

**Nordstrom Expense Offset Policies effective October 1, 2009**

<b>Compliance Issue for Full Line, Rack &amp; Direct</b>	<b>Expense Offset</b>
<b>Technology</b>	
UPC Catalog not available	\$150.00 per incident
UPC not on Catalog at time of 'item set up'	\$150.00 per incident
<b>Receiving of Merchandise</b>	
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"> <li>• Late ASN: ASN sent after merchandise is received at the Distribution Center</li> <li>• ASN sent with invalid UPC Barcodes</li> <li>• ASN sent with invalid Purchase Order, not referencing all eight digits</li> <li>• ASN sent with invalid Ship-Date (i.e.: 20090101: Year, 2-digit month, 2-digit date)</li> <li>• Ship-To Location on the ASN is not a valid Distribution Center location (0089,0299, 0399, 0499, 0599, 0699, 0799)</li> <li>• ASN is missing a Bill of Lading Number</li> </ul>	\$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	\$7.50 per carton
<b>PO Violation</b>	
Merchandise that is not ordered, shipped early/late, or PO is cancelled/closed	\$100.00 per shipment
<b>Invoicing</b>	
Non-consolidated Invoice	\$10.00 per invoice
Invoice (810) not received electronically	\$10.00 per invoice
Invoice correction	\$25.00 per invoice
<b>Floor Ready</b>	
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 + 40¢ per unit
<b>Direct Only</b> UPC Barcode – Vendor UPC barcode not attached to outside of polybag or un-scannable.	\$25.00 per PO per receipt + 10¢ per unit
<b>Direct Only</b> 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
<b>Direct Only</b> No or Incorrect Hanger in Garment (2" neck)	\$25.00 per PO per receipt + 40¢ per unit
<b>Direct Only</b> Flat Item Shipped Hanging	\$25.00 per PO per receipt + 50¢ per unit
<b>Quality Assurance</b>	
<b>Direct Only</b> Quality Assurance (100% Inspection)	\$75.00 per PO per receipt
<b>Sample Photos</b>	
<b>Direct Only</b> Sample Photo Touch Up	\$100 per incident
<b>Direct Only</b> Sample Re-shoot Flat	\$350 per incident
<b>Direct Only</b> Sample Re-shoot Figure	\$1200 per incident
<b>Transportation</b>	
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