Agent Requirements – Introduction

Nordstrom Product Group recognizes the value of our Agent relationships in supporting its worldwide sourcing activities. We consider our Agents an extension of NPG and our eyes and ears in the marketplace. NPG depends on our Agents to perform certain functions on behalf of NPG. These include but are not limited to Social Compliance and Supplier Certification, Production Management, Quality Control, Logistics Support, Customs Compliance, C-TPAT security requirements and in some cases, Raw Materials Development Support.

Nordstrom Product Group considers communication and understanding of both the Agent’s capabilities and NPG requirements to be critical to the future success of the sourcing relationship. As a result, NPG has developed an Agent Requirement checklist that covers the functional areas listed above and is intended to provide existing and potential Agents with NPG requirements and expectations. In addition, the NPG Buying Agent Questionnaire was created as a tool by which to collect capability information on potential new Agents as well as existing Agents. This Questionnaire should be submitted by each existing Agent on an annual basis. The Requirements and Agent Questionnaire can be found in this section of the Manual.

Agent Requirements:

Management Philosophy
A. Strategic Goals
NPG and Agents’ management philosophy and strategic goals recognize Nordstrom’s retail orientation and customer service approach.

B. Pro-active management philosophy – social awareness
Social conscience: supports local environmental ordinances, recycling, contributing to community and humanitarian efforts

C. Pro-active management philosophy – business strategy
Agent is committed to Operational Excellence. All policies, procedures, organizational structure, formal training to employees and internal audits are defined and documented. Agent shares market trend and production impact issues with NPG.

Supplier Approval & Manufacturer/Factory Relationship
A. Evaluate potential suppliers, complete Nordstrom Partnership Guidelines (PGs) and Manufacturer-Factory Security Questionnaire (MFSQ) (site visit and Profile/Evaluation form completed)
Agent is compliant with all NPG guidelines in evaluating and assessing potential suppliers, performs on site visits and submits documents with complete and accurate information to NPG’s Sourcing & Production Manager for review.

B. Coordinate NPG and/or Third Party visits
Agent coordinates all NPG and/or Third Party visits to factories resulting in well organized visits with pertinent information flow and communication.

C. Support NPG in new supplier start-up according to NPG procedure and structure
New NPG supplier procedures are strictly adhered to with well-organized meetings, documentation, implementation and audits performed and communicated to NPG.

D. Support NPG in long-term development of supplier base and Strategic Sourcing Initiative
Agent has evaluated supplier on basis of current and future production and in partnership with supplier has developed program to ensure success based on NPG initiated requests.

E. Coordinate with branch offices as necessary.
Agent has account representative for NPG who coordinates all activities between Headquarters and Branch Offices to include Raw Material (RM) development and sourcing, supplier development, costing options, Quality Assurance and generally optimizes NPG’s product development, sourcing and production.

**Social Responsibility**

A. Partnership Guidelines (PG)

Agent’s dedication and follow through of signed Nordstrom Partnership Guidelines insures NPG expectations are communicated to all approved factories and subcontractors with full visibility at workplace and resubmitted annually in order to reduce risk of non-compliance.

B. Support NPG Social Responsibility Audit Program

Agent appoints individual(s) as requested to undergo NPG Social Responsibility Training and will complete comprehensive audits on designated factories. Audit reports are submitted to NPG Social Responsibility department for review. Corrective action plans are completed by the specified time with updates supplied to NPG Social Responsibility. Agent submits to NPG and/or Third party audit process and collaborates with supplier on any Corrective Action Plan.

C. New Factory Approval

Agent is proactive with research of new factories or subcontractors to ensure compliance with all Nordstrom Partnership Guidelines prior to Social Responsibility audit. Agent supports NPG Supplier Approval Process.

**Raw Materials Development, Sourcing and Management**

A. Develop and source fabric, yarns, trims and packaging items upon request

Where and when appropriate, agent is pro-active in sourcing of all raw materials, advising NPG of trends and providing samples of raw materials (fabric, yarn and trim) to include country of origin, price per yard/meter, purchase terms, minimum quantity per color / order, width, weight, content, supplier, article name/number, yarn size, construction, or gauge. Ensure swatched fabrics are mounted face up in correct direction.

B. If raw material selected for development, provide mill certificate to include finish, dye/print process, stitch count for knits, lead times for bulk, and supplier recommended care instructions. One yard of fabric is required for development testing. Agent ensures supplier sends NPG samples of raw material and detail.

C. Coordinate development of lab dips & finishing trials against time and action calendar

Agent prescreens lab dips/finishing trials if unacceptable and requests re-dip/additional trials with advice to NPG.

D. For NPG designated items, ability to report complete status of Raw Materials (including trims and sundries)

All tracking information (order confirmation, delivery details, quantity and quality) from Raw Material and Finished Goods supplier is monitored by Agent and communicated to NPG as requested.

**Development Approval Management**

A. Scheduling and tracking of sample making, color management – lab dips, shade bands, knit downs, strike offs and fit approvals.

B. Proactive approach to problem solving with knowledge based recommendations and options, keeping NPG in the communication loop.

**Production Management / Business Requirements**
A. Daily organizational support to ensure quality products shipped on time. 
Agent participates in seamless relationship with NPG that is conducive to clear and accurate communication; including timeline, development approval, fit execution, WIP reporting, costing and shipping information. Agent is pro-active in suggesting possible solutions and implementation of action plans.

B. Agent ensures suppliers provide WIP (work in process) reports in appropriate format in a timely manner.

C. Provide Quotation Worksheet at development and final production stages 
Costing information is complete, accurate and provided on a timely basis.

D. Assist with negotiation of lead time reduction 
Agent consistently works with suppliers to improve lead times, focusing on NPG goals.

E. Manage sample-making process including, invoicing, sample tracking and shipment details 
Agent provides total and accurate tracking of sample-making process on a timely basis, including invoicing and shipment details, according to NPG Customs Compliance Department processes.

F. Willingness to share patterns with NPG 
Agent works with supplier to ensure copy of pattern is sent with sample upon request.

G. Ensure raw material and finished goods quality meet NPG standards via required production testing program. 
Agent ensures supplier is in compliance with the production testing requirement. Proactive issue resolution for test failures.

H. Pro-active safeguard information management and communication 
Agent is pro-active and projects safeguard market conditions (price and fill rate) to identify potential problem areas and make recommendations as needed to enable reorders

Quality Control
A. Perform required pre-production, in line and final audits 
Agent conducts all auditing, documentation and communication required and is pro-active in suggesting problem solving solutions on a timely basis when issues arise during audits.

B. NPG and/or Third Party QC inline and final AQL audits 
Agent supports “external” audits with full disclosure of documentation and collaborates with NPG QC and/or Third party auditors as needed.

C. Adherence to NPG/AQL (2.5) standards and guidelines 
NPG Quality Control standards are implemented, documented and communicated to suppliers and audit team.

D. Agent Designated NPG Quality Control Team 
Agent has designated QC employee trained and certified for in-line and final audits.

E. All failed final AQL audit reports are sent to NPG for approval prior to shipment.

Operational Management
A. Responsible for overseeing compliance with all NPG Procedures Manual guidelines. Agent provides NPG guidelines to all suppliers including, but not limited to, Partnership Guidelines, Measurement Manual, and Kids’ Safety Manual. Agent works with supplier on the successful implementation of these processes.

B. Agent facilitates periodic NPG Supplier Partnership Review and issue resolution.

C. Regulatory expertise for local manufacturing. Agent communicates need to suppliers for thorough understanding of local manufacturing and exporting regulations.

D. Adherence to NPG Logistics and transportation providers and their terms. Agent provides supplier with NPG current transportation provider guidelines, working to ensure that all requirements are fully understood and adhered to.

E. Adherence to NPG C-TPAT Security Requirements. Agent communicates NPG security requirements to supplier working to insure criteria is being met and collaborating on any Corrective Action Plan.

F. Invoice and payment management. Nordstrom’s preferred payment method and terms are open account by wire or check 30 days from shipment date. Agent assists in document management and issue resolution of all invoices including samples, raw materials, finished goods, and commercial invoices. In some instances, a Letter of Credit is approved. The Agent communicates needs to the suppliers and facilitates Letter of Credit process from opening through final payment as required and in accordance with NPG Procedures Manual and Letter of Credit terms.

G. Coordination of paperwork flow to guarantee proper documentation for import to US. Agent works with supplier to ensure all US Customs documentation requirements are fully understood and implemented, monitoring each shipment to ensure documents are complete, accurate and on time.

H. Production Verification Documentation. Upon request, agent collects and reviews supplier documentation for accuracy and forwards to NPG Customs Compliance Department with required documents, summary sheet and timelines.

I. Local Government or US Customs Official visits. Alert NPG Customs Compliance immediately with pertinent information from the factory regarding visit. In case of a US Customs official visit, advise supplier to request report available based on Freedom of Information Act.

J. Pre-Classification Review. Upon receipt of spec pack, agent reviews HS classification number assigned and communicates issues or questions to NPG Customs Compliance department.

Information Technology Capabilities

A. Agent has the ability to send and receive EDI transmissions, read PDF files and has Internet access. Agent’s systems are compatible with NPG systems with optimized use of EDI (Electronic Data Interchange).

B. Agent has processes in place to identify the abuse of information and IT improper access, tampering, or altering of data.

General Expectations

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A. Recommendations to add value to product and processes.
Agent pro-actively provides recommendations for improvements to the yield, quality and garment construction while maintaining or reducing first cost.

B. Dedicated NPG account manager and team
Account manager/team is assigned to NPG account, resulting in high quality pro-active, value added communication between supplier and NPG.

C. Issue resolution and responsiveness
Agent informs NPG of key issues and ensures timely response, including alternatives for solutions. Agent manages communication chain with sense of urgency for issue response and issue resolution within 24-48 hours.