



Date: January 16, 2007

Dear Supplier:

RE: DSW Inc. Electronic Invoicing Program

DSW Inc. is pleased to announce a progressive change in our accounts payable process related to electronic invoicing. We have entered into a relationship with OB10, a global provider for electronic invoice delivery. Compliance with this new process will be required to continue providing products or services to DSW in the future without excess handling charges.

Invoice processing has always been a labor intense and costly transaction for both suppliers and buyers. This new OB10 process will speed up the payment by eliminating common problems such as lost or misplaced invoices. Using the OB10 network will also allow us to contact you quickly in the event there are questions regarding your invoices.

If you are not currently a member of the OB10 network, subscribing is simple. There is no hardware or software to install. Also, once you are established on the network, you may send electronic invoices to all customers who are utilizing OB10, allowing you to respond to future electronic invoicing requests immediately. The enclosed information outlines the options and costs relating to subscription. A 'Frequently Asked Questions' document is also enclosed and the OB10 website www.ob10.com provides additional information on network member benefits.

Based on your company's invoice volume, we request you enroll in the services offered by OB10. A representative for OB10 will contact you in the next 5 days to facilitate your network subscription. They will handle all the necessary technical and commercial steps needed to establish your account. It's that simple!

Our target is to begin receiving electronic invoices via the OB10 network by start of February 2007 and complete enrollment by end of April 2007. To achieve this deadline of vendor enrollment, you will need to sign the OB10 service agreement and deliver your first test data file to them no later than May 1, 2007. I have asked OB10 to keep us informed of the progress of your subscription.

To get started right away, please go to www.ob10.com/supplierregistration.

Thank you in advance for supporting this critical initiative. We look forward to receiving your invoices via OB10. If you wish to contact OB10, please do so via USClientServices@ob10.com or via 1-877-752-0900 then select option 2. If you need to contact Retail Ventures Services, Inc. about this request, please direct your inquiry to the Accounts Payable Help Desk at ap.vendors@retailventuresinc.com.

Kind Regards,

Steven E. Miller, Sr. VP Controller
DSW Inc.

What happens next?

Review the options document attached to decide which submission method you prefer.

If you want to use the online method and submit via the OB10 'Invoice Generator' please contact USclientservices@ob10.com or call on 1-877-752-0900 and let them know you were contacted to use OB10 and let them know you wish to use the Invoice generator option. Your contact at OB10 will then send you an email with a link from which you can activate your pre created account. Check the information, amend/add where necessary and then on completion you can start sending Invoices.

If you wish to use the 'File Submission' method you can start the process by going to www.ob10.com/supplierregistration and follow the instructions.

If you are not sure which option is best either contact OB10 immediately or OB10 will be contacting you in the next few days to discuss your situation.

When OB10 call they will need to know the contact within your company who will agree the commercial terms and sign the required service agreement. OB10 will then assist your technical representative to set up your OB10 profile and allow you to send data files in the format of your choice.

Once OB10 have set up your profile they will discuss your connectivity options for submitting invoice data to the network. If you have no current standard, OB10 will supply you with a simple, secure method to upload your invoice data to their network. Your final task, before going live, will be to approve a human readable image of your data. Please check this carefully and ensure our requirements as requested below are shown. We also see this test image and may contact you directly if the required data is missing. You will then be ready to send live invoice data to OB10 and cease sending us paper invoices.

Suppliers should **not** send duplicate paper invoices. OB10 acknowledges safe processing and delivery of all invoices and credits processed to an email address of your choice.

Please remember to ensure all data on your paper invoice is provided via this electronic approach and use comment lines where necessary.

To approve the electronic invoice we require the following information.

- Prepare only **ONE** invoice per Purchase Order, per shipment / service. Shipments made directly to store locations should be billed, by store, including the applicable store number. Services performed at the store locations should include the store location and store number.
- Payments will not be generated based on statements, proposals, or estimates.
- Each invoice must identify the following information:
 1. **Purchase order number.**
 2. **Invoice Number** (please use non-repetitive, unique numbers).
 3. **Invoice** must include an invoice date (ie. shipment / service date).
 4. **Payment terms** (Payments not generated for late fees or finance

charges)

5. Your **A.P. Vendor Number** must be included in the vendor address section of the invoice.

6. Item detail as per purchase order (if applicable), including description, size, unit breakdown with cost, unit count **and service description**.

- Under EOM terms, invoices dated on or after the 20th of the month will be paid as though received the first day of the following month.

FAQs for submitting invoices to DSW via OB10

What is electronic invoicing?

Electronic invoicing (e-Invoicing) is a communication methodology that utilizes the Internet to allow DSW {RVSI} to receive invoice information directly from suppliers without the need to print and mail paper invoice copies. The OB10 service was chosen because it offers the best value and flexibility to its suppliers with the least disruption to normal business.

Why is DSW {RVSI} moving to e-Invoicing?

E-Invoicing solutions reduce the cost of manually handling the large volume of paper invoices received daily without the associated costs and complexities of traditional paper methods. This new process will allow for better tracking of invoices, reduce unnecessary errors, improve cash flow, and result in a more efficient process for DSW {RVSI} and our suppliers.

Is this a requirement?

This is an important initiative for DSW {RVSI} and we are expecting all of our preferred suppliers to support us. We hope that you will work with us in this initiative, and strongly encourage you to take this opportunity to introduce an improved invoice processing system. The new process has full management support within DSW {RVSI}.

My account is paid on time today. Will I need to use this service?

Yes, as this process will insure the continuation of timely payments.

How do I submit my invoices electronically?

DSW {RVSI} has contracted with OB10, a third-party service provider, to facilitate the move to e-Invoicing. OB10 runs the global OB10 network - a system that enables organizations to electronically deliver invoices from their accounting systems in the format of their choice without the need to install any proprietary hardware or software. The OB10 network seamlessly connects multiple billing and accounting platforms enabling the automation of key back office invoice processing functions for both buyers and suppliers. OB10 has offices in EU, the UK (London), the USA (San Francisco), and Asia Pacific (Kuala Lumpur).

What happens if I still send paper invoices?

We will accept paper invoices until April 30, 2007, at which time all suppliers are expected to be registered with OB10. At that time we discourage you from submitting paper invoices. Please note that we will have the ability to accept electronic invoices as of Feb 1, 2007.

Are there fees associated with the e-Invoicing service?

Yes, if you are a File Supplier in addition to an annual membership fee, there is a per transaction cost. The transaction cost is for each invoice or credit memo processed, regardless of the number of lines or the value of the invoice. An OB10 representative will discuss the fee structure with you in detail on the initial follow-up call.

Why doesn't DSW {RVSI} pay the fees?

We also pay fees, as OB10 is an open network, not a private exchange for DSW {RVSI}. Our initiative is to obtain electronic invoice data and the OB10 service proves to be effective and economical for our company and its suppliers.

What does the membership fee cover?

It covers the cost incurred by OB10 for setting up your unique profile on the OB10 network and the general costs of maintaining the network. The membership fee is an annual cost regardless of the number of customers for which you submit electronic invoices.

I already send some invoices to customers via Electronic Data Interchange (EDI) can I use this?

EDI is just another data format that OB10 can support but DSW {RVSI} will not accept EDI format directly – it must go through OB10.

I can make invoices available to my customer to view via the Internet. Can I use this?

The OB10 network ensures that DSW {RVSI} receives the data you send in a format that will automatically upload into our accounting software. Providing an image of the invoice or an option to download the data in a fixed format does not satisfy our business requirement.

Do I need to install any software?

No, the OB10 service is non intrusive. Suppliers can use a standard Internet browser to upload electronic files created by your existing accounting system.

What if I don't have a system capable of creating electronic invoices?

If you print invoices generated by any invoicing system, you can send invoice data files to OB10. If you create invoices manually (Word, Excel etc.) you may access the OB10 secure web site and create invoices online using the web based Invoice Generator. All you need is an Internet connection and standard browser.

Can I send electronic invoices using OB10 to all of my customers?

Yes, once you are subscribed to the OB10 network, Open Business Exchange will enable you to send electronic invoices to any other customers that are in the OB10 network.

Will DSW {RVSI} make payments using OB10?

No, DSW {RVSI} will continue to use our current payment method independent of OB10.

Why should I use OB10 to send my invoices?

OB10 will be our preferred method of receiving invoices in the future. It reduces costs associated with printing and mailing paper invoices. In addition, it improves our accounts payable process and your cash flow.

I am planning to change my invoicing software soon, should I wait before subscribing?

The OB10 network accepts any incoming data format. You can join the network and send your invoices now and simply advise OB10 of the changes when you are ready to use your new software. They will make the necessary changes without interruption of invoice delivery.

Do I need to wait for approval by Customs and Excise to remove paper invoicing?

OB10 satisfies all Value-Added Tax (VAT) requirements. You will be given a standard letter you may send to your VAT office, which will give them all the information they need.

For further information on OB10 and the OB10 service:

See www.OB10.com, email USClientServices@OB10.com or call 1-877-752-0900 then select option 2.



Options available when Sending Invoices Electronically via the OB10 Network:

There are 2 primary methods for sending Invoice and Credit transactions via OB10. A supplier can either send a data file directly to OB10 or create invoices on-line using the 'Invoice Generator'.

Note: Charges are made directly from OB10 and will vary dependent on the service you use. Please read the options document fully before deciding which option is best for your company.

1. Sending an extracted data file

OB10 allows you to send invoice and associated credit data taken directly from your billing system. The data extracted from your systems can be in any format, including the format it currently uses for other customers. OB10 will create your account on the network, which allows the service to accept your invoice data and then translate it directly to the format required by any of your customers on the network. Data files can be sent to the network via the OB10 secure web site, EDI or FTP.

Benefits

- No hardware or software to install
- Enables the data to be taken directly from your billing system in a data format of your choice
- You are able to trade with any of your clients using the network now or in the future, without additional technical work and regardless of their required data formats
- Using OB10 removes the paper invoice along with associated mailing and labor costs

Costs for File Supplier

- Annual Membership \$795*
- Per invoice transaction costs:
 - 1-20 invoices per month = \$0.67
 - 21-100 invoices per month = \$0.55
 - 101-500 invoices per month = \$0.40
 - 501-2000 invoices per month = \$0.30
 - 2001+ invoices per month = \$0.22

Note: Transactions are charged on a monthly incremental basis.

* For suppliers who invoice from multiple entities additional fees may apply

Registering to become a File Supplier.

Contact USclientservices@OB10.com or call them on 1-877-752-0900, option 2 and let them know that you want to be a File Supplier. Your OB10 contact will then discuss the process with you to transition you to the network.





2. Creating invoices on-line using the 'Invoice Generator'

The OB10 Invoice Generator allows you to create invoices on-line and is usually chosen by those suppliers who do not have a billing system and currently generate invoices manually (e.g. as a word document). The Invoice Generator retains standing data such as your address so only billing data needs to be entered on each invoice. Once an invoice has been created you have the option to save a copy to your PC and all UK invoices are stored in the secure OB10 Image Archive for 7 years. As a member of the network you will have on-line access to these records. To understand more about this option please visit www.OB10.com. To start using this service please see the “getting started” section below.

Benefits

- Low cost electronic invoicing
- No technical set up
- Mailing costs are eliminated and invoice delivery is both fast and guaranteed
- Perfect for companies who currently raise invoices manually, or have low volumes

Costs

Enrolment is easy and we give you 6 free invoices. Additional invoices are purchased in blocks as

Pre purchase

- 12 Invoices = \$18
- 30 Invoices = \$31
- 60 Invoices = \$55
- 120 Invoices = \$95

Getting started with the Invoice Generator:

To get started, contact USclientservices@OB10.com or call them on 1-877-752-0900, option 2. Let them know that you were contacted to use OB10 and that you wish to use the Invoice Generator option. Your contact at OB10 will then send you an email with a link from which you can activate your pre created account. Check the information, amend/add where necessary and then on completion you can start sending Invoices.

