

**NORDSTROM, INC.**  
**COMPENSATION COMMITTEE CHARTER**

(as amended August 22, 2018)

**1. ESTABLISHMENT and PURPOSE**

- 1.1 The Compensation Committee (the “Committee”) of the Board of Directors of Nordstrom, Inc. (“Nordstrom” or “Company”) is responsible: (i) for determining the forms and amounts of all compensation for the Executives and Directors of Nordstrom; (ii) for reviewing and discussing with management Nordstrom’s Compensation Discussion and Analysis (CD&A); and (iii) for supporting the Board in carrying out its overall responsibilities relating to compensation plans, policies and programs of the Company.
- 1.2 For purposes of the Charter, “Directors” refers to non-employee members of the Board of Directors of Nordstrom and “Executive” refers to those persons designated as Section 16 officers by the Board for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

**2. COMPOSITION and TERM OF SERVICE**

- 2.1 The Committee shall consist of three or more members of the Board, each of whom shall be “independent” as defined under the rules of the New York Stock Exchange, as they may be amended from time to time. In addition, all members of the Committee shall (i) qualify as a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfy the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.
- 2.2 The Committee Chairperson and the Committee members shall be appointed in accordance with the charter of the Nordstrom Corporate Governance and Nominating Committee. The Committee members shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may, at any time and in its complete discretion, remove any member of the Committee. In consultation with the Non-Executive Chairman of the Board, the Board may fill any vacancy in the Committee.
- 2.3 A majority of the Directors comprise a quorum of the Committee, present in person or by telephone or through other telecommunications.

### **3. STRUCTURE and OPERATIONS**

- 3.1 In the event of a tie vote on any issue, the Chairperson's vote shall decide the issue. The Committee shall meet in person or telephonically pursuant to a pre-determined schedule at a time and place determined by the Committee Chairperson, with further meetings to occur when deemed necessary or desirable by the Committee or its Chairperson. In lieu of a meeting, the Committee may also act by unanimous written consent resolution.
- 3.2 The Committee may delegate authority to subcommittees consisting of one or more members when appropriate, provided that decisions of subcommittees shall be presented to and ratified by the full Committee at its next scheduled meeting.
- 3.3 The Committee is accountable to the Board, shall maintain records of its meetings and actions, and the Chairperson or his or her designee shall report Committee actions to the Board with such recommendations as the Committee deems appropriate and report on activities at such other times as requested by the Board.

### **4. DUTIES and RESPONSIBILITIES**

- 4.1 The duties and responsibilities of the Committee include:
  - 4.1.a. establishing and regularly reviewing the Company's overall compensation philosophy;
  - 4.1.b. reviewing and approving the Company's peer companies and data sources for purposes of evaluating compensation competitiveness and establishing the appropriate competitive positioning of the levels and mix of compensation elements;
  - 4.1.c. annually reviewing and approving the corporate goals and objectives relevant to the Executives' compensation, and evaluating the Executives' performance in light of these goals and objectives. Based upon such evaluation (and any other factors as the Committee deems relevant), the Committee shall (or together with the other independent directors as directed by the Board) approve:
    - the salary paid to the Executives;
    - the grant of any cash-based bonuses and equity compensation to the Executives;
    - the award of any benefits or perquisites to the Executives;

- the entering into or amendment or extension of any employment contract or similar arrangement with the Executives; and
- any other Executive compensation matters as from time to time directed by the Board.

In determining the total compensation components of the Executives' compensation, the Committee may consider such factors as it deems relevant including Company performance and relative shareholder return, the value of similar awards to CEOs and executives at comparable companies, the awards given to the Executives in past years, and the results of the most recent shareholder advisory vote on executive compensation. The Committee is not precluded from taking such actions and approving awards as may be required to comply with applicable tax laws. The Committee has the ability to adjust and/or recover incentive awards or payments relative to the clawback policy, including in any applicable Plan agreements. The Committee determinations on any of these decisions shall be made irrespective of any family relationships;

- 4.1.d. reviewing management's performance evaluation of the Executives;
- 4.1.e. reviewing and recommending to the Board the form and amount of compensation paid to Directors for Board and committee service and for Board and committee leadership roles;
- 4.1.f. approving, where applicable (or recommending to the Board to approve) any compensation arrangements between the Company and any Executive or Director that are not typical within the normal operation of the Company's programs (e.g., special awards, out of cycle awards, separation agreements, change in control agreements);
- 4.1.g. reviewing and approving (or recommending to the Board to approve) the adoption and material amendment of Nordstrom's cash-based and equity-based incentive compensation plans;
- 4.1.h. administering (unless administration is otherwise delegated in accordance with the provisions of such plans or of Section 3.2) Nordstrom's cash-based and equity-based incentive compensation plans, including reviewing management's recommendations for, and approving as it deems appropriate, long-term incentive award levels or other incentives to non-Executive key contributors to the success of Nordstrom and its affiliates;

- 4.1.i. to the extent determined by the Committee to be necessary or appropriate, reviewing and approving (or recommending to the Board to approve) any benefit plans, retirement and deferred compensation or other perquisites offered to the Directors, Executives and other employees, including eligibility, the level and types of benefits or perquisites provided and the level of funding and appropriate mechanisms for financing such plans;
- 4.1.j. consulting with the Co-Presidents regarding significant organizational structure changes and advising the Board regarding the implications on any Executive compensation or benefit programs concerning such changes;
- 4.1.k. reviewing and making recommendations to the Board with respect to profit sharing contributions to Nordstrom's 401(k) Plan;
- 4.1.l. reviewing and discussing with management Nordstrom's Compensation Discussion & Analysis (CD&A) and based on that review and discussion, determining whether or not to recommend to the Board that the CD&A be included in Nordstrom's annual proxy statement or other applicable Securities and Exchange Commission (SEC) filing, and preparing the Committee Report for the annual proxy statement and, in coordination with the Company's Corporate Governance and Nominating Committee, overseeing the Company's submission to shareholders with respect to executive compensation matters (e.g., advisory votes on executive compensation, frequency of such votes, and the approval of incentive plans);
- 4.1.m. receiving periodic reports upon request by the Committee on Nordstrom's compensation plans, policies and programs;
- 4.1.n. periodically reviewing and approving Nordstrom's stock ownership guidelines applicable to the Executives and Directors and monitoring compliance with the stock ownership guidelines by those individuals;
- 4.1.o. monitoring compliance by Executives and Directors with rules of all equity compensation plans reviewed and approved by the Committee;
- 4.1.p. identifying parameters for overall process and management participation in compensation decisions;
- 4.1.q. reviewing and assessing on a periodic basis potential risk to the Company from its compensation programs and policies, including incentive plans;
- 4.1.r. undertaking such other responsibilities, tasks or projects as the Board of Directors may delegate or assign to the Committee from time to time; and

- 4.1.s. conducting an annual self-evaluation of the Committee's performance to determine whether the Committee and its members are functioning effectively in adherence to this Charter.
- 4.2 The Committee shall maintain appropriate procedures to ensure accurate meeting agendas and minutes are prepared, with such meeting minutes presented to the Committee for approval at the next regularly scheduled Committee Meeting. Such meeting agendas and minutes shall be filed in the Committee Minute Book upon approval.
- 4.3 The Company shall provide the Committee the necessary resources, and the Committee shall have the requisite authority, to discharge its duties and responsibilities as described herein. Without limiting the foregoing, the Committee shall have the sole authority to select, retain and terminate such compensation consultants, legal counsel or other advisors to advise the Committee, taking into account independence and such other factors as it considers appropriate or as may be required by applicable law or NYSE listing standards, and to approve the terms of any such engagement and the fees of any such consultant, legal counsel or advisor. The Committee shall receive appropriate funding from the Company as determined by the Committee for the payment of fees to such compensation consultants, legal counsel or other advisors retained by the Committee. The Committee shall have full access to any relevant records of the Company and may also request that any officer or other employee of the Company, the Company's outside counsel or any other person meet with any members of, or consultants to, the Committee.
- 4.4 The Committee shall establish such rules, regulations and procedures as it determines appropriate and reasonably necessary for it to undertake its duties and responsibilities as set forth in this Charter.

**5. AMENDMENT**

- 5.1 The Committee shall, at least annually and in conjunction with the Company's Corporate Governance and Nominating Committee, review this Charter and, if appropriate, propose revisions to the full Board of Directors for approval.