

NORDSTROM

January 28, 2010

Re: Children's Products Compliance – Children's Jewelry, Hair Accessories and Watches

Dear Nordstrom Vendor:

Nordstrom values the relationships we have with all of our business partners. We are writing to inform you that there has been a change to Nordstrom's requirements for certain children's products due to recent regulatory investigations, legislative activity and in the interest of our customers' health and safety. Based on these new developments, Nordstrom is amending certain of its requirements for children's jewelry, hair accessories and watches.

As you know, Nordstrom expects all of its business suppliers to comply with the applicable laws and regulations of the United States and those of the respective country of manufacture or exportation. As a Nordstrom supplier, you are expected to review, understand and comply with these requirements. Please be aware that the obligation to comply with all applicable laws and regulations remains yours and Nordstrom in no way undertakes to provide you with updates as new developments occur.

Children's Product Testing (Children's Jewelry, Hair Accessories and Watches):

After the United States created legal standards for the use of lead in toys and jewelry, some manufacturers of children's fashion jewelry and other accessories may have begun substituting other metals for the lead that include some amount of cadmium. Cadmium is potentially harmful if present in large amounts. This topic has recently received public attention after the *Associated Press* conducted and reported on testing items imported from China. Congress and the Consumer Product Safety Commission are currently discussing what additional standards may need to be in place for products containing cadmium moving forward. Additionally, there is sufficient legislative activity at the federal level, including the introduction of the Children's Toxic Metals Act, to reasonably believe that a limitation on cadmium (as well as other metals, such as barium and antimony) in children's products, specifically jewelry, may soon apply to children's products.

Since there is currently no United States standard for cadmium in children's jewelry, Nordstrom has made the decision to adopt the European Union standard for testing for migration of certain chemicals, including cadmium. Accordingly, we are implementing the following enhanced requirements for all Nordstrom vendors of children's jewelry, hair accessories and watches:

1. EN 71-3 Safety of Toys Part 3: Migration of Certain Elements (effective immediately)

Due to pending legislative activity, Nordstrom is requiring, effective immediately, that all children's jewelry, hair accessories and watches pass the standards established under EN71-3. Such testing is required for compliance with the European Toys Safety Directive (2009/48/EC), and is further defined in a series of European standards, EN71 parts 1 to 11. More information on these toy safety regulations can be found at <http://ec.europa.eu/enterprise/sectors/toys>.

Vendors not meeting these new requirements will be subject to expense offset fees and/or returns, at Nordstrom's discretion, beginning with purchase orders shipped (or fulfillment of drop ship orders on behalf of Nordstrom) beginning April 1, 2010.

Thank you for your prompt attention to, and compliance with, these matters.

Further information about Supplier compliance and reference materials for children's products can also be found at www.nordstromsupplier.com. Should you have any questions, feel free to contact me.

Sincerely,

Gary Flynn
National Merchandise Manager, Kidswear