

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

---

FORM 8-K

---

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

---

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) November 17, 2009

---

**NORDSTROM, INC.**

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

---

**WASHINGTON**  
(STATE OR OTHER JURISDICTION  
OF INCORPORATION)

**001-15059**  
(COMMISSION FILE  
NUMBER)

**91-0515058**  
(I.R.S. EMPLOYER  
IDENTIFICATION NO.)

**1617 SIXTH AVENUE, SEATTLE, WASHINGTON**  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

**98101**  
(ZIP CODE)

---

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE **(206) 628-2111**

**INAPPLICABLE**  
(FORMER NAME OR FORMER ADDRESS IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

#### ITEM 8.01 OTHER EVENTS

On November 17, 2009, the Compensation Committee (the "Committee") of the Board of Directors of Nordstrom, Inc. (the "Company") approved the form of 2010 Stock Option Award Agreement. Any stock options awarded under this agreement will be pursuant to the terms of the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan"). Such awards will have a term of ten years with an exercise price equivalent to the fair market value of the Company's stock on the date of grant. Under the terms of the agreement, vesting of any grant would occur at a rate of 25% annually, beginning one year from the date of the grant. A copy of the form of 2010 Stock Option Award Agreement is attached hereto as Exhibit 10.1.

In addition, on November 17, 2009 the Committee approved the form of 2010 Performance Share Unit Award Agreement. Performance Share Units ("PSUs") are granted pursuant to the terms of the Nordstrom, Inc. 2004 Equity Incentive Plan. PSUs entitle the participant to settle in shares of Company Common Stock or to elect cash in lieu thereof upon the achievement of such performance goals as may be established by the Committee at the time of grant based on any one or combination of certain performance criteria enumerated in the Plan. If granted, any 2010 PSUs will be earned over a three-year period from fiscal year 2010 through fiscal year 2012. The percentage of PSUs granted that will actually be earned at the end of the three-year period is based on the Company's total shareholder return compared to the total shareholder return of companies in a pre-defined group of retail peers. Additionally, PSUs will only be earned if the Company's total shareholder return for the period is positive. A copy of the 2010 Performance Share Unit Award Agreement is attached hereto as Exhibit 10.2.

#### ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
10.1	2010 Stock Option Award Agreement.
10.2	2010 Performance Share Unit Award Agreement.

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORDSTROM, INC.

By: /s/ Robert B. Sari  
Robert B. Sari  
Executive Vice President, General Counsel and  
Corporate Secretary

Dated: November 23, 2009

---

## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
10.1	2010 Stock Option Award Agreement.
10.2	2010 Performance Share Unit Award Agreement.

# Nonqualified Stock Option Grant Agreement

## Time-Vested Option

# 2010

A NONQUALIFIED STOCK OPTION GRANT (hereinafter the "Option") for the number of shares of Nordstrom Common Stock ("Common Stock"), as noted in the *2010 Notice of Grant of Stock Options* (the "Notice"), of Nordstrom, Inc., a Washington Corporation (the "Company"), is hereby granted to the Recipient ("Optionee") on the date set forth in the Notice, subject to the terms and conditions of this Agreement. The Option is also subject to the terms, definitions and provisions of the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan") adopted by the Board of Directors of the Company (the "Board") and approved by the Company's shareholders, which is incorporated in this Agreement. To the extent inconsistent with this Agreement, the terms of the Plan shall govern. Terms not defined herein shall have the meanings as set forth in the Plan. The Compensation Committee of the Board (the "Compensation Committee") has the discretionary authority to construe and interpret the Plan and this Agreement. All decisions of the Compensation Committee upon any question arising under the Plan or under this Agreement shall be final and binding on all parties. The Option is subject to the following terms and conditions:

### 1. OPTION PRICE

The option price is one hundred percent (100%) of the fair market value of Common Stock as determined by the closing price of Common Stock on the New York Stock Exchange on the date of grant. For this purpose, the date of grant is indicated in the Notice and reflects either the date the Compensation Committee approves the grant, or if this date falls within a closed trading period, the first trading day thereafter that falls within an open trading window.

### 2. VESTING AND EXERCISING OF OPTION

Except as set forth in Section 5, the Option shall vest and be exercisable pursuant to the terms of the vesting schedule set forth in the Notice.

(a) Method of Exercise. The Option shall be exercisable (only to the extent vested) by a written notice in a form prescribed by the Company that shall:

- (i) state the election to exercise the Option, the number of shares, the total option price, and the name and address of the Optionee;
- (ii) be signed by the person entitled to exercise the Option; and
- (iii) be in writing and delivered to Nordstrom Leadership Benefits (either directly or through a broker).

The Company has made arrangements with a broker for Option management and exercises.

(b) Payment upon Exercise. Payment of the option price for any shares with respect to which an Option is being exercised shall be by:

- (i) check or bank wire transfer,
- (ii) the surrender of shares of Common Stock previously held for at least six months by the Optionee, or where not acquired by the Optionee by exercising the Option, having a fair market value at least equal to the option price, or
- (iii) giving an irrevocable direction for a broker approved by the Company to sell all or part of the Option shares and to deliver to the Company from the sale proceeds in an amount sufficient to pay the option price and any amount required to be withheld to meet the Company's minimum statutory withholding requirements, including the employee's share of payroll taxes. (The balance of the sale proceeds, if any, will be delivered to the Optionee.)

The certificate(s) or shares of Common Stock as to which the Option shall be exercised shall be registered in the name of the person(s) exercising the Option unless another person is specified. An Option hereunder may not at any time be exercised for a fractional number of shares.

(c) Restrictions on Exercise. The Option may not be exercised if the issuance of the shares upon such exercise would constitute a violation of any applicable federal or state securities or other law or valid regulation, or the Company's Insider Trading Policy. As a condition to the exercise of the Option, the Company may require the person exercising the Option to make any representation and warranty to the Company as the Company's counsel advises and as may be required by the Company or by any applicable law or regulation.

### 3. ACCEPTANCE OF OPTION

Although the Company may or may not require the Optionee's signature upon accepting the grant, the Optionee remains subject to the terms and conditions of this Agreement.

### 4. NONTRANSFERABILITY OF OPTION

The Option may not be sold, pledged, assigned or transferred in any manner except in the event of the Optionee's death. In the event of the Optionee's death, the Options may be transferred to the person indicated on a valid Nordstrom Beneficiary Designation form, or if no Beneficiary Designation form is on file with the Company, then to the person to whom the Optionee's rights have passed by will or the laws of descent and distribution. Except as set forth in Section 5 below, the Option may be exercised during the lifetime of the Optionee only by the Optionee or by the guardian or legal representative of the Optionee. The terms of the Option shall be binding upon the executors, administrators, heirs and successors of the Optionee.

### 5. SEPARATION OF EMPLOYMENT

Except as set forth below, a vested Option may only be exercised while the Optionee is an employee of the Company. If an Optionee's employment is terminated, the Optionee or his or her legal representative shall have the right to exercise the Option after such termination as follows:

- (a) If the Optionee dies while employed by the Company, the recipient named on the Optionee's Beneficiary Designation form may exercise such rights. If no Beneficiary Designation form is on file with the Company, then the person to whom the Optionee's rights have passed by will or the laws of descent and distribution may exercise such rights. If the Option was granted at least six months prior to the death of the Optionee while employed by the Company, it shall immediately vest and may be exercised during the period ending four years after the Optionee's death. In no event may the Option be exercised more than 10 years from the date of grant. If the Option was granted less than six months prior to death, such Option shall be forfeited as of the date of death.
- (b) If the Optionee is separated due to his or her disability, as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as

amended (the "Code"), the Option, if granted at least six months prior to such separation and the Optionee provides Nordstrom Leadership Benefits with reasonable documentation of the Optionee's disability, shall immediately vest and may be exercised during the period ending four years after separation. In no event may the Option be exercised more than 10 years from the date of grant. If the Option was granted less than six months prior to separation due to the Optionee's disability, such Option shall be forfeited as of the date of separation.

**NORDSTROM**

1 | Nonqualified Stock Option Grant Agreement Time-Vested Option

---

- (c) If the Optionee is separated due to retirement between the ages of 53 and 57 with 10 continuous years of service to the Company from the most recent hire date, or upon attaining age 58, the Option, if granted at least six months prior to such retirement, shall continue to vest and may be exercised during the period ending four years after separation. In no event may the Option be exercised more than 10 years from the date of grant. If the Option was granted less than six months prior to retirement, such Option shall be forfeited as of the date of separation.
- (d) If the Optionee's employment is terminated due to his or her embezzlement or theft of Company funds, defraudation of the Company, violation of Company rules, regulations or policies, or any intentional act that harms the Company, such Option, to the extent not exercised as of the date of termination, shall be forfeited as of that date.
- (e) If the Optionee is separated for any reason other than those set forth in subparagraphs (a), (b), (c) and (d) above, the Optionee (or Optionee's beneficiary) may exercise his or her Option, to the extent vested as of the date of his or her separation, within 100 days after separation. In no event may the Option be exercised more than 10 years from the date of grant. Any unvested options will be forfeited as of the date of separation.

Notwithstanding anything above to the contrary, if at any time during the Optionee's employment with the Company, the Optionee directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, shareholder, corporate officer, director or in any other capacity, engages or assists any third party in engaging in any business competitive with the Company; divulges any confidential or proprietary information of the Company to a third party who is not authorized by the Company to receive the confidential or proprietary information; or improperly uses any confidential or proprietary information of the Company, then the post-separation vesting and exercise rights of the Option set forth above shall cease immediately, and all outstanding vested and unvested portions of the Option shall be forfeited.

#### 6. TERM OF OPTION

The Option may not be exercised more than 10 years from the date of grant of the Option, and the vested portion of such Option may be exercised during such term only in accordance with the Plan and the terms of the Option.

#### 7. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

The number and kind of shares of Common Stock subject to the Option shall be appropriately adjusted, pursuant to the Plan, along with a corresponding adjustment in the option price to reflect any stock dividend, stock split, split-up, extraordinary dividend distribution, or any combination or exchange of shares, however accomplished.

#### 8. ADDITIONAL OPTIONS

The Compensation Committee may or may not grant the Optionee additional Options in the future. Nothing in this Option or any future grant should be construed as suggesting that additional grants to the Optionee will be forthcoming.

#### 9. LEAVES OF ABSENCE

For purposes of the Option, the Optionee's service does not terminate due to a military leave, a medical leave or another bona fide leave of absence if the leave was approved by the Company in writing and if continued crediting of service is required by the terms of the leave or by applicable law. But, service terminates when the approved leave ends unless the Optionee immediately returns to active work.

If the Optionee goes on a leave of absence approved by the Company, then the vesting schedule specified in the Notice may be adjusted in accordance with the Company's leave of absence policy or the terms of the leave.

#### 10. TAX WITHHOLDING

In the event that the Company determines that it is required to withhold any tax as a result of the exercise of the Option, the Optionee, as a condition to the exercise of their Option, shall make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements.

#### 11. RIGHTS AS A SHAREHOLDER

Neither the Optionee nor the Optionee's beneficiary or representative shall have any rights as a shareholder with respect to any Common Stock subject to the Option, unless and until (i) the Optionee or the Optionee's beneficiary or representative becomes entitled to receive such Common Stock by filing a notice of exercise and paying the option price pursuant to the Option, and (ii) the Optionee or Optionee's beneficiary or representative has satisfied any other requirement imposed by applicable law or the Plan.

#### 12. NO RETENTION RIGHTS

Nothing in the Option or in the Plan shall give the Optionee the right to be retained by the Company (or a subsidiary of the Company) as an employee or in any capacity. The Company and its subsidiaries reserve the right to terminate the Optionee's service at any time, with or without cause.

#### 13. CLAWBACK POLICY

The Option, and for the avoidance of doubt, the proceeds (Common Stock or cash) received in connection with the exercise of the Option or subsequent sale of such issued Common Stock, shall be subject to the Clawback Policy adopted by the Company's Board, which provides as follows:

To the extent permitted by law, if the Board, with the recommendation of the Compensation Committee, determines that any bonus, equity award, equity equivalent award or other incentive compensation has been awarded or received by a Section 16 executive officer of the Company, and that:

- (a) such compensation was based on the achievement of certain financial results that were subsequently the subject of a material restatement of the Company's financial statements filed with the Securities and Exchange Commission,
- (b) the Section 16 executive officer engaged in grossly negligent or intentional misconduct that caused or substantially caused the need for the material restatement, and
- (c) the amount or vesting of the bonus, equity award, equity equivalent or other incentive compensation would have been less had the financial statements been correct,

then the Board shall recover from the Section 16 executive officer such compensation (in whole or in part) as it deems appropriate under the circumstances.

In the event the Clawback Policy is deemed unenforceable with respect to the Option, or with respect to the proceeds received in connection with the exercise of the Option or subsequent sale of such issued Common Stock, then the Option grant subject to this Agreement shall be deemed unenforceable due to lack of adequate consideration.

#### 14. ENTIRE AGREEMENT

The Notice, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

This Agreement may not be modified or amended, except for a unilateral amendment by the Company that does not materially adversely affect the rights of the Optionee under this Agreement. No party to this

**NORDSTROM**



Agreement may unilaterally waive any provision hereof, except in writing. Any such modification, amendment or waiver signed by, or binding upon, the Optionee, shall be valid and binding upon any and all persons or entities who may, at any time, have or claim any rights under or pursuant to this Agreement.

15. CHOICE OF LAW

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, as such laws are applied to contracts entered into and performed in such State.

16. SEVERABILITY

If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable provision were not contained herein.

17. CODE SECTION 409A

The Company reserves the right, to the extent the Company deems reasonable or necessary in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all vesting or delivery of Common Stock provided under this Agreement is made in a manner that complies with Section 409A of the Code, together with regulatory guidance issued thereunder.

**NORDSTROM**

# Performance Share Unit Award Agreement

# 2010

AN AWARD FOR PERFORMANCE SHARE UNITS (hereinafter the "Units"), representing a number of shares of Nordstrom Common Stock ("Common Stock") as noted in the 2010 Notice of Award of Performance Share Units (the "Notice"), of Nordstrom, Inc., a Washington Corporation (the "Company"), is hereby granted to the Recipient ("Unit holder") on the date set forth in the Notice, subject to the terms and conditions of this Agreement. The Units are also subject to the terms, definitions and provisions of the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan") adopted by the Board of Directors of the Company (the "Board") and approved by the Company's shareholders, which is incorporated in this Agreement. To the extent inconsistent with this Agreement, the terms of the Plan shall govern. Terms not defined herein shall have the meanings as set forth in the Plan. The Compensation Committee of the Board (the "Compensation Committee") has the discretionary authority to construe and interpret the Plan and this Agreement. All decisions of the Compensation Committee upon any question arising under the Plan or under this Agreement shall be final and binding on all parties. The Award and the Units issued thereunder are subject to the following terms and conditions:

## 1. VESTING AND SETTLEMENT OF UNITS

At the end of three fiscal years following the date of the Award ("the Performance Cycle"), Units shall vest and be settled in accordance with the provisions of the Plan as follows:

### (a) Vesting

Each vested Unit is equal in value to one share of Common Stock. Except as set forth in Section 4, Units shall vest at the applicable percentage when the Compensation Committee certifies that (1) the Company's Total Shareholder Return (TSR) is positive, and (2) its TSR performance relative to the TSR of other companies in the Peer Group exceeds the following corresponding percentile rankings. For purposes of determining the Company's TSR relative to the TSR of other companies in the Peer Group, the share price of Common Stock, and the share prices of the companies in the Peer Group, are based on the thirty trading day closing price average immediately prior to the start of the Performance Cycle and the thirty trading day closing price average immediately prior to the end of the Performance Cycle.

#### PSU Vesting %

Positive Nordstrom TSR and Percentile Rank Among Peers	PSU Vesting
> 85%	125%
> 75%	100%
> 65%	85%
> 50%	75%
≤ 50%	0%

While the relative percentile rankings may change during the Performance Cycle based upon mergers, acquisitions, dissolutions and other industry consolidation involving the companies in the Peer Group, the application of the percentile vesting above is applied consistently. Generally, Units will be earned if the Nordstrom TSR for the Performance Cycle is positive and in the top half of performers relative to the other companies in the Peer Group.

### (b) Settlement

Units shall be settled upon vesting, unless the Unit holder has elected to defer the Units into the Executive Deferred Compensation Plan (EDCP) in accordance with its rules. Upon deferral, the vested Units (and their subsequent settlement and payment) shall be governed by the terms and conditions of the EDCP as that Plan may be amended from time to time by the Company.

Unless earlier deferred into the EDCP, the Unit holder shall elect (during a period prior to settlement as prescribed by and in accordance with procedures established by the Company) to settle the Units upon vesting in either one share of Common Stock for each vested Unit, receive an equivalent amount of cash for each vested Unit, or receive a combination of cash and stock. In the event the Unit holder does not or is unable to make such a settlement election, the Units shall be settled in stock. In the event the Units are settled in cash, the amount of cash will be determined on the basis of the closing price of Common Stock on the New York Stock Exchange on the last day of the Performance Cycle.

### (c) Withholding Taxes

No stock certificates or cash will be distributed to the Unit holder, or amounts deferred into the EDCP, unless the Unit holder has made acceptable arrangements to pay any withholding taxes that may be due as a result of the settlement of this Award. These arrangements may include withholding shares of Common Stock that otherwise would be distributed when the Units are settled. The fair market value of the shares required to cover withholding will be applied to the withholding of taxes prior to the Unit holder receiving the remaining shares or the cash value of those shares.

### (d) Restrictions on Resale

The Unit holder agrees not to sell any shares of Common Stock at a time when applicable laws or Company policies prohibit a sale. This restriction will apply as long as the Unit holder is an employee, consultant or director of the Company or a subsidiary or affiliate of the Company.

## 2. ACCEPTANCE OF UNITS

Although the Company may or may not require the Unit holder's signature upon accepting the Award, the Unit holder remains subject to the terms and conditions of this Agreement.

## 3. NONTRANSFERABILITY OF UNITS

The Units may not be sold, pledged, assigned or transferred in any manner except in the event of the Unit holder's death. In the event of the Unit holder's death, the Units may be transferred to the person indicated on a valid Nordstrom Beneficiary Designation form, or if no Beneficiary Designation form is on file with the Company, then to the person to whom the Unit holder's rights have passed by will or the laws of descent and distribution. Except as set forth in Section 4 below, the Units may be settled during the lifetime of the Unit holder only by the Unit holder or by the guardian or legal representative of the Unit holder. The terms of the Award shall be binding upon the executors, administrators, heirs and successors of the Unit holder.

4. SEPARATION OF EMPLOYMENT

Except as set forth below, Units vest and may only be settled while the Unit holder is an employee of the Company. If the Unit holder's employment is terminated, the Units shall continue to vest pursuant to the schedule set forth in subparagraph 1(a) above, and the Unit holder or his or her legal representative shall have the right to settlement of the Units after such termination only as follows:

- (a) If the Unit holder dies while employed by the Company, the person named on the Unit holder's Beneficiary Designation form shall be entitled to settlement of the Units. If no valid Beneficiary Designation form is on file with the Company, then the person to whom the Unit holder's rights have passed by will or the laws of descent and distribution shall be entitled to settlement of the Units. If the Units were granted at least six months prior to the death of the Unit holder while employed by the Company,

**NORDSTROM**

the Unit holder's beneficiary shall be entitled to a prorated payment with respect to vested Units based on the period of service during the term of this Agreement. If the Units were granted less than six months prior to death, the Units shall be forfeited as of the date of death with no rights to a prorated payment at settlement.

- (b) If the Unit holder is separated due to his or her disability, as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Units were granted at least six months prior to such separation, and the Unit holder provides Nordstrom Leadership Benefits with reasonable documentation of the Unit holder's disability, the Unit holder (or his or her beneficiary) shall be entitled to a prorated payment with respect to vested Units based on the period of service during the term of this Agreement. If the Units were granted less than six months prior to separation due to the Unit holder's disability, the Units shall be forfeited as of the date of separation with no rights to a prorated payment at settlement.
- (c) If the Unit holder is separated due to retirement between the ages of 53 and 57 with 10 years of continuous service to the Company from the most recent hire date, or upon attaining age 58, and the Units were granted at least six months prior to such separation, the Unit holder (or his or her beneficiary) shall be entitled to a prorated payment with respect to vested Units based on the period of service during the term of this Agreement. If the Units were granted less than six months prior to retirement, the Units shall be forfeited as of the date of retirement with no rights to a prorated payment at settlement.
- (d) If the Unit holder's employment is terminated due to his or her embezzlement or theft of Company funds, defraudation of the Company, violation of Company rules, regulations or policies, or any intentional act that harms the Company, such Units, to the extent not vested and settled as of the date of termination, shall be forfeited as of that date.
- (e) If the Unit holder is separated for any reason other than those set forth in subparagraphs (a), (b), (c) and (d) above, Units, to the extent not vested and settled as of the date of his or her separation, shall be forfeited as of that date.

Notwithstanding anything above to the contrary, if at any time during the term of this Award, the Unit holder directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, shareholder, corporate officer, director or in any other capacity, engages or assists any third party in engaging in any business competitive with the Company; divulges any confidential or proprietary information of the Company to a third party who is not authorized by the Company to receive the confidential or proprietary information; or improperly uses any confidential or proprietary information of the Company, then the post-separation proration of Units and settlement rights set forth above shall cease immediately, and all outstanding vested but not settled and unvested portions of the Award shall be forfeited.

#### 5. TERM OF UNITS

Units not certified by the Compensation Committee as having vested as of the end of the Performance Cycle for which the Units were awarded, shall be forfeited.

#### 6. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

The number and kind of shares of Common Stock subject to this Award shall be appropriately adjusted pursuant to the Plan to reflect any stock dividend, stock split, split-up, extraordinary dividend distribution, or any combination or exchange of shares, however accomplished.

#### 7. ADDITIONAL UNITS

The Compensation Committee may or may not grant the Unit holder additional Units in the future. Nothing in this Award or any future Award should be construed as suggesting that additional Unit awards to the Unit holder will be forthcoming.

#### 8. LEAVES OF ABSENCE

For purposes of this Award, the Unit holder's service does not terminate due to a military leave, a medical leave or another bona fide leave of absence if the leave was approved by the Company in writing and if continued crediting of service is required by the terms of the leave or by applicable law. But, service terminates when the approved leave ends unless the Unit holder immediately returns to active work.

#### 9. TAX WITHHOLDING

In the event that the Company determines that it is required to withhold any tax as a result of the settlement of Units, the Unit holder shall make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements.

#### 10. RIGHTS AS A SHAREHOLDER

Neither the Unit holder nor the Unit holder's beneficiary or representative shall have any rights as a shareholder with respect to any Common Stock subject to these Units, unless and until the Units vest and are settled in shares of Common Stock of the Company.

#### 11. NO RETENTION RIGHTS

Nothing in this Agreement or in the Plan shall give the Unit holder the right to be retained by the Company (or a subsidiary of the Company) as an employee or in any capacity. The Company and its subsidiaries reserve the right to terminate the Unit holder's service at any time, with or without cause.

#### 12. CLAWBACK POLICY

The Units, and for the avoidance of doubt, the proceeds (Common Stock or cash) received in connection with the settlement of the Units or subsequent sale of such issued Common Stock, shall be subject to the Clawback Policy adopted by the Company's Board, which provides as follows:

To the extent permitted by law, if the Board, with the recommendation of the Compensation Committee, determines that any bonus, equity award, equity equivalent award or other incentive compensation has been awarded or received by a Section 16 executive officer of the Company, and that:

- (a) such compensation was based on the achievement of certain financial results that were subsequently the subject of a material restatement of the Company's financial statements filed with the Securities and Exchange Commission,
- (b) the Section 16 executive officer engaged in grossly negligent or intentional misconduct that caused or substantially caused the need for the material restatement, and
- (c) the amount or vesting of the bonus, equity award, equity equivalent or other incentive compensation would have been less had the financial statements been correct,

then the Board shall recover from the Section 16 executive officer such compensation (in whole or in part) as it deems appropriate under the circumstances.

In the event the Clawback Policy is deemed unenforceable with respect to the Units, or with respect to the proceeds received in connection with the settlement of the Units or subsequent sale of such issued Common Stock, then the award of Units subject to this Agreement shall be deemed unenforceable due to lack of adequate consideration.

13. ENTIRE AGREEMENT

The Notice, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

This Agreement may not be modified or amended, except for a unilateral amendment by the Company that does not materially adversely affect the rights of the Unit holder under this Agreement. No party to this Agreement may unilaterally waive any provision hereof, except in writing. Any such modification, amendment or waiver signed by, or binding upon, the Unit holder, shall be valid and binding upon any and all persons or entities who may, at any time, have or claim any rights under or pursuant to this Agreement.

14. CHOICE OF LAW

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, as such laws are applied to contracts entered into and performed in such State.

15. SEVERABILITY

If any provision of this Agreement shall be invalid or unenforceable, such invalidity or

**NORDSTROM**

unenforceability shall attach only to such provision and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable provision were not contained herein.

16. CODE SECTION 409A

The Company reserves the right, to the extent the Company deems reasonable or necessary in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all vesting or delivery of compensation provided under this Agreement is made in a manner that complies with Section 409A of the Code, together with regulatory guidance issued thereunder.

**NORDSTROM**