

March 10, 2003

Dear Nordstrom Supplier,

As a part of our ongoing merchandising and logistics strategy, in 2000 Nordstrom introduced requirements for VICS hangers. By implementing these industry standard guidelines, your merchandise is expedited to the selling floor, resulting in improved customer service and increased sales.

Effective April 28, 2003 Nordstrom will be implementing new expense offset charges. Our expense offset policy is consistent with industry standards and will help recover additional costs incurred by Nordstrom. These changes apply only to Nordstrom Full Line Store shipments to departments requiring VICS hangers. Nordstrom Rack shipments should meet requirements as specified by the buyer.

Nordstrom.com maintains additional compliance requirements to support their Direct-to-Consumer business model. The additional charge for each non-compliance offense is as follows:

OFFENSE	DESCRIPTION	CHARGE
<b><i>VICS hanger compliance</i></b>	Merchandise is shipped without a VICS hanger when required	\$25 per PO per ship-to location plus \$0.25 per unit

We look forward to your timely and successful application of these requirements. If you have any questions in regards to these requirements, please refer to our supplier compliance manual online at [www.nordstromsupplier.com](http://www.nordstromsupplier.com) or call 1.877.444.1313, option 1 for Supplier Compliance, option 1 for Floor Ready.

Sincerely,  
NORDSTROM Inc.



Joel T. Stinson  
Executive Vice President  
Chief Administrative Officer

*Please forward this letter to anyone within your company that would benefit from the information provided including Accounts Receivable personnel.*