repayment of a Plan distribution that was made to a Qualified Individual during the CRD Distribution Period but was not treated as a Coronavirus-Related Distribution by the Plan at the time of the distribution despite being eligible for such treatment as a Coronavirus-Related Distribution.

- (3) Interpretation and Administration. This Section shall be interpreted and administered in accordance with the requirements of Section 2202(a) of the Coronavirus Aid, Relief, and Economic Security Act and any guidance issued thereunder, including I.R.S. Notice 2020-50. The Corporate Benefits Committee may establish such rules or procedures necessary to implement the provisions of this Section in accordance with such Act and such guidance.

Section 10 **In-Service Distributions**

(a) **Hardship Withdrawals**. 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. An application for a withdrawal by a Participant may be made through any electronic medium designated by the Committee. The Committee or TPA shall approve a request for a withdrawal and its actions thereon shall be final. A Participant's hardship withdrawal will be made from his Accounts in the following order: (1) the balance of any Rollover Account (or Roth Rollover Account, if

applicable); (2) the balance of his ESOP Diversification Account; and (3) the balance of the Salary Deferral Account (which includes Catch-Up Contributions, if any). A withdrawal made under this Section 10(a) shall not be considered an "eligible rollover distribution" (as described in Section 9(g) of the Plan and defined in Section 402(c)(4) of the Code).

Such a withdrawal shall be available only if necessary on account of:

- (1) expenses for medical care described in Section 213(d) of the Code previously incurred by the Participant, his spouse or his dependents (as defined in Section 152 of the Code) or necessary for these persons to obtain such medical care;
- (2) payment of tuition, related educational fees and room and board expenses for the next 12 months of post-secondary education for the Participant, his spouse, his children or his dependents;
- (3) cost directly related to the purchase of a principal residence for the Participant (excluding mortgage payments);
- (4) for prevention of eviction of the Participant from his principal residence or foreclosure on the mortgage of his principal residence;
- (5) payments for burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents;
- (6) expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code Section 165; or
- (7) any other "safe harbor" situations of financial hardship provided in Internal Revenue Service regulations or rulings under Section 401(k) of the Code.

In determining the amount which is necessary to meet such financial needs of the Participant, the Committee shall make the following findings:

- (1) the distribution requested by the Participant is not in excess of the amount of the immediate and heavy financial need of the Participant, which amount may include any amounts necessary to pay any Federal, state or local income taxes or penalties reasonably anticipated to result from the distribution;

- (2) the Participant has obtained all distributions (other than hardship distributions) and the Participant must withdraw the entire balance of his ESOP Account (as permitted under Section 10(c)) prior to withdrawing any Salary Deferral Contributions; and
- (3) prior to January 1, 2019, the Participant has agreed that during the six-month period commencing upon the approval of the hardship withdrawal, no Salary Deferral Contributions, Catch-Up Contributions and Company Match Contributions will be made on his behalf under Sections 4(a), (b) and (c) of the Plan, no employee contributions will be made on his behalf under the Lowe's Stock Purchase Plan, and the Participant's elective and employee contributions to any other qualified and non-qualified plans (other than health or welfare plans) maintained by Lowe's shall be suspended for such period. Effective as of January 1, 2019, no such suspension of any contributions to this or any other plan maintained by Lowe's shall be required, or continued if already suspended prior to January 1, 2019, due to any hardship distribution.

(b) Age 59½ and Disability Withdrawals. Effective as of January 1, 2020, an Employee who is a Participant may request a full or partial distribution from the Participant's Capital Accumulation once per Plan Year after he attains age 59½. An Employee who is a Participant may request a one-time withdrawal of his entire Capital Accumulation after he incurs a disability. For purposes of this Section 10(b), "disability" shall mean a disability for which the Employee has been determined by the Social Security Administration to be entitled to Social Security disability income benefits. An application for a withdrawal by an eligible Participant under this Section 10(b) may be made through any electronic medium designated by the Committee. A Participant who receives a withdrawal under this Section 10(b) shall continue to participate in the Plan

(c) One-Time Withdrawals from ESOP Accounts. A Participant in active Service who has attained the twentieth anniversary of the Participant's initial date of Service (even if not continuously in Service during such twenty years) shall be entitled to withdraw up to 50% of his ESOP Account. An eligible Participant shall be permitted to make only one such withdrawal.

An application for a withdrawal by an eligible Participant under this Section 10(c) may be made through any electronic medium designated by the Committee.

(d) **Cash Dividends**. If so determined by the Board of Directors, any cash dividends received by the Trustee on Lowe's Stock in the Lowe's Stock Fund may be paid currently (or within 90 days after the Anniversary Date of the Plan Year in which the dividends are paid to the Trust) in cash by the Trustee to the Participants (or their Beneficiaries) whose Accounts are invested in the Lowe's Stock Fund on a nondiscriminatory basis. Lowe's may pay such dividends directly to such Participants (or Beneficiaries), or such dividends may be reinvested in the Participants' Accounts. If Participants are given the option to elect a distribution of cash dividends, then the Participants shall also be given a reasonable period of time (approximately 30 days) to notify the Committee whether they wish to take such distribution, and if a Participant so notifies the Committee within the prescribed period of time, then such dividends shall be distributed to such Participant. Such distribution (if any) of cash dividends and the option to elect either a distribution of cash dividends or reinvestment of dividends may be limited to Participants who are still Employees or may be applicable to dividends paid on all shares allocated to all Participants' Accounts, as determined by the Board of Directors, or its delegate.

(e) **Availability of In-Service Distributions to Alternate Payees**. Notwithstanding any other provisions of the Plan to the contrary, the in-service distribution provisions contained in Sections 10(a), (b) and (c) of the Plan shall not be available to alternate payees under qualified domestic relations orders.

(f) **Distributions to Qualified Reservists**. Pursuant to Code Section 401(k)(2)(B)(i)(V), an individual who is a member of a reserve component who is called to active duty either for a period in excess of 179 days or for an indefinite period of time may elect

to receive a “qualified reservist distribution” as defined in Code Section 72(t)(2)(G)(iii) which distribution shall not be subject to the otherwise applicable 10-percent excise tax of Code Section 72(t)(1) on early distributions.

Section 11
No Assignment of Benefits

A Participant’s Account balances under the Plan may not be anticipated, assigned (either at law or in equity), alienated or subject to attachment, garnishment, levy, execution or other legal or equitable process, except in accordance with (i) a “qualified domestic relations order” (as defined in Section 414(p) of the Code); (ii) a federal tax levy or collection by IRS on a judgment resulting from an unpaid tax assessment; or (iii) a judgment or settlement described in Section 401(a)(13)(C) of the Code. Any attempt by a Participant (or Beneficiary) to assign or alienate his interest under the Plan, or any attempt to subject his interest to attachment, execution, garnishment or other legal or equitable process, shall be void.

Section 12
Administration

(a) **Administrative Committee**. The Plan will be administered by a Committee (the “Committee”) composed of one or more individuals appointed by the Board of Directors to serve at its pleasure and without compensation. The members of the Committee shall be the named fiduciaries with authority to control and manage the operation and administration of the Plan. Members of the Committee need not be Employees or Participants. Any member of the Committee may resign by giving notice, in writing, to the Board of Directors.

(b) **Committee Action**. Committee action will be by vote of a majority of the members of the Committee at a meeting or by unanimous written consent without a meeting. Minutes of each Committee meeting shall be kept.

(c) **Powers and Duties of the Committee.** The Committee shall have the full and exclusive discretion to interpret and administer the Plan, to make such rules, regulations, computations, interpretations and decisions, and shall maintain such records and accounts as may be necessary to administer the Plan in a nondiscriminatory manner for the exclusive benefit of the Participants (and their Beneficiaries), pursuant to the applicable requirements of the Code and ERISA, including without limitation the following:

- (1) resolving all questions relating to the eligibility of Employees to become Participants;
- (2) determining the appropriate allocations to Participants' Accounts pursuant to Section 6;
- (3) determining the amount of benefits payable to a Participant (or Beneficiary), and the time and manner in which such benefits are to be paid;
- (4) authorizing and directing all disbursements of Trust Assets by the Trustee;
- (5) establishing procedures in accordance with Section 414(p) of the Code to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders;
- (6) employing investment advisers, accountants, legal counsel and other agents to assist in the performance of its duties under the Plan;
- (7) selecting and engaging a third party administrator to assist in the administration of the Plan;
- (8) construing and interpreting the Plan and the Trust Agreement and adopting rules for administration of the Plan that are consistent with the terms of the Plan documents and of ERISA and the Code;
- (9) compiling and maintaining all records it determines to be necessary, appropriate or convenient in connection with the administration of the Plan;
- (10) establishing a funding policy and method for investing the Trust Assets in a manner that is consistent with the objectives of the Plan and the requirements of ERISA; and
- (11) directing the Trustee with regard to all matters which require such directions under the Plan and Trust Agreement and viewing the

performance of the Trustee with respect to the Trustee's administrative duties, responsibilities and obligations under the Plan and the Trust Agreement.

(d) **Performance of Duties**. The Committee shall perform its duties under the Plan and the Trust Agreement solely in the interests of the Participants (and their Beneficiaries). Any discretion granted to the Committee under any of the provisions of the Plan or the Trust Agreement shall be exercised only in accordance with rules and policies established by the Committee which shall be applicable on a nondiscriminatory basis. The Committee shall have sole and exclusive authority to construe, interpret and apply the terms of the Plan and Trust Agreement. All actions, interpretations and decisions of the Committee under this Section 12 shall be conclusive and binding on all persons, and shall be given the maximum possible deference permitted by law.

(e) **Delegation of Fiduciary Responsibility**. The Committee may allocate its fiduciary responsibilities among its members and may delegate to any other persons or organizations (including the Trustee or a TPA) any of its rights, powers, duties and responsibilities with respect to the operation and administration of the Plan that are permitted to be so delegated under ERISA.

(f) **Bonding, Insurance and Indemnity**. Lowe's shall secure fidelity bonding, as required under Section 412 of ERISA. Lowe's hereby agrees to indemnify each member of the Committee (to the extent permitted by law) against any personal liability or expense resulting from his service on the Committee, except such liability or expense as may result from his own willful misconduct.

(g) **Notices, Statements and Reports**. Lowe's shall be the Plan Administrator under Section 414(g) of the Code and under Section 3(16)(A) of ERISA for purposes of the reporting and disclosure requirements of ERISA and the Code. The Committee shall assist the Company,

as requested, in complying with such reporting and disclosure requirements. The Committee shall be the designated agent of the Plan for the service of legal process.

Section 13 **Claims Procedure**

Distribution of Capital Accumulations under the Plan will normally be made without Participants' (or Beneficiaries') having to file claims for benefits (except as provided in Section 10). However, a Participant (or Beneficiary) who does not receive a distribution to which he believes he is entitled may present a claim to the Committee for any unpaid benefits. All questions and claims regarding benefits under the Plan shall be acted upon by the Committee.

Each Participant (or Beneficiary) who wishes to file a claim for benefits with the Committee shall do so in writing, addressed to the Committee or to Lowe's. If the claim for benefits is wholly or partially denied, the Committee shall notify the Participant (or Beneficiary) in writing of such denial of benefits within 90 days (or 180 days if special circumstances require an extension of time and the Participant is so notified) after the Committee initially received the benefit claim.

Any notice of a denial of benefits shall advise the Participant (or Beneficiary) of:

- (a) the specific reasons for the denial;
- (b) the specific provisions of the Plan on which the denial is based;
- (c) any additional material or information necessary for the Participant (or Beneficiary) to perfect his claim and an explanation of why such material or information is necessary;
- (d) the steps which the Participant (or Beneficiary) must take to have his claim for benefits reviewed; and
- (e) a statement of the Participant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision upon review.

Each Participant (or Beneficiary) whose claim for benefits has been denied shall have the opportunity to file a written request for a full and fair review of his claim by the Committee, to review all documents pertinent to his claim and to submit a written statement regarding issues relative to his claim. Such written request for review of his claim must be filed by the Participant (or Beneficiary) within 60 days after receipt of written notification of the denial of his claim.

The decision of the Committee will be made within 60 days after receipt of the request for review and shall be communicated in writing to the claimant. Such written notice shall set forth the specific reasons and specific Plan provisions on which the Committee based its decision. If there are special circumstances (such as the need to hold a hearing) which require an extension of time for completing the review, the Committee's decision shall be rendered not later than 120 days after receipt of the request for review.

All notices by the Committee denying a claim for benefits, and all decisions on requests for a review of the denial of a claim for benefits, shall be written in a manner calculated to be understood by the Participants (or Beneficiary) filing the claim or requesting the review.

Section 14 **Guaranties**

All Capital Accumulations will be paid only from the Trust Assets. Lowe's, the Trustee or the Committee shall not have any duty or liability to furnish the Trust with any funds, securities or other assets, except as expressly provided in the Plan.

The adoption and maintenance of the Plan shall not be deemed to constitute a contract of employment or otherwise between Lowe's and any Employee, or to be a consideration for, or an inducement or condition of, any employment. Nothing contained in this Plan shall be deemed to

give an Employee the right to be retained in the Service of Lowe's or to interfere with the right of Lowe's to discharge, with or without cause, any Employee at any time.

Section 15
Future of the Plan

As future conditions cannot be foreseen, Lowe's reserves the right to amend or terminate this Plan (in whole or in part) and the Trust Agreement at any time, by action of the Board of Directors or by the Committee to the extent provided in this Section. Neither amendment nor termination of the Plan shall retroactively reduce the vested rights of Participants nor permit any part of the Trust Assets to be diverted or used for any purpose other than for the exclusive benefit of the Participants (and their Beneficiaries).

Lowe's specifically reserves the right to amend the Plan and the Trust Agreement retroactively, by action of the Board of Directors or the Committee, in order to satisfy the requirements of ERISA and Sections 401(a), 401(k) and 401(m) of the Code.

If the Plan is terminated (or partially terminated), participation of all Participants affected by the termination will end. A complete discontinuance of Contributions shall be deemed to be a termination of the Plan for this purpose. After termination of the Plan, the Trust will be maintained until the Capital Accumulations of all Participants have been distributed. Capital Accumulations may be distributed following termination of the Plan or distributions may be deferred as provided in Section 9, as the Committee shall determine.

In the event of the merger or consolidation of this Plan with another plan, or the transfer of Trust Assets (or liabilities) to another plan, the Account balances of each Participant immediately after such merger, consolidation or transfer must be at least as great as immediately before such merger, consolidation or transfer (as if the Plan had then terminated).

Notwithstanding the foregoing, the Committee may amend the Plan without approval of the Board of Directors, provided that the Committee determines in good faith that such amendment (i) will not result in a significant cost increase to Lowe's; (ii) will not result in the issuance of Lowe's Stock; and (iii) is not limited in impact to only officers of Lowe's.

Section 16
"Top-Heavy" Contingency Provisions

(a) **General.** The provisions of this Section 16 are included in the Plan pursuant to Section 401(a)(10)(B)(ii) of the Code and shall become applicable only if the Plan becomes a "top-heavy plan" under Section 416(g) of the Code for any Plan Year.

(b) **Top-Heavy Plan.** The determination as to whether the Plan becomes "top-heavy" for any such Plan Year shall be made as of the Anniversary Date of the immediately preceding Plan Year. The Plan shall be "top-heavy" only if the total Account balances for "key employees" as of such determination date exceed 60% of the total Account balances for all Participants. For such purpose, Account balances shall be computed and adjusted pursuant to Section 416(g) of the Code. "Key employee" means any Participant or former Participant (including deceased Participants) who at any time during the Plan Year that includes the determination date was an officer of the Company having annual compensation greater than \$215,000 (as adjusted after 2023 under Section 416(i)(1) of the Code), a five-percent owner of the Company, or a one-percent owner of the Company having annual compensation of more than \$150,000. For this purpose, "annual compensation" means compensation within the meaning of Section 415(c)(3) of the Code. The determination of who is a key employee will be made in accordance with Section 416(i) of the Code and applicable regulations and other guidance of general applicability issued thereunder.

(c) **Minimum Top-Heavy Contributions.** For any Plan Year in which the Plan is “top-heavy,” each Participant who is an employee on the Anniversary Date (and who is not a “key employee”) shall receive a minimum aggregate allocation of contributions and forfeitures under the Plan which is at least equal to the lesser of:

- (1) 3% of his Statutory Compensation; or
- (2) the same percentage of his Statutory Compensation as the allocation to the “key employee” for whom the percentage is the highest for that Plan Year.

(d) **Matching Contributions.** Matching contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of the Plan and Section 416(c)(2) of the Code. Matching contributions that are used to satisfy the minimum contribution requirements shall be treated as matching contributions for purposes of the actual contribution percentage test and other requirements of Section 401(m) of the Code.

(e) **Determination of Account Balances.** For purposes of determining the Account balances of Participants as of the Anniversary Date, Account balances of a Participant shall be increased by distributions made with respect to the Participant under the Plan and any other plan aggregated with the Plan under Section 416(g)(2) of the Code during the one-year period ending on the Anniversary Date. The preceding sentence shall also apply to distributions under a terminated plan, had it not been terminated, if it would have been aggregated with the Plan under Section 416(g)(2)(A)(i) of the Code. In the case of distribution made for a reason other than severance from employment, death or disability, this provision shall be applied by substituting “five-year period” for “one-year period.” The Accounts of any individual who has not performed services for the Company during the one-year period ending on the Anniversary Date shall not be taken into account.

Section 17
Minimum Required Distributions

(a) General Rules.

- (1) Precedence. The requirements of this Section 17 will take precedence over any inconsistent provisions of the Plan.
- (2) Requirements of Treasury Regulations Incorporated. All distributions required under this Section 17 will be determined and made in accordance with the Treasury regulations under Section 401(a)(9) of the Code.

(b) Time and Manner of Distributions.

- (1) Required Beginning Date. The Participant's entire Capital Accumulation will be distributed to the Participant by no later than his Required Beginning Date.
- (2) Form of Distribution. All distributions will be made in the form of lump sum payments.

(c) Required Minimum Distribution During the Participant's Lifetime.

- (1) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the total amount of the Participant's Capital Accumulation.
- (2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section 17(c) beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

(d) **Required Minimum Distributions After the Participant's Death.**

(1) **Death On or After the Date Distributions Begin.** The minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the total amount of the Participant's Capital Accumulation.

(2) **Death Before the Date Distributions Begin.** The distribution of the Participant's entire Capital Accumulation will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(e) **Coronavirus Aid, Relief, and Economic Security Act.** Effective January

1, 2023, Notwithstanding the foregoing provisions of Section 17 of the Plan, whether a participant or beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a participant with a required beginning date of April 1, 2021) but for the enactment of section 401(a)(9)(I) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are equal to the 2020 RMDs, will have the opportunity to elect whether or not to receive the 2020 RMD. All 2020 RMDs will be distributed as elected by the applicable participant or beneficiary. In the absence of a participant or beneficiary election as described in the preceding sentence, a participant or beneficiary's 2020 RMD was **distributed in accordance with the provisions of Section 17(a) – (c).**

(f) **Definitions.**

- (1) **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 17(d). The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.
- (2) **Participant's Account Balance.** The balance in the Participant's Accounts as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year (the "Valuation Calendar Year") increased by the amount of any contributions made and allocated or forfeitures allocated to the Accounts as of dates in the Valuation Calendar Year after the Valuation Date and decreased by distributions made in the Valuation Calendar Year after the Valuation Date.

(3) Required Beginning Date. The latest distribution date specified in Section 9(c) of the Plan.

(g) Coronavirus Aid, Relief, and Economic Security Act

Notwithstanding the foregoing provisions of Section 17 of the Plan, whether a participant or beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a participant with a required beginning date of April 1, 2021) but for the enactment of section 401(a)(9)(I) of the Code (“2020 RMDs”), and who would have satisfied that requirement by receiving distributions that are equal to the 2020 RMDs, will have the opportunity to elect whether or not to receive the 2020 RMD. All 2020 RMDs will be distributed as elected by the applicable participant or beneficiary. In the absence of a participant or beneficiary election as described in the preceding sentence, a participant or beneficiary’s 2020 RMD was distributed in accordance with the provisions of Section 17(a) – (c).

Section 18
Governing Law

The provisions of this Plan shall be construed, administered and enforced in accordance with the laws of the State of North Carolina, to the extent such laws are not preempted by ERISA.

Section 19
Merger of Plans

In the event a plan (the “Merged Plan”) is merged into the Plan, each participant or beneficiary in the Merged Plan as of the date immediately before the merger shall be entitled to receive a benefit under the Plan immediately after the merger (if the Plan then terminated) that is equal to or greater than the benefit he would have been entitled to receive under the Merged Plan as of the date immediately before the merger (had that plan then terminated). Each Participant or

Beneficiary in the Plan as of the date immediately before the merger shall be entitled to receive a benefit under the Plan immediately after the merger (if the Plan then terminated) that is equal to or greater than the benefit he would have been entitled to receive immediately before the merger (had the Plan then terminated).

The participants' accounts payable under the Merged Plan shall, to the extent required by law, be provided under the Plan from and after the date of merger under the same terms and conditions, in the same amount, form and manner, and at the same time and frequency as under the Merged Plan, as in effect on the day prior to the date of merger. All forms of benefit payments available to participants and beneficiaries under the Merged Plan, as in effect on the date of merger shall continue to be available, to the extent required by law, under the Plan for such participants and beneficiaries from and after the merger with respect to their accounts under the Merged Plan. Notwithstanding the foregoing, the forms of distribution available under the Merged Plan that are not otherwise available under the Plan shall be eliminated, to the extent permitted by law. Such forms of distribution shall be eliminated in accordance with the requirements of (and only to the extent permitted under) Section 411(d)(6) of the Code and any regulations thereunder.

This Section 19 shall not create any benefit or entitlement for any person where none existed under the terms of the Plan or the Merged Plan in effect prior to the merger.

(a) Merger of the Alacrity Renovation Services, LLC 401(k) Plan.

- (1) Effective February 1, 2018 (or such other date established by Lowe's), the Alacrity Renovation Services, LLC 401(k) (the "Alacrity Plan") is merged with and made a part of the Plan. The Alacrity Plan shall thereafter cease to exist as a separate plan but shall continue as part of the Plan from and

after the date of merger. The assets of the Alacrity Plan shall become assets of, and the liabilities of the such plan shall be assumed by (and combined with the liabilities of), the Plan as of the date of merger.

- (2) An Employee's prior service with Alacrity Renovation Services, LLC shall be counted, to the extent required by law, for purposes of participation under the Plan, and such Employee's Service under the Plan shall not be less than his years of service under the Alacrity Plan as of the date of merger. Any Employee who was eligible to participate in the Alacrity Plan on or before January 31, 2018 shall be immediately eligible to participate in the Plan and make Salary Deferral Contributions and receive Company Matching Contributions as of the date of merger, regardless of the eligibility requirements under Sections 3(a)(2) and 3(b)(2) of the Plan.
- (3) All nonvested participant accounts under the Alacrity Plan shall automatically become 100% vested as of the date of merger.
- (4) All applicable beneficiary designations, spousal consents, and other elections (other than investment elections) and designations made by participants or others under the Alacrity Plan shall continue in full force and effect from and after the date of merger unless and until subsequently changed in accordance with the terms of the Plan. Investment elections shall remain in effect until changed in accordance with the terms of the Alacrity Plan or the Plan, or as otherwise directed by the Lowe's.

(5) Any life insurance contracts held under the Alacrity Plan shall be distributed or terminated prior to the date of merger and not carried over to the Plan.

(b) Merger of the Maintenance Supply Headquarters, LP 401(k) Plan.

(1) Effective as of December 31, 2019 (or such other date established by Lowe's, the "Merger Date"), the Maintenance Supply Headquarters, LP 401(k) Plan (the "MSH Plan") is merged with and made a part of the Plan. In such regard, and as a part of the merger, on the Plan Merger Date the trust maintained for the MSH Plan shall become a part of the trust maintained for the Plan, and the transferred assets of the MSH Plan shall thereupon become assets of the Plan. Upon consummation of the merger on the Merger Date and thereafter (a) the Plan shall be the successor in interest to, and shall have and assume all liabilities of, the MSH Plan, (b) no further contributions shall be made to, and no further benefits shall accrue under, the MSH Plan for any period after the Merger Date and (c) all substantive provisions of the Plan (as amended from time to time) shall apply to the former MSH Plan participants. From and after the Merger Date, the named fiduciaries under the Plan shall have the authority to control and manage the operation of the merged plans and the trust maintained thereunder within their designated areas of responsibility, all as provided in the Plan. Notwithstanding the foregoing, the physical transfer of the custody of the assets of the MSH Plan transferred pursuant

to this paragraph will be made as soon as administratively practicable on or following the Merger Date.

- (2) An Employee's prior service with (A) Maintenance Supply Headquarters, LP, (B) MSH, LLC, (C) Central Wholesalers, Inc., or (D) Central Wholesalers, LLC shall be counted, to the extent required by law, for purposes of participation under the Plan, and such Employee's Service under the Plan shall not be less than his years of service under the MSH Plan as of the Merger Date. Any Employee who was eligible to participate in the MSH Plan on or before December 31, 2019 shall be immediately eligible to participate in the Plan and make Salary Deferral Contributions and receive Company Matching Contributions as of January 1, 2020, regardless of the eligibility requirements under Sections 3(a)(3) and 3(b)(3) of the Plan.
- (3) All nonvested participant accounts under the MSH Plan, including accounts of terminated employees, shall automatically become 100% vested as of the Merger Date.
- (4) Following the Merger Date, (A) a Participant may withdraw all or any amount from the Participant's Rollover Account in the MSH Plan that is transferred to a Rollover Account in the Plan, and earnings on such amount after the Merger Date, at any time, and (B) a Participant may withdraw all or any amount from the Participant's vested accounts under the MSH Plan that are transferred to accounts in the Plan, and earnings on such amounts after the Merger Date, upon becoming Disabled. Any

withdrawals pursuant to this paragraph must be made in accordance with procedures established by the Committee.

- (5) All applicable beneficiary designations, spousal consents, and other elections (other than investment elections) and designations made by participants or others under the MSH Plan shall continue in full force and effect from and after the Merger Date unless and until subsequently changed in accordance with the terms of the Plan. Investment elections shall remain in effect until changed in accordance with the terms of the MSH Plan or the Plan, or as otherwise directed by Lowe's.

Section 20
Execution

To record this statement and restatement of the Plan, Lowe's has caused this document to be executed by its duly authorized officer this 15th day of July, 2024.

LOWE'S COMPANIES, INC.

By: /s/ David R. Green
David R. Green