

NORDSTROM TERMS AND CONDITIONS OF PURCHASE ORDER

The following terms and conditions are a part of each purchase order submitted by Nordstrom, Inc., or Nordstrom DC, LLC, or Nordstrom International Limited, and are binding upon Seller.

For merchandise to be delivered to a Distribution Center located in Florida, Iowa, Maryland, Oregon or Utah, the Purchaser is Nordstrom DC, LLC, with the exception of merchandise shipped internationally for which Nordstrom, Inc. is the importer of record and merchandise for which the purchase order is submitted for the Nordstrom Product Group division of Nordstrom, Inc. ("NPG"), or by Nordstrom International Limited ("NIL"), subsidiaries of Nordstrom, Inc.

For merchandise to be delivered to any other receiving location, and all merchandise shipped internationally for which Nordstrom, Inc. is the importer of record and merchandise for which the purchase order is submitted for NPG, the Purchaser is Nordstrom, Inc. For purchase orders submitted by NIL, the Purchaser is the respective submitting entity. Nordstrom, Inc. is authorized to act as agent for Nordstrom DC, LLC in all respects regarding any purchase order.

ACCEPTANCE BY SELLER IS LIMITED TO THE TERMS OF THE PURCHASE ORDER AND THESE TERMS AND CONDITIONS. PURCHASER OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS IN SELLER'S ACCEPTANCE OR ANY OTHER DOCUMENT OR FORM TRANSMITTED ON BEHALF OF SELLER, UNLESS PURCHASER'S WRITTEN CONSENT IS FIRST OBTAINED.

Purchaser's objection to different or additional terms shall not be waived by acceptance of any merchandise or by payment of any invoice.

1. Acceptance of a Nordstrom, Inc., Nordstrom DC, LLC, NPG, or NIL purchase order, or shipment of merchandise or performance of work in connection therewith, constitutes Seller's agreement to all of the terms and conditions set forth herein and in the following documents located on Purchaser's website at www.nordstromsupplier.com: (i) the Nordstrom Supplier Compliance Manual, (ii) the Routing Guide, (iii) for purchase order submitted for NPG, the NPG Supplier Procedures Manual, and (iv) for international shipments for which Nordstrom, Inc. is the importer of record, the Nordstrom International Packing and Shipping Guide. The provisions of these terms and conditions, the Nordstrom Supplier Compliance Manual, the Routing Guide, the NPG Supplier Procedures Manual and the Nordstrom International Packing and Shipping Guide, may be modified by Purchaser at any time. Such modifications will be posted on the Purchaser's website or otherwise provided to Seller, and shall be binding upon the parties from the date of such posting or provision to Seller.

2. Purchaser may utilize purchase orders in writing, by facsimile or by electronic transmission, including the electronic data interchange system ("EDI") in accordance with published industry guidelines and the requirements of the Nordstrom Supplier Compliance Manual. Verbal orders will not be valid unless confirmed with a written or electronic purchase order. Purchaser will not assume liability for any merchandise shipped to it or upon which work is commenced by Seller prior to receipt by Seller of a duly authorized purchase order. Each party shall be responsible for its own costs related to EDI systems and transmissions and shall maintain security procedures sufficient to ensure that EDI transactions are authorized and protected against improper access.

3. In the event Seller is unable to deliver any part or all of the merchandise called for by any purchase order, Seller agrees to notify the Purchaser immediately. Such notice will not limit the remedies available to Purchaser or the liability of Seller for nonperformance.

4. Purchaser or Purchaser's agent may refuse delivery or return the merchandise F.O.B. Purchaser's dock for:

- a. Shipments (i) made before the earliest ship date or "Not Before Date," or after the cancel date or "Not After Date," specified in the purchase order, or (ii) shipped prior to or after the "Delivery Date" specified in the purchase order, time being of the essence of each purchase order.
- b. Shipments of less than or in excess of quantities ordered.
- c. Merchandise which is not according to sample or which are not specified in the purchase order.
- d. Merchandise which is not as represented or as warranted.
- e. Shipments which are not in compliance with the applicable provisions of the Nordstrom Supplier Compliance Manual, the Routing Guide, the NPG Supplier Procedures Manual and the Nordstrom International Packing and Shipping Guide, including without limitation all quality standards, transportation terms and conditions, packing instructions and invoicing instructions.
- f. Merchandise which for any reason, except payment of applicable duties and tariffs, will not be cleared for entry by U.S. Customs.
- g. Merchandise which is recalled for any reason.

5. All merchandise furnished under any purchase order shall be subject to inspection and testing by representatives of Purchaser, its customers or agents, and may be rejected and returned to Seller at Seller's cost when found to be defective, or otherwise subject to return as set forth above, at any time prior to resale, or at any time after resale if Purchaser's customer is allowed a refund or credit. If a shipment, or any portion of a shipment, is determined by sampling procedures to include merchandise that is defective or otherwise subject to return as set forth above, the entire shipment or portion may be rejected and returned to Seller at Seller's cost. At the option of the Purchaser in its sole discretion, any rejected or returned merchandise or shipment shall be subject to refund, repair by Purchaser or Seller, or replacement by Seller, at Seller's cost. Payments for merchandise prior to inspection shall not constitute acceptance and Purchaser reserves the right to hold for Seller or return to Seller, at Seller's expense, any rejected merchandise.

6. Seller warrants that the merchandise shipped under any purchase order is fit and safe for the use for which it was manufactured, that to the extent applicable the merchandise is capable of accurately processing date and time data, and that said merchandise or the resale thereof by Purchaser does not and will not violate any laws, regulations, orders or ordinances of the country of origin or of the United States or any state or any agency or political subdivision thereof.

7. Seller warrants that it does not and will not in violation of applicable law, custom or practice (a) discriminate in hiring on the basis of race, color, national origin, gender, religion or sexual orientation, or (b) utilize child labor, prison labor or indentured or forced labor in the operation of its business, or (c) participate in any payment or authorization practices in violation of the Federal Foreign Corrupt Practices Act.

8. Seller warrants that the merchandise shipped under any purchase order, including packaging and labeling:

- a. was produced and processed in strict compliance with all applicable laws, regulations, orders and ordinances of the country of origin and of the United States and any state, or any agency or political subdivision thereof, including without limitation any applicable environmental or hazardous substance laws and regulations;
- b. was produced in strict compliance with all applicable requirements of the Federal Fair Labor Standards Act, as amended, and with all applicable regulations and orders of the United States Department of Labor;

c. was produced in strict compliance with all applicable requirements of the National Labor Relations Act and other federal, state and local wage and hour and wage payment laws, and with all applicable regulations and orders issued under any of the foregoing;

d. does not and will not, and will be produced in a manner that does not and will not, infringe or violate any intellectual property or other proprietary rights, including without limitation: any utility or design patent, trademark, service mark, trade dress, trade name, copyright, trade secret, right of privacy, publicity or moral right, or utilize any manufacturing or administrative process that would infringe or violate any such right, and Seller has not received any notification of and has no knowledge of any basis upon which a third party could claim or contest the intellectual property in Seller's merchandise;

e. is accurately labeled and clearly identifies the country of origin;

f. is labeled in accordance with and complies in all respects with any and all applicable federal, state and local laws, regulations, orders and ordinances, including without limitation any applicable rules of the Federal Trade Commission, the Consumer Products Safety Commission and the Department of Health, Education and Welfare, including care labeling requirements, and the requirements of each of the following Acts to which it may be subject: The Federal Food, Drug and Cosmetic Act, the Wool Products Labeling Act of 1939, the Fair Packaging and Labeling Act, the Fur Products Labeling Act, the Textile Fiber Products Identification Act, the Federal Hazardous Substances Act and the Flammable Fabrics Act, the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and

g. is processed, packed and shipped in accordance with the Nordstrom supply chain security requirements related to the Customs-Trade Partnership Against Terrorism (C-TPAT), as defined in the C-TPAT section of the Nordstrom NPG Supplier Procedures Manual, as well as applicable US Customs rules and regulations.

9. Seller agrees to defend (with counsel acceptable to Purchaser), indemnify and save harmless the Purchaser from any and all claims, suits, liabilities, damages, losses or expenses, including attorneys' fees and costs, asserted against or incurred by Purchaser by reason of, or arising out of or occurring in connection with (a) any breach or alleged breach of any of these terms and conditions, the provisions of any purchase order, or the applicable provisions of the Nordstrom Supplier Compliance Manual, the Routing Guide, the NPG Supplier Procedures Manual or the Nordstrom International Packing and Shipping Guide, or any representations or warranties of Seller made herein or in any purchase order or otherwise, (b) any act or omission of Seller, or the servants, agents or subcontractors of Seller, in the furnishing of goods or in the performance of work under any purchase order, or (c) the possession or use of Seller's merchandise by customers of Purchaser or others. Seller shall not, without the prior written consent of Purchaser, settle or compromise any action, suit, proceeding or claim in which Purchaser is named as a party, or consent to the entry of any judgment in any such matter. All indemnification obligations of Seller hereunder shall survive termination or cancellation of any purchase order. Seller agrees that Purchaser may maintain records of Seller's compliance with the representations and warranties of Seller made in any purchase order or otherwise and that Purchaser may at any time, upon notice to Seller, undertake inspection of Seller's facilities in order to determine such compliance. Seller agrees to maintain insurance in full force and effect to fulfill Seller's indemnification obligations hereunder, and will furnish Purchaser with certificates of insurance evidencing coverage for Commercial General Liability Insurance including Contractual and Products Liability, on an occurrence basis, with at least \$1,000,000 combined single limit per occurrence, and in the aggregate, and including Vendor's Endorsement naming Purchaser as an additional insured. By requiring insurance herein, Purchaser does not represent that coverage and limits will be adequate to protect Seller and such coverage and limits shall not be deemed as a limitation on Seller's liability hereunder.

10. Seller may have access to certain commercially valuable or otherwise proprietary or confidential information relating to the operations, products, sales and business of Purchaser and its affiliated and related companies or third parties including, without limitation, inventions, improvements, trade secrets,

processes, data and know-how, software programs, techniques, marketing plans, strategies, forecasts, unpublished copyrightable material, customer lists, personal information with respect to employees, customers or others (including "Personal Information" as that term is defined in Section 1798.81.5 of the California Civil Code and "Consumer Information" as defined in 16 CFR 682) sources of supply, prospects or projections, manufacturing techniques, formulas, research or experimental work, work in process or any other proprietary or confidential matter, ("Confidential Information") . Confidential Information can be contained in any medium, including verbal form, graphic form, machine readable or electronic form, or written or other tangible form, whether or not marked as Confidential. Confidential Information shall exclude any information that: (i) is or becomes part of the public domain through no wrongful act or failure to act on the part of Seller; (ii) that is rightfully received by Seller from a third party in possession of it who was not subject to any restrictions on the disclosure of such information; (iii) is approved in writing for release by Purchaser, or, (iv) which has been independently developed by Seller (as evidenced by its written records) without violation of this Agreement or any rights of Purchaser hereto. In any dispute between the parties with respect to the foregoing exclusions, the burden of proof shall be on the party to whom such Confidential Information was disclosed and such proof shall be clear and convincing evidence. Seller agrees that, except as directed by Purchaser, Seller will not at any time, use for Seller's benefit or disclose to any person for any purpose any Confidential Information, or permit any person to use, examine and /or make copies of any documents, files, data or other information sources which contain or are derived from Confidential Information, whether prepared by Seller or otherwise coming into the Seller's possession or control, without the prior written permission of Purchaser. Seller shall maintain security procedures and practices sufficient to protect the confidentiality of Confidential Information from unauthorized access, destruction, use, modification or disclosure.

11. Seller represents and warrants that the prices and terms specified in any purchase order are no less favorable to the Purchaser than any prices or terms upon which Seller sells or offers to sell to others goods substantially of the same kind as ordered by Purchaser. If at any time goods substantially of the same kind as ordered by Purchaser are sold or offered for sale by Seller to a third party (or to Purchaser or any affiliate of Purchaser in connection with the same sales event for Purchaser) at lower prices or on terms more favorable than those stated in the purchase order, the prices and terms in the purchase order shall be automatically revised to equal the lowest prices and most favorable terms at which Seller shall have sold or shall have offered such goods and payment shall be made accordingly, or at the option of Purchaser, the merchandise may be returned to Seller, at Seller's cost, for a full refund of the purchase price. In the event Purchaser shall become entitled to such lower prices, Seller shall notify Purchaser of such lower prices, and if Purchaser shall have made payment at any price in excess thereof, Seller shall promptly refund the difference in price to the Purchaser. Seller agrees to meet any lower price offered by any competitor of Seller for goods substantially of the same kind as ordered by Purchaser or accept cancellation of the purchase order by Purchaser. Unless otherwise provided in the purchase order, prices for domestic shipments include all charges for packaging, boxing, crating and freight, F.O.B. destination, and prices for international shipments include all charges for packaging, boxing, crating and inland freight, F.O.B. port of export. Purchaser shall have the right to conduct a post-payment review of all payments made to Seller for determining compliance with these terms and conditions. Non-compliance will result in a chargeback or expense offset fee in accordance with the Nordstrom Supplier Compliance Manual or to provide Purchaser with the more favorable pricing and/or terms.

12. Purchaser reserves the right to cancel all or any part of any purchase order which has not actually been shipped by Seller in the event Purchaser's business is interrupted because of strikes, labor disturbances, lockout, riot, fire, act of God, or the public enemy, or any other cause, whether like or unlike the foregoing, if beyond the reasonable efforts of the Purchaser to control. Seller's timely performance under any purchase order shall not be excused or deemed to have been made impracticable by reason of any delay or failure to perform by Seller or any agent, subcontractor or supplier of Seller, caused by or related to any computer system incompatibility or inability to accurately process date and time data.

13. A waiver of or failure to perform any one or more of the conditions of any purchase order shall not constitute a waiver of or an excuse for nonperformance as to any other part of these terms and conditions or any purchase order.

14. Unless otherwise provided in the purchase order submitted by Purchaser, payment terms shall be net 45 days. Payment terms will be calculated from the receipt of goods at destination (not at consolidator) or receipt of invoice, whichever is later. For purchase orders with "End of Month" payment terms, any shipments received after the 20th of the month will be considered next month's business. Payments will be issued on the next possible check run following the due date after the shipment has been received and the invoice has been reconciled. Purchaser reserves the right to offset any amounts claimed by Purchaser against any amounts otherwise due Seller.

15. In addition to any other remedies available to Purchaser, failure to comply with these terms and conditions, the provisions of any purchase order, or the applicable provisions of the Nordstrom Supplier Compliance Manual, the Routing Guide, the NPG Supplier Procedures Manual or the Nordstrom International Packing and Shipping Guide, will result in offset charges and handling fees being charged to Seller. In any dispute under any purchase order or these terms and conditions, whether or not litigation is commenced, the prevailing party shall be entitled to its costs and expenses incurred, including reasonable attorneys' fees. The rights and remedies herein expressly provided shall be in addition to any other rights and remedies given by law or in equity, including without limitation, injunctive relief and the right of Purchaser to recover all incidental special and consequential and punitive damages. All warranties, representations and guaranties and indemnities made by Seller herein are in addition to any and all express or implied warranties provided by law and shall survive termination or cancellation of any purchase order.

16. All merchandise for which Nordstrom DC, LLC, or NIL is the Purchaser may be resold to Nordstrom, Inc. Seller acknowledges and agrees that all covenants, representations and warranties of Seller hereunder, and all express and implied warranties with respect to such merchandise, are also for the benefit of and extend to Nordstrom, Inc. and its affiliates. Seller agrees that Nordstrom, Inc. or any of its affiliates shall be entitled to exercise any rights of the Purchaser and to make any claims and return any merchandise directly to Seller pursuant to the terms of any purchase order.

17. In the event of any proceeding, voluntary or involuntary, in bankruptcy or insolvency by or against the Seller, including any proceeding under the United States bankruptcy laws, or any bankruptcy, insolvency or receivership laws of any state or any foreign country, or any political subdivision thereof or in the event of the appointment with or without Seller's consent of a receiver or an assignee for the benefit of creditors, Purchaser may, at its option, cancel any purchase order as to any undelivered portion of the merchandise.

18. Seller agrees that it will not use any trademark, service mark or trade name, patent or trade dress owned or controlled by or licensed to Purchaser or any of its affiliates, or used by Purchaser or its affiliates in connection with any products, lines, departments or other goods or services of Purchaser or its affiliates, including but not limited to "Nordstrom," "Nordstrom Rack," "Nordstrom Direct, and "Last Chance," except in connection with merchandise shipped to Purchaser in accordance with a valid purchase order. Seller agrees that all trademarks and trade names of Purchaser belong to or are licensed to Purchaser and Seller will make no claim of right to use or of ownership nor will Seller attempt to register any such trademark or trade name. Seller agrees that merchandise rejected or returned for any reason pursuant to the terms of any purchase order, whether or not such rejection is disputed by Seller, including but not limited to merchandise rejected or returned due to shipment after the delivery date or cancel date specified in the purchase order, will not be resold or otherwise distributed by Seller unless all labels, tags, logos, monograms and other items or characteristics identifying Nordstrom, Nordstrom Rack, Nordstrom Direct, Last Chance, or any other trademark, service mark, trade dress or trade name owned or controlled by or licensed to Purchaser or its affiliates, or used by Purchaser or its affiliates in connection with any products, lines, departments or other goods or services of Purchaser or its affiliates, have first been removed.

19. Seller agrees that all merchandise shipped under any purchase order may be advertised and sold by Purchaser (or any of Purchaser's affiliates) at any retail facilities of Purchaser (or any of Purchaser's affiliates), or by means of catalogs, the Internet, or any other electronic or other medium.

20. Each purchase order and the rights and obligations of the parties hereunder shall be determined in accordance with the laws of the State of Washington and shall not be subject to or governed by the U.N. Convention on Contracts for the International Sale of Goods. If litigation arises under any purchase order or these terms and conditions, or as a consequence of any transaction contemplated or resulting from this or either party's performance or breach thereof, jurisdiction and venue of such litigation shall be in the Superior Court for the State of Washington for King County, or the United States District Court for the Western District of Washington in Seattle, at the option of Purchaser, and Seller hereby consents to such jurisdiction and venue. Any award or judgment of any of said courts may be entered and enforced in any other domestic or foreign court of competent jurisdiction, and shall be awarded full faith and credit.

21. No claim, action or demand arising out of the transactions under any purchase order may be brought by Seller more than one year after the cause of action has accrued.

22. Seller hereby assigns to Purchaser all assignable warranty rights with respect to the merchandise in each purchase order, including without limitation all rights of Seller under warranties of any manufacturer of any of the merchandise or any part or component thereof.

23. Each purchase order is enforceable by Purchaser directly against Seller, regardless of whether the purchase order was submitted directly to Seller by Purchaser or was submitted to Seller by another party on behalf of Purchaser. No such other party shall have any authority to act for Purchaser, bind Purchaser to any agreements or modifications or otherwise act as agent for Purchaser. Seller shall not assign or transfer any purchase order, or any interest therein, without the prior written consent of Purchaser, and any attempted assignment made without such consent shall be null and void.

Invoicing Instructions:

All invoices must comply with the requirements of the applicable provisions of the Nordstrom Supplier Compliance Manual and the NPG Supplier Procedures Manual, both located on Purchaser's website at www.nordstromsupplier.com. No payment will be made by Purchaser to Seller until Seller has completed and returned all vendor setup forms required by Purchaser.

Transportation Terms and Conditions:

A. Shipping mode specified in any purchase order must be adhered to exactly unless permission to deviate is given by Purchaser's Buyer, the Nordstrom Traffic Manager, or NPG Logistics, or if there is a written agreement or exception signed by Purchaser on file.

B. Notwithstanding any agreement to pay freight or other transportation charges, delivery will not be deemed complete and all risk of loss shall remain with Seller until the merchandise has been actually received and accepted by Purchaser or Purchaser's designated agent.

C. All C.O.D. shipments will be refused.

D. For all domestic shipments:

i. Authorized carrier selection should be made from the Nordstrom Supplier Compliance Manual or the Routing Guide. Any questions should be directed to the Regional Traffic Department.

ii. Orders shipped F.O.B. city of purchase or any specific city and/or state will be delivered free of charge to Purchaser's consolidator and will be considered F.O.B. consolidator. Advance charges to the consolidation point will be at Seller's expense. Orders shipped F.O.B. factory, or EX factory, will not be free of charge to Purchaser's consolidator and freight charges will be the responsibility of the Purchaser from the shipper's door. Orders shipped F.O.B. store will be delivered free of charge to Purchaser's receiving facility and total freight charges will be at the Seller's expense.

iii. In addition to any other remedies available to Purchaser, any deviation from the terms of the purchase order, the Nordstrom Supplier Compliance Manual, the Routing Guide or the NPG Supplier Procedures Manual, will result in Seller being charged offset charges for freight expenses, handling fees, storage fees and other expenses incurred by Purchaser or Purchaser's refusal agent, and may result in the sale of any rejected and unclaimed merchandise to a salvage agent for recoupment of expenses.

iv. Merchandise must be packed, shipped and described on bills of lading in accordance with applicable freight tariffs, and shipment must be *without* declared value EXCEPT when shipping U.S. Mail or Nordstrom's authorized small package carrier where the shipper declares value and also prepays for the carrier insurance coverage fees. Any deviations will result in offset charges and handling fees being charged to Seller.

v. Prepaid shipments: All shipments to Purchaser via air and surface carrier must be sent "Collect," or "Consignee Billing," except U.S. Mail shipments. Purchaser will not reimburse Seller for "prepaid" shipments.

vi. Shipping surface: Merchandise not authorized for air shipment must follow Purchaser's shipping instructions for surface shipment. Seller is responsible for marking "surface" on the top of general bill of lading. An air bill which is used for surface shipment must have the special services requested box marked.

E. For all international shipments:

i. Authorized freight forwarder selection should be made from the Nordstrom International Packing and Shipping Guide, or for purchase orders submitted for NPG, from the NPG Supplier Procedures Manual. For all international shipping related questions, contact NPG Logistics. To receive a copy of the NPG Supplier Procedures Manual or the Nordstrom International Packing and Shipping Guide, contact NPG Quality Assurance.

ii. In addition to any other remedies available to Purchaser, any deviation from the terms of the purchase order or the NPG Supplier Procedures Manual or Nordstrom International Packing and Shipping Guide will result in Seller being charged offset charges for freight expenses, handling fees, storage fees and other expenses incurred by Purchaser. If a purchase order provides for shipment via ocean and Seller ships the merchandise via air in order to meet the delivery date, Seller shall reduce Purchaser's first cost of the merchandise prior to shipment by an amount at least equal to the difference in the cost of shipment via air over the cost of shipment via ocean.

Revised: July 8, 2010

See Store/DC List in the Nordstrom Routing Guide.