



February 24, 2017

STATEMENT REGARDING LAWSUIT FILED BY MICHAEL JONES

Lowe's takes great pride in being an inclusive organization, whereby it values the contributions and perspectives of every employee, regardless of race. Any suggestion that Lowe's – or any individual executive at Lowe's – discriminated against Mr. Jones because of his race is completely unfounded and irresponsible. We are highly confident that our legal case is very strong and that Mr. Jones' allegations have no basis in reality. We will defend ourselves vigorously and expect to prevail in a court of law as the facts will substantiate.

Given the nature of his claims, we felt it important to set the record straight so our employees and customers can separate fact from fiction.

The fact is that Mr. Jones' demeanor changed dramatically following a leadership assessment process in which he and other Lowe's senior executives were evaluated. Instead of embracing a third-party assessment process used in any major company, Mr. Jones instead shifted his focus to searching for another job and increasingly became disengaged from Lowe's in numerous ways.

Mr. Jones repeatedly told colleagues he wanted "a package" to leave the Company. We did our best to achieve an amicable separation, but Mr. Jones demanded an unreasonable severance package valued at over \$9 million. Mr. Jones threatened that if we did not agree to his demand, he would file a race discrimination lawsuit against Lowe's and damage its goodwill with the public. We refused to give in to such threats and have not been able to reach a resolution.