

July 21, 2006

Dear Nordstrom Direct Supplier,

As a part of our on going efforts to further improve our merchandising and logistics strategy, Nordstrom Direct is moving to bring its compliance requirements, policies and internal support structure in line with existing industry standards and with Nordstrom Full Line Store business unit practices.

Nordstrom Direct's introduction of EDI compliance is being rolled out in stages. During the first stage we introduced the requirement that vendors load their UPCs onto the Invis or GXS Catalogue (832) and that they UPC barcode all merchandise within the polybag (excluding retail price) while continuing to label the outside of the polybag. Our records indicate that you currently have EDI turned on or have been contacted about becoming EDI compliant with our Full Line Stores (FLS), making compliance with Nordstrom Direct requirements a simple matter for your company.

The second stage of our roll-out will involve the implementation of electronic invoices (810) and electronic purchase orders (850). The 810 and 850 will become a requirement for Nordstrom Direct effective on September 27, 2006. Failure to comply will result in expense offset charges of \$25 per missing invoice, \$10 per non-consolidated invoice, and \$150 per PO not received electronically. You may also choose to accept the optional 860 PO Change.

Your company's compliance with our EDI requirements and related industry standard guidelines will serve to expedite the transfer of merchandise, resulting in improved customer service, more rapid payment to your company, and potential increases in sales. Our expense offset policy, which is consistent with industry standard practices, is designed to defray the additional costs incurred by Nordstrom as a result of processing non-EDI orders.

In the future, we will implement additional industry standard EDI practices, including electronic advance shipment notification (ASN/856) and UCC-128 carton labels. 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 EDI 810 Invoice and 850 PO requirements.

Should you have any questions about Nordstrom EDI, please visit our website at www.nordstromsupplier.com. You may also contact our Supplier Compliance department by email at cmio.compliance@nordstrom.com or by phone at 1-877-444-1313.

Sincerely,

Jamie Nordstrom
President
Nordstrom Direct