
April 2005

Dear Nordstrom Direct Supplier,

As a part of our ongoing efforts to further improve our merchandising and logistics strategy, Nordstrom Direct is adopting the EDI/UPC program which is already the established standard for procurement and payment processes within Nordstrom as a whole. Your company's implementation of EDI and related industry standard guidelines will serve to expedite the transfer of merchandise, resulting in improved customer service and potential increases in sales.

Nordstrom Direct's introduction of EDI compliance is being rolled out in stages. The first of these is the requirement that vendors load their UPC catalog (832) onto the Inovis Catalogue and that they UPC bar code all merchandise that is within the poly bag with no retail price while continuing to label the outside of the poly bag as you do now.

The Nordstrom Supplier Compliance Manual detailing our supplier requirements is available at www.supplier.nordstrom.com and may be of help to you as you begin your implementation process.

We understand that, for many of you, coming into compliance with the UPC requirement may involve a substantial change in your operating procedures. In order to ensure your success in this endeavor, we encourage you to choose to either:

- Utilize your own internal resources to develop an integrated solution – or –
- Contract with a Nordstrom certified third party service provider (listed under FAQ at www.supplier.nordstrom.com) to load your UPC's on the approved catalog site.

UPC's will become a Nordstrom Direct requirement starting on 15 June 2005. Within 60 days of being contacted, you must load your UPC catalog onto the Inovis Catalogue and begin to UPC bar code all of your merchandise. Failure to comply with these UPC requirements after that date will result in an expense offset charge of \$150 per occurrence.

Non-compliance with EDI requirements results in additional processing and delays payment to your company. Our expense-offset policy, which is consistent with industry standard practices, is designed to defray the additional cost incurred by Nordstrom Direct as a result of processing non-EDI orders.

In the future, we will move to implement other industry standard EDI practices, including the following:

- Electronic Invoices (810 4010 VICS)
- Electronic Purchase Order (PO/850)
- Electronic Advance Ship Notice (ASN/856)
- UCC-128 carton label

It is critical that we develop collaborative partnerships with vendors who share a commitment to these technologies and we look forward to your timely and successful implementation of Nordstrom Direct's EDI UPC requirement.

Should you have any questions about Nordstrom Direct EDI, please contact the Nordstrom Compliance team at CMIO.compliance@nordstrom.com.

Sincerely,

Jamie Nordstrom
President
Nordstrom Direct