

Subject: Nordstrom Expense Offset Policy Changes

September 10, 2009

Dear Nordstrom Supplier,

As a result of efficiencies gained with recent system enhancements, and a review of our current expenses, we will be restructuring our Expense Offset Fees effective October 1, 2009. Please note, with these fee changes, our requirements remain unchanged.

Attached is a copy of our revised Expense Offset fee policy, changes are noted in red.

Our current and new fee policy, effective October 1st, can be found on our website at www.nordstromsupplier.com under Nordstrom Expense Offset Policies.

If you have any questions, please email cmio.chargebacks@nordstrom.com

Sincerely,

CMIO Chargebacks
NORDSTROM, Inc.

Nordstrom Expense Offset Policies Changes Effective October 1, 2009

Compliance Issue for Full Line, Rack & Direct	Expense Offset
Technology	
Unable to receive an electronic PO (850)	\$150.00 per incident
UPC Catalog not available	\$150.00 per incident
UPC not on Catalog at time of 'item set up'	\$150.00 per incident
Receiving of Merchandise	
Missing ASN (856): Merchandise shipped with no ASN	\$150.00 per PO, per Ship-to Location
Unusable ASN (856): <ul style="list-style-type: none"> Late ASN: ASN sent after merchandise is received at the Distribution Center ASN sent with invalid UPC Barcodes ASN sent with invalid Purchase Order, not referencing all eight digits ASN sent with invalid Ship-Date (i.e.: 20090101: Year, 2-digit month, 2-digit date) Ship-To Location on the ASN is not a valid Distribution Center location (0089,0299, 0399, 0499, 0599, 0699, 0799) ASN is missing a Bill of Lading Number 	\$150.00 per PO, per Ship-to Location
Inaccurate ASN (856): Receipt quantities do not match ASN quantities	\$150.00 per incident
GS1-128 Label: Missing or un-scannable	\$5.00 \$7.50 per carton
PO Violation	
Merchandise that is not ordered, shipped early/late, or PO is cancelled/closed	unordered and received \$150 + \$12.50 per store, unordered and returned \$100 + \$12.50 per store \$100.00 per shipment
Invoicing	
Non-consolidated Invoice	\$10.00 per invoice
Invoice (810) not received electronically	\$25.00 \$10.00 per invoice
Invoice correction	\$5.00 \$25.00 per invoice
Floor Ready	
UPC Ticketing – Vendor UPC not attached to merchandise or un-scannable	\$25.00 per PO per ship to location + 10¢ per unit
VICS Hangers –Merchandise did not arrive on a Nordstrom approved hanger. Refer to hanger requirements section.	\$25.00 per PO per ship to location + 30¢ 40¢ per unit
Direct Only UPC Barcode – Vendor UPC barcode not attached to outside of polybag or un-scannable.	\$25.00 per PO per receipt + 10¢ per unit
Direct Only Polybags – Missing; Merchandise Not Securely Sealed (Heat Seal/Tape); Polybag Too Thin; Not Individually Polybagged According to Dimensions	\$25.00 per PO per receipt + 25¢ per unit
Direct Only No or Incorrect Hanger in Garment (2" neck)	\$25.00 per PO per receipt + 30¢ 40¢ per unit
Direct Only Flat Item Shipped Hanging	\$25.00 per PO per receipt + 50¢ per unit
Direct Only Merchandise Not Packaged as Selling Unit	\$25.00 per PO per receipt + 50¢ per unit
Quality Assurance	
Direct Only Quality Assurance (100% Inspection)	\$25.00 per PO per receipt + 75¢ per unit \$75.00 per PO per receipt
Sample Photos	
Direct Only Sample Photo Touch Up	\$100 per incident
Direct Only Sample Re-shoot Flat	\$300 \$350 per incident
Direct Only Sample Re-shoot Figure	\$900 \$1200 per incident
Transportation	
Routing Guide or Purchase Order Violations	Per Routing & PO – 100% shipment cost + \$100.00 handling fee
Freight Agreement Allowance	Per Purchase Order Contract or Freight Partnership Contract: Options are either 100% or 50% for both Air and Surface shipment costs or Air shipments 60% and 30% of shipping costs