
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 18, 2008

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

(IRS 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 filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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))
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ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c) On November 19, 2008, the Compensation Committee of the Company's Board of Directors unanimously approved an amendment to the Company's 2004 Equity Incentive Plan (the "EIP") to permit the Company to grant restricted stock units as a form of incentive compensation under the EIP, and to change the required minimum period for vesting for awards of restricted stock and restricted stock units from three years to six months, all in order to provide the Company with greater flexibility in structuring awards of incentive compensation. This summary of the material amendments to the EIP is qualified by the text of the EIP, as amended, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K, and which is incorporated herein by this reference.

On November 19, 2008, the Compensation Committee of the Company's Board of Directors unanimously approved an amendment to the Company's Executive Deferred Compensation Plan (the "EDCP") to clarify that compensation deferred by an executive into the EDCP is subject to the Company's clawback policy and may be recaptured by the Company in accordance with the terms of that policy. This summary of the material amendments to the EDCP is qualified by the text of the EDCP, as amended, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K, and which is incorporated herein by this reference.

On November 19, 2008, the Board of Directors of the Company, upon recommendation of its Compensation Committee, amended the Company's Leadership Separation Plan (the "LSP") to remove the positions of President, President — Stores and President — Merchandising from eligibility to receive benefits under the LSP. In addition, the LSP was amended to clarify its classification under the Employee Retirement Income Security Act of 1974, to amend the LSP to conform with the requirements under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and to delegate to the Compensation Committee and the Company's Executive Vice President — Human Resources and Diversity Affairs, the Board's authority to make plan amendments and administrative changes, respectively, to the LSP. This summary of the material amendments to the LSP is qualified by the text of the LSP, as amended, a copy of which is filed as Exhibit 10.3 to this Current Report on Form 8-K, and which is incorporated herein by this reference.

On November 19, 2008, the Board of Directors of the Company, upon recommendation of its Compensation Committee, amended the Company's Supplemental Executive Retirement Plan (the "SERP") to conform with the requirements under Section 409A of the Code. The amendments include inserting within the SERP 409A-required definitions of disability and separation from active employment. In addition, the amendments include clarifying that benefit payments may not be accelerated unless permitted by 409A and clarifying that key employees are subject to a six-month wait for payment of benefits. In addition, the approved amendments to the SERP include certain revisions intended to make the SERP more consistent with the Company's other benefit plans, including the clarification that benefits payable under the SERP are subject to recapture pursuant to the Company's clawback policy, and the clarification of the authority of the Compensation Committee and the Company's Executive Vice President — Human Resources and Diversity Affairs to make certain future amendments and administrative changes, respectively, to the SERP. This summary of the material amendments to the SERP is

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qualified by the text of the SERP, as amended, a copy of which is filed as Exhibit 10.4 to this Current Report on Form 8-K, and which is incorporated herein by this reference.

(d) Effective November 18, 2008, the Board of Directors of the Company, upon recommendation of its Corporate Governance and Nominating Committee, appointed Robert D. Walter, former Chief Executive Officer of Cardinal Health, Inc., to the Board of Directors of Nordstrom.

Mr. Walter will receive compensation for his service on the Board in accordance with the terms described under the caption "Director Compensation" of the Company's proxy statement that was filed with the Securities and Exchange Commission on April 10, 2008.

ITEM 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

(a) On November 19, 2008, the Board of Directors of the Company approved certain amendments to the Company's Bylaws.

— The Bylaws were amended to revise Section 12 of Article II to clarify that the procedures set forth in the Bylaws are the exclusive means for a shareholder to submit nominees for director.

— The Bylaws were amended to revise Section 13 of Article II to clarify that the procedures set forth in the Bylaws are the exclusive means for a shareholder to submit business for consideration at an Annual or Special Meeting of Shareholders.

— The Bylaws were amended to revise Sections 12 and 13 of Article II to expand the disclosures that a shareholder must provide when submitting a director nomination or other business proposal, respectively, to include: (i) certain details about all ownership interests in the Company by the shareholder and any beneficial owner on whose behalf the director nomination or proposal is made, such as any derivative, swap, short positions or hedging transactions, (ii) a description of any performance related fees associated with the value of Company stock that the shareholder may receive, and (iii) a representation to update the required information. In addition, these sections were revised to clarify the applicability of the advance notice provisions to all director nominations or other business proposal, respectively, whether submitted for inclusion in the Company's proxy statement or included in an independently financed proxy statement, and to clarify the applicability of the advance notice provisions at both Annual and Special Meetings of the Company's shareholders.

— The Bylaws were amended to revise Article XI to clarify that the right of a member of the Company's Board of Directors to indemnification in connection with claims or losses incurred as a director includes a right to expense advancement and vests at the time the individual becomes a member of the Board.

The preceding is qualified in its entirety by reference to the Company's Bylaws, which are attached hereto as Exhibit 3.1 and are incorporated herein by reference.

ITEM 8.01 Other Events.

On November 19, 2008, the Company issued a press release announcing that its Board of Directors had approved a quarterly dividend. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits

EXHIBIT NUMBER	DESCRIPTION
3.1	Bylaws, as amended and restated on November 19, 2008
10.1	Nordstrom, Inc. 2004 Equity Incentive Plan (2008 Amendment)
10.2	Amendment 2008-2 to the Nordstrom Executive Deferred Compensation Plan (2007 Restatement)
10.3	Amendment 2008-1 to the Nordstrom Leadership Separation Plan
10.4	Nordstrom, Inc. Supplemental Executive Retirement Plan (2008 Restatement)
99.1	Press Release dated November 19, 2008.

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SIGNATURE

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/ David G. Johansen

David G. Johansen

Vice President and Secretary

Dated: November 24, 2008

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3.1	Bylaws, as amended and restated on November 19, 2008
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10.2	Amendment 2008-2 to the Nordstrom Executive Deferred Compensation Plan (2007 Restatement)
10.3	Amendment 2008-1 to the Nordstrom Leadership Separation Plan
10.4	Nordstrom, Inc. Supplemental Executive Retirement Plan (2008 Restatement)
99.1	Press Release dated November 19, 2008.

**BYLAWS
OF
NORDSTROM, INC.**

(Amended and Restated as of November 19, 2008)

ARTICLE I
Offices

The principal office of the corporation in the state of Washington shall be located in the city of Seattle. The corporation may have such other offices, either within or without the state of Washington, as the Board of Directors may designate or as the business of the corporation may require from time to time.

The registered office of the corporation required by the Washington Business Corporation Act to be maintained in the state of Washington may be, but need not be, identical with the principal office in the state of Washington and the address of the registered office may be changed from time to time by the Board of Directors or by officers designated by the Board of Directors.

ARTICLE II
Shareholders

Section 1. Annual Meetings. The annual meeting of the shareholders shall be held on the third Tuesday in the month of May each year, at the hour of 11:00 a.m., unless the Board of Directors shall have designated a different hour and day in the month of May to hold said meeting. The meeting shall be for the purpose of electing directors and the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the state of Washington and if the Board of Directors has not designated some other day in the month of May for such meeting, such meeting shall be held at the same hour and place on the next succeeding business day not a holiday. The failure to hold an annual meeting at the time stated in these Bylaws does not affect the validity of any corporate action. If the election of directors shall not be held on the day designated herein or by the Board of Directors for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the shareholders may be called for any purpose or purposes, unless otherwise prescribed by statute, at any time by the Non-Executive Chairman of the Board of Directors, by the President (or any Co-President) if there is not then a Non-Executive Chairman of the Board of Directors or by the Board of Directors and shall be called by the Non-Executive Chairman of the Board of Directors or the President (or any Co-President) at the request of holders of not less than 15% of all outstanding shares of the corporation entitled to vote on any issue proposed to be considered at the meeting.

Only business within the purpose or purposes described in the meeting notice may be conducted at a special shareholder's meeting.

Section 3. Place of Meeting. The Board of Directors may designate any place, either within or without the state of Washington, as the place of meeting for any annual meeting or for any special meeting of the corporation. If no such designation is made, the place of meeting shall be the principal offices of the corporation in the state of Washington.

Section 4. Notice of Meetings. Written notice of annual or special meetings of shareholders stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by the Secretary, or persons authorized to call the meeting, to each shareholder of record entitled to vote at the meeting, not less than ten (10) nor more than sixty (60) days prior to the date of the meeting, unless otherwise prescribed by statute.

Section 5. Waiver of Notice. Notice of the time, place and purpose of any meeting may be waived in writing (either before or after such meeting) and will be waived by any shareholder by attendance of the shareholder in person or by proxy, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. Any shareholder waiving notice of a meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

Section 6. Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a record date for any such determination of shareholders, such date to be not more than seventy (70) days and, in the case of a meeting of shareholders, not less than ten (10) days, prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the day before the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this Section, the determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 7. Voting Lists. After fixing a record date for a shareholders' meeting, the corporation shall prepare an alphabetical list of the names of all shareholders on the record date who are entitled to notice of the shareholders' meeting. The list shall show the address of and number of shares held by each shareholder. A shareholder, shareholder's agent, or a shareholder's attorney may inspect the shareholder list, at the shareholder's expense, beginning ten days prior to the shareholders' meeting and continuing through the meeting, at

the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held during regular business hours. The shareholder list shall be kept open for inspection at the time and place of such meeting or any adjournment.

Section 8. Quorum and Adjourned Meetings. Unless the Articles of Incorporation or applicable law provide otherwise, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. Once a share is represented at a meeting, other than to object to holding the meeting or transacting business, it is deemed to be present for the remainder of the meeting and any adjournment thereof unless a new record date is set or is required to be set for the adjourned meeting. A majority of the shares represented at a meeting, even if less than a quorum, may adjourn the meeting from time to time without further notice. At a reconvened meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting. Business may continue to be conducted at a duly organized meeting and at any adjournment of such meeting (unless a new record date is or must be set for the adjourned meeting), notwithstanding the withdrawal of enough shares from either meeting to leave less than a quorum.

Section 9. Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by the shareholder's duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 10. Voting of Shares. Every shareholder of record shall have the right at every shareholders' meeting to one vote for every share standing in the shareholder's name on the books of the corporation. If a quorum exists, action on a matter, other than election of directors, is approved by the shareholders if the votes cast favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation or applicable law require a greater number of affirmative votes. Notwithstanding the foregoing, shares of the corporation may not be voted if they are owned, directly or indirectly, by another corporation and the corporation owns, directly or indirectly, a majority of shares of the other corporation entitled to vote for directors of the other corporation.

Section 11. Acceptance of Votes. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of a shareholder of the corporation, the corporation may accept the vote, consent, waiver or proxy appointment and give effect to it as the act of the shareholder if: (i) the shareholder is an entity and the name signed purports to be that of an officer, partner or agent of the entity; (ii) the name signed purports to be that of an administrator, executor, guardian or conservator representing the shareholder; (iii) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder; (iv) the name signed purports to be that of a pledgee, beneficial owner or attorney-in-fact of the shareholder; or (v) two or more persons are the shareholder as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

Section 12. Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any shareholder of the corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 12 and on the record date for the determination of shareholders entitled to vote at the annual meeting and (ii) who timely complies with the notice procedures and form of notice set forth in this Section 12. This Section 12 shall be the exclusive means for a shareholder to submit nominations of persons for election to the Board of Directors.

To be timely, a shareholder's notice must be given to the Secretary of this corporation in proper form and must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after the anniversary date, or no annual meeting was held in the immediately preceding year, notice by the shareholder in order to be timely must be so received no later than the close of business on the tenth (10th) days following the day on which the notice of the annual meeting date was mailed to shareholders.

To be in the proper form, a shareholder's notice must be in written form and must set forth (a) as to each person whom the shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the proposed nominee, (ii) the principal occupation or employment of the proposed nominee, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by the proposed nominee, (iv) a description of any agreement, arrangement or understanding (including any derivative, swap or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the shareholder's notice by, or on behalf of the proposed nominee or any of its affiliates or associates, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, the proposed nominee or any of its affiliates or associates with respect to shares of stock of the corporation, and a representation that the shareholder will notify the corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting of shareholders at which the shareholder intends to nominate the proposed nominee promptly following the later of the record date or the date notice of the record date is first publicly disclosed, and (v) any other information relating to the proposed nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Act") and the rules and regulations promulgated thereunder and (b) as to the shareholder giving the notice (i) the name and record address of the shareholder, (ii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or by record by the shareholder, (iii) a

reasonably detailed description of all agreements, arrangements or understandings between the shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by the shareholder, (iv) a representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the person named in its notice, (v) a description of any agreement, arrangement or understanding (including any derivative, swap or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the shareholder's notice by, or on behalf of, the shareholder or any of the shareholder's affiliates or associates, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the or any of the shareholder's affiliates or associates with respect to shares of stock of the corporation, and a representation that the shareholder will notify the corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting of shareholders at which the shareholder intends to nominate the proposed nominee promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (vi) a representation whether the shareholder intends to solicit proxies from shareholders in support of the nomination, (vii) any performance related fees (other than an asset based fee) that such shareholder is entitled to based on any increase or decrease in the price or value of shares of any class or series of this corporation, and (viii) any other information relating to the shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. The notice must be accompanied by a written consent of each proposed nominee to be named as a nominee and to serve as a director if elected.

Notwithstanding anything to the contrary in these Bylaws, no person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section 12, whether such proposed nominee is to be included in the corporation's proxy statement or presented to shareholders by means of an independently financed proxy solicitation. If the chairman of the annual meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and the defective nomination shall be disregarded.

Section 13. Business at Shareholder Meetings. At any annual or special meeting of shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual or special meeting of shareholders, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the annual or special meeting by any shareholder who is a shareholder of record on the date of the giving of the written notice required by this Section 13 and on the record date for determination of shareholders entitled to vote at the meeting.

This Section 13 shall be the exclusive means for a shareholder to submit business before a meeting of shareholders.

Without qualification, for business to be properly brought before an annual or special meeting of shareholders by a shareholder (other than the nomination of a person for election as a director, which is governed by Section 12 of Article II of these Bylaws), the shareholder intending to propose the business must timely comply with the notice procedures and the form of notice set forth in this Section 13.

For the written notice to be timely for purposes of an annual meeting, a shareholder's notice must be given to the Secretary of the corporation in proper form and must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after the anniversary date, notice by the shareholder in order to be timely must be so received no later than the close of business on the tenth (10th) day following the day on which the notice of the annual meeting date was mailed to shareholders. In no event shall any adjournment or postponement of an annual meeting or a public announcement thereof commence a new time period for the giving of a shareholder's notice.

For the written notice to be timely for purposes of a special meeting, a shareholder's notice must be given to the Secretary of the corporation in proper form and must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the date of such special meeting of shareholders; provided, however, that if the first public announcement of the date of such special meeting is less than one hundred (100) days prior to the date of such special meeting, the 10th day following the day on which public announcement is first made of the date of the special meeting.

To be in proper form, a shareholder's notice must be in written form and must set forth as to each matter the shareholder proposes to bring before the meeting and as to the shareholder (i) a brief description of the business desired to be brought before the meeting and the reasons for documenting the business at the meeting, (ii) the name and record address of the shareholder, (iii) the number of shares of capital stock of the corporation which are owned beneficially or of record by the shareholder, (iv) a reasonably detailed description of all agreements, arrangements or understandings between the shareholder and any other person or persons (including their names) in connection with the proposal of the business (v) a description of any agreement, arrangement or understanding (including any derivative, swap or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the shareholder's notice by, or on behalf of, the shareholder or any of its affiliates or associates, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the shareholder or any of its affiliates or associates with respect to shares of stock of the corporation, and a representation that the shareholder will notify the

corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (vi) any performance related fees (other than an asset based fee) that such shareholder is entitled to based on any increase or decrease in the price or value of shares of any class or series of the corporation, (vii) a representation that the shareholder intends to appear in person or by proxy at the meeting to bring such business before the meeting, and (ix) a representation whether the shareholder intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding shares required to approve the proposal and/or otherwise solicit proxies from shareholders in support of the proposal.

Notwithstanding anything to the contrary in these Bylaws: (a) no business shall be conducted at any annual or special meeting of shareholders except in accordance with the procedures set forth in this Section 13 of this Article II, and (b) unless otherwise required by law, if a shareholder intending to propose business at an annual or special meeting of shareholders does not comply with the procedures set forth in this Section 13, such business shall not be transacted. If the chairman of the meeting determines that business was not properly brought before the meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and the business shall not be transacted.

The requirements of this Section 13 shall apply to any business to be brought before a meeting by a shareholder (other than the nomination of a person for election as a director, which is governed by Section 12 of Article II of these Bylaws) whether such business is to be included in this corporation's proxy statement pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, or presented to shareholders by means of an independently financed proxy solicitation. The requirements of this Section 13 are intended to provide this corporation with notice of a shareholder's intention to bring business before an annual or special meeting of shareholders and shall in no event be construed as imposing upon any shareholder the requirement to seek approval from the corporation as a condition precedent to bringing any such business before an annual or special meeting of shareholders.

ARTICLE III Board of Directors

Section 1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, its Board of Directors, except as may be otherwise provided in these Bylaws, the Amended and Restated Articles of Incorporation or the Washington Business Corporation Act. The Board of Directors may, in its discretion, appoint a Non-Executive Chairman of the Board of Directors; and, if a Non-Executive Chairman has been appointed, the Non-Executive Chairman shall, when present, preside at all meetings of the Board of Directors and shall have such other powers as the Board of Directors may prescribe.

Section 2. Election. In any election of directors which is not a contested election (hereinafter an “uncontested election”), each vote entitled to be cast may be voted for, voted against or, to the extent afforded as a specific voting choice, withheld for, one or more nominees for director up to that number of nominees that is equal to the number of directors to be elected but without cumulating the votes, or a shareholder may indicate an abstention for one or more nominees for director. Votes cast for, against and/or withheld as to a nominee for director shall be deemed to be votes cast in an uncontested election. A nominee for director in an uncontested election shall be elected to the Board of Directors if the votes cast for such nominee’s election exceed the other votes cast in connection with such nominee’s election at a meeting at which a quorum is present.

In any election which is a contested election, the nominees receiving a plurality of the votes cast by holders of shares entitled to vote in the election at a meeting at which a quorum is present will be elected. A “contested election” means an election of directors of the corporation in which the number of nominees for any election of directors nominated by (i) the Board of Directors, or (ii) any shareholder pursuant to Article II, Section 12 of these Bylaws, or (iii) a combination of nominees by the Board of Directors and any shareholder pursuant to Article II, Section 12 of these Bylaws, exceed the number of directors to be elected.

Shares otherwise present at a meeting but for which there is an abstention or as to which no authority or direction to vote in the election is given or specified, are not deemed to be votes cast in the election.

The foregoing provisions on election of directors do not apply to vacancies and newly created directorships filled by a vote of the Board of Directors under Article III, Section 9 of these Bylaws.

Section 3. Number, Tenure and Qualifications. The Board of Directors shall consist of not less than nine (9) nor more than twelve (12) directors, with the specific number to be determined from time to time by resolution of the Board of Directors. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. Each director shall hold office until the next annual meeting of shareholders and until his successors shall have been elected and qualified. Notwithstanding the foregoing, a nominee for director in an uncontested election who does not receive the requisite votes for election, but who was a director at the time of the election, shall continue to serve as a director for a term that shall terminate on the date that is the earlier of: (i) ninety (90) days from the date on which the voting results of the election are determined, or (ii) the date on which an individual is selected by the Board of Directors to fill the office held by such director, which selection shall be deemed to constitute the filling of a vacancy by the Board of Directors. Directors need not be residents of the state of Washington or shareholders of the corporation.

Section 4. Regular Meeting. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after and at the same place as, the annual meeting of shareholders. Regular meetings of the Board of Directors shall be held at

such place and on such day and hour as shall from time to time be fixed by the Non-Executive Chairman of the Board of Directors, the President (or any Co-President) or the Board of Directors. No other notice of regular meeting of the Board of Directors shall be necessary.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Non-Executive Chairman of the Board of Directors, the President (or any Co-President) or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the state of Washington, as the place for holding any special meeting of the Board of Directors called by them.

Section 6. Notice. Notice of any special meeting shall be given at least two days previously thereto by either oral or written notice. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 7. Quorum. A majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. A vacancy on the Board of Directors created by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of the office continuing only until the next election of directors by the shareholders.

Section 10. Compensation. By resolution of the Board of Directors, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors and at each meeting of a committee of the Board of Directors and may be paid a stated salary as director, a fixed sum for attendance at each such meeting, or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 11. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be

presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 12. Committees. The Board of Directors, by resolution adopted by the greater of a majority of the Board of Directors then in office and the number of directors required to take action in accordance these Bylaws, may create standing or temporary committees, including an Executive Committee, and appoint members from its own number and invest such committees with such powers as it may see fit, subject to such conditions as may be prescribed by the Board of Directors, the Articles of Incorporation, these Bylaws and applicable law. Each committee must have two or more members, who shall serve at the pleasure of the Board of Directors.

Section 12.1. Authority of Committees. Except for the executive committee which, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolutions appointing the executive committee, each committee shall have and may exercise all of the authority of the Board of Directors to the extent provided in the resolution of the Board of Directors creating the committee and any subsequent resolutions adopted in like manner, except that no such committee shall have the authority to: (1) authorize or approve a distribution except according to a general formula or method prescribed by the Board of Directors, (2) approve or propose to shareholders sections or proposal required by the Washington Business Corporation Act to be approved by shareholders, (3) fill vacancies on the Board or any committee thereof, (4) amend the Articles of Incorporation pursuant to RCW 23B.10.020, (5) adopt, amend or repeal Bylaws, (6) approve a plan of merger not requiring shareholder approval, or (7) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares except that the Board may authorize a committee or a senior executive officer of the corporation to do so within limits specifically prescribed by the Board.

Section 12.2. Removal. The Board of Directors may remove any member of any committee elected or appointed by it but only by the affirmative vote of the greater of a majority of the directors then in office and the number of directors required to take action in accordance with these Bylaws.

Section 12.3. Minutes of Meetings. All committees shall keep regular minutes of their meetings and shall cause them to be recorded in books kept for that purpose.

ARTICLE IV
Special Measures Applying to Both
Shareholder and Director Meetings

Section 1. Actions Without Meeting.

(a) Any corporate action required or permitted by the Articles of Incorporation, Bylaws, or the laws under which the corporation is formed, to be voted upon or approved at a duly called meeting of the directors or committee of directors may be accomplished without a meeting if one or more unanimous consents of the directors setting forth the actions so taken, shall be signed, either before or after the action taken, by all the directors or committee members as the case may be. The consents shall be set forth either (i) in an executed written record or (ii) if the Board of Directors has designated an address, location, or system to which the consents may be electronically transmitted and the consent is electronically transmitted to the designated address, location, or system, in an executed electronically transmitted record. Action taken by unanimous consent of the directors or a committee of the Board of Directors is effective when the last director or committee member signs the consent, unless the consent specifies a later effective date.

(b) Any corporate action required or permitted by the Articles of Incorporation, Bylaws, or the laws under which the corporation is formed, to be voted upon or approved at a duly called meeting of the shareholders may be accomplished without a meeting if one or more unanimous written consents of the shareholders, setting forth the actions so taken, shall be signed, either before or after the action taken, by all the shareholders, as the case may be. Action taken by unanimous written consent of the shareholders is effective when all consents are in possession of the corporation, unless the consent specifies a later effective date.

Section 2. Meetings by Conference Telephone. Members of the Board of Directors, members of a committee of directors, or shareholders may participate in their respective meetings by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time; participation in a meeting by such means shall constitute presence in person at such meeting.

Section 3. Written or Oral Notice. Oral notice may be communicated in person, or by telephone, wire or wireless equipment, which does not transmit a facsimile of the notice. Oral notice is effective when communicated. Written notice may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire or wireless equipment which transmits a facsimile of the notice. Written notice to a shareholder is effective when mailed, if mailed with first class postage prepaid and correctly addressed to the shareholder's address shown in the corporation's current record of shareholders. In all other instances, written notice is effective on the earliest of the following: (a) when dispatched to the person's address, telephone number, or other number appearing on the records of the corporation by telegraph, teletype or facsimile equipment; (b) when received;

(c) five days after deposit in the United States mail, as evidenced by the postmark, if mailed with first class postage, prepaid and correctly addressed; or (d) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested and the receipt is signed by or on behalf of the addressee. In addition, notice may be given in any manner not inconsistent with the foregoing provisions and applicable law.

ARTICLE V

Officers

Section 1. Number. The offices and officers of the corporation shall be as designated from time to time by the Board of Directors. Such offices may include a President or two or more Co-Presidents, one or more Vice Presidents, a Secretary and a Treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same persons.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until a successor shall have been duly elected and qualified, or until the officer's death or resignation, or the officer has been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President or Co-Presidents, shall have general supervision and control over the business and affairs of the corporation subject to the authority of the Non-Executive Chairman of the Board of Directors and the Board of Directors. The President or a Co-President may sign any and all documents, mortgages, bonds, contracts, leases, or other instruments in the ordinary course of business with or without the signature of a second corporate officer, may sign certificates for shares of the corporation with the Secretary or Assistant Secretary of the corporation and may sign any documents which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President

and such other duties, authority and responsibilities as may be prescribed by the Board of Directors from time to time.

Section 6. The Vice President. In the absence of the President and all Co-Presidents, or in the event of their death, inability or refusal to act, the Executive Vice President, if one is designated and otherwise the Vice Presidents in the order designated at the time of their election or in the absence of any designation, then in the order of their election, shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, certificates for shares of the corporation; and shall perform such other duties as from time to time may be assigned to the Vice President by the President or any Co-President, or by the Board of Directors.

Section 7. The Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the shareholders and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents and the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholders; (e) sign with the President or a Co-President, or with a Vice President, certificates for shares of the corporation, or contracts, deeds or mortgages the issuance or execution of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation subject to the authority delegated to a transfer agent or registrar if appointed; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or any Co-President, or by the Board of Directors.

Section 8. The Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and (c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or any Co-President, or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries, when authorized by the Board of Directors, may sign with the President or a Co-President, or with a Vice President, certificates for shares of the corporation or contracts, deeds or mortgages, the issuance or execution of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such

sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or any Co-President, or by the Board of Directors.

ARTICLE VI

Contracts, Loans, Checks and Deposits

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officers, agent or agents of the corporation and in such manner as shall from time to time be determined by the Board of Directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII

Certificates for Shares and Their Transfer

Section 1. Certificates for Shares. Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors; provided that any shares of the corporation may be uncertificated shares, whether upon original issuance, re-issuance or subsequent transfer. Notwithstanding the foregoing, each holder of uncertificated shares shall be entitled, upon request, to a certificate representing such shares. Shares represented by certificates shall be signed by the President (or any Co-President) or a Vice President and by the Secretary or an Assistant Secretary and sealed with the corporate seal or a facsimile thereof. The signatures of such officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent, or registered by a registrar, other than the corporation itself or one of its employees. If any officer who signed a certificate, either manually or in facsimile, no longer holds such office when the certificate is issued, the certificate is nevertheless valid. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate, or, upon request, evidence of the equivalent

uncertificated shares, shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe. Upon receipt of proper transfer instructions from the holder of uncertificated shares, the corporation shall cancel such uncertificated shares and issue new equivalent uncertificated shares, or, upon such holder's request, certificated shares, to the person entitled thereto, and record the transaction upon its books. Except as otherwise provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificated shares shall be identical.

Section 2. Transfer of Shares. Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation, or with its transfer agent, if any, and on surrender for cancellation of the certificate for such shares or upon proper instructions from the holder of uncertificated shares. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

ARTICLE VIII

Fiscal Year

The fiscal year of the corporation shall begin in January or February and end in January or February each year, based upon the 4-5-4 calendar as defined by the National Retail Federation ("NRF").

ARTICLE IX

Dividends

The Board of Directors may, from time to time, declare and the corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its articles of incorporation.

ARTICLE X

Corporate Seal

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words, "Corporate Seal."

ARTICLE XI

Indemnification of Directors, Officers and Others

Section 1. Right to Indemnification. Each person (including a person's personal representative) who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or by or in the right of the corporation, or otherwise (hereinafter a "proceeding") by reason of the fact that he or she (or a person of whom he or she is a personal representative) is or was a director or officer of the corporation or an officer of a division of the corporation, or, while serving as a director or officer of the corporation or an officer of a division of the corporation, is or was acting at the request of the corporation as a director, officer, partner, trustee, employee, agent or in any other relationship or capacity whatsoever, of any other foreign or domestic corporation, partnership, joint venture, employee benefit plan or trust or other trust, enterprise or other private or governmental entity, agency, board, commission, body or other unit whatsoever (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action or inaction in an official capacity as a director, officer, partner, trustee, employee, agent or in any other relationship or capacity whatsoever, shall be indemnified and held harmless by the corporation against all expenses, liabilities and losses (including but not limited to attorneys' fees, judgments, claims, fines, ERISA and other excise and other taxes and penalties and other adverse effects and amounts paid in settlement), reasonably incurred or suffered by the indemnitee; provided, however, that except as provided in Section 2 of this Article with respect to suits relating to rights to indemnification, the corporation shall indemnify any indemnitee in connection with a proceeding (or part thereof) initiated by the indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation.

No indemnification shall be provided to any indemnitee for acts or omissions of such person finally adjudged to be intentional misconduct or a knowing violation of law, or from or on account of conduct of an indemnitee finally adjudged to be in violation of RCW 23B.08.310, or from or on account of any transaction with respect to which it was finally adjudged that such indemnitee personally received a benefit in money, property, or services to which the person was not legally entitled. Notwithstanding the foregoing, if Section 23B.08.560 or any successor provision of the Washington Business Corporation Act is hereafter amended, the restrictions on indemnification set forth in this Section shall be as set forth in such amended statutory provision.

The right to indemnification granted in this Article is a contract right and includes the right to payment by, and the right to receive reimbursement from, the corporation of all expenses as they are incurred in connection with any proceeding in advance of its final disposition (hereinafter an "advance of expenses"); provided, however, that an advance of expenses received by an indemnitee in his or her capacity as a director or officer of the corporation, as an officer of a division of the corporation, or, acting at the request of the corporation, as director or officer of any other foreign or domestic corporation, partnership, joint venture, employee benefit plan or trust or other trust, enterprise or other private or governmental entity, agency, board, commission, body or other unit whatsoever (and not in any other capacity in which service was or is rendered by such indemnitee unless such service was authorized by the Board of Directors) shall be made only upon (i) receipt by the corporation

of a written undertaking (hereinafter an “undertaking”) by or on behalf of such indemnitee, to repay advances of expenses if and to the extent it shall ultimately be determined by order of a court having jurisdiction (which determination shall become final upon expiration of all rights to appeal), hereinafter a “final adjudication”, that the indemnitee is not entitled to be indemnified for such expenses under this Article, (ii) receipt by the corporation of written affirmation by the indemnitee of his or her good faith belief that he or she has met the standard of conduct applicable (if any) under the Washington Business Corporation Act necessary for indemnification by the corporation under this Article, and (iii) a determination of the Board of Directors, in its good faith belief, that the indemnitee has met the standard of conduct applicable (if any) under the Washington Business Corporation Act necessary for indemnification by the corporation under this Article.

Section 2. Right of Indemnitee to Bring Suit. If any claim for indemnification under Section 1 of this Article is not paid in full by the corporation within sixty days after a written claim has been received by the corporation, except in the case of a claim for an advance of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If the indemnitee is successful in whole or in part in any such suit, or in any suit in which the corporation seeks to recover an advance of expenses, the corporation shall also pay to the indemnitee all the indemnitee’s expenses in connection with such suit. The indemnitee shall be presumed to be entitled to indemnification under this Article upon the corporation’s receipt of indemnitee’s written claim (and in any suits relating to rights to indemnification where the required undertaking and affirmation have been received by the corporation) and thereafter the corporation shall have the burden of proof to overcome that presumption. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or shareholders) to have made a determination prior to other commencement of such suit that the indemnitee is entitled to indemnification, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or shareholders) that the indemnitee is not entitled to indemnification, shall be a defense to the suit or create a presumption that the indemnitee is not so entitled. It shall be a defense to a claim for an amount of indemnification under this Article (other than a claim for advances of expenses prior to final disposition of a proceeding where the required undertaking and affirmation have been received by the corporation) that the claimant has not met the standards of conduct applicable (if any) under the Washington Business Corporation Act to entitle the claimant to the amount claimed, but the corporation shall have the burden of proving such defense. If requested by the indemnitee, determination of the right to indemnity and amount of indemnity shall be made by final adjudication (as defined above) and such final adjudication shall supersede any determination made in accordance with RCW 23B.08.550.

Section 3. Non-Exclusivity of Rights. The rights to indemnification (including, but not limited to, payment, reimbursement and advances of expenses) granted in this Article shall not be exclusive of any other powers or obligations of the corporation or of any other rights which any person may have or hereafter acquire under any statute, the common law, the corporation’s Articles of Incorporation or Bylaws, agreement, vote of shareholders or disinterested directors, or otherwise. Notwithstanding any amendment to or repeal of this

Article XI, the rights to indemnification for an indemnitee under this Article XI shall vest at the time the indemnitee first becomes a director, officer, partner, trustee, employee, agent or in any other relationship or capacity whatsoever and no repeal or amendment of, or adoption of any provision inconsistent with this Article XI shall adversely affect any rights to indemnification granted to an indemnitee pursuant hereto existing at, arising out of, or related to any acts or omissions of such indemnitee occurring prior to such amendment or repeal.

Section 4. Insurance, Contracts and Funding. The corporation may purchase and maintain insurance, at its expense, to protect itself and any person (including a person's personal representative) who is or was a director, officer, employee or agent of the corporation or who is or was a director, officer, partner, trustee, employee, agent, or in any other relationship or capacity whatsoever, of any other foreign or domestic corporation, partnership, joint venture, employee benefit plan or trust or other trust, enterprise or other private or governmental entity, agency, board, commission, body or other unit whatsoever, against any expense, liability or loss, whether or not the power to indemnify such person against such expense, liability or loss is now or hereafter granted to the corporation under the Washington Business Corporation Act. The corporation may enter into contracts granting indemnity, to any such person whether or not in furtherance of the provisions of this Article and may create trust funds, grant security interests and use other means (including, without limitation, letters of credit) to secure and ensure the payment of indemnification amounts.

Section 5. Indemnification of Employees and Agents. The corporation may, by action of the Board of Directors, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agent of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted under, or provided by, the Washington Business Corporation Act or otherwise.

Section 6. Separability of Provisions. If any provision or provisions of this Article shall be held to be invalid, illegal or unenforceable for any reason whatsoever (i) the validity, legality and enforceability of the remaining provisions of this Article (including without limitation, all portions of any sections of this Article containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Article (including, without limitation, all portions of any paragraph of this Article containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Section 7. Partial Indemnification. If an indemnitee is entitled to indemnification by the corporation for some or a portion of expenses, liabilities or losses, but not for the total amount thereof, the corporation shall nevertheless indemnify the indemnitee for the portion of such expenses, liabilities and losses to which the indemnitee is entitled.

Section 8. Successors and Assigns. All obligations of the corporation to indemnify (including, but not limited to, payment, reimbursement and advances of expenses) any indemnitee: (i) shall be binding upon all successors and assigns of the corporation (including any transferee of all or substantially all of its assets and any successor by merger or otherwise by operation of law), (ii) shall be binding on and inure to the benefit of the spouse, heirs, personal representatives and estate of the indemnitee, and (iii) shall continue as to any indemnitee who has ceased to be a director, officer, partner, trustee, employee or agent (or other relationship or capacity).

ARTICLE XII
Books and Records

Section 1. Books of Accounts, Minutes and Share Register. The corporation shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting and a record of all actions taken by a committee of the Board of Directors exercising the authority of the Board of Directors on behalf of the corporation. The corporation shall maintain appropriate accounting records. The corporation or its agent shall maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, in alphabetical order showing the number and class of shares held by each. The corporation shall keep a copy of the following records at its principal office: the Articles or Restated Articles of Incorporation and all amendments currently in effect; the Bylaws or Restated Bylaws and all amendments currently in effect; the minutes of all shareholders' meetings and records of all actions taken by shareholders without a meeting, for the past three years; its financial statements for the past three years, including balance sheets showing in reasonable detail the financial condition of the corporation as of the close of each fiscal year and an income statement showing the results of its operations during each fiscal year prepared on the basis of generally accepted accounting principles or, if not, prepared on a basis explained therein; all written communications to shareholders generally within the past three years; a list of the names and business addresses of its current directors and officers; and its most recent annual report delivered to the Secretary of State of the State of Washington.

Section 2. Copies of Resolutions. Any person dealing with the corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or shareholders, when certified by the President (or any Co-President) or Secretary.

ARTICLE XIII
Amendment of Bylaws

These Bylaws may be amended, altered, or repealed by the affirmative vote of a majority of the full Board of Directors at any regular or special meeting of the Board of Directors.

Nordstrom, Inc.

**2004 Equity Incentive Plan
(2008 Amendment)**

**Lane Powell PC
601 SW Second Avenue, Suite 2100
Portland, Oregon 97204-3158
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Nordstrom, Inc.
2004 Equity Incentive Plan
(2008 Amendment)

ARTICLE 1. INTRODUCTION

The purpose of the Plan is to promote the long-term success of the Company and its subsidiaries and the creation of shareholder value by (a) encouraging Employees and Non-Employee Directors to focus on critical long-range objectives, (b) encouraging the attraction and retention of Employees and Non-Employee Directors with exceptional qualifications and (c) linking Employees and Non-Employee Directors directly to shareholder interests through stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Options (which may constitute incentive stock options (ISOs) or nonqualified stock options (NSOs)), stock appreciation rights (SARs), Unrestricted Shares, Restricted Shares, Restricted Stock Units and Performance Share Units.

The Plan was originally approved by the Board and the Shareholders of the Company in 2004, was amended in 2007 to accomplish the changes necessary to keep the Plan compliant with Code Section 409A and also to make other administrative and clarifying changes to the Plan and the Plan is hereby amended effective November 19, 2008, to permit Restricted Stock Units to be awarded to Employees and Non-Employee Directors and to make further administrative and clarifying changes to the Plan.

The Plan shall be governed by, and construed in accordance with, the laws of the State of Washington (except their choice of law provisions).

ARTICLE 2. ADMINISTRATION

2.1 Committee Composition. The Committee shall administer the Plan. The Committee shall consist exclusively of two or more directors of the Company, who shall be appointed by the Board.

2.2 Committee Responsibilities. The Committee shall (a) select the Employees and Non-Employee Directors who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) interpret the Plan and (d) make all other decisions relating to the operation of the Plan. The Committee may adopt such rules or guidelines as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons.

2.3 Committee for Non-Officer/Director Grants. The Board may also appoint a secondary committee of the Board or a senior executive officer to administer the Plan with respect to Employees who are not considered officers or directors of the Company under Section 16 of the Exchange Act. That committee or senior executive officer may grant Awards under the Plan to such Employees and may determine all features and conditions of such

Awards. Within the limitations of this Section 2.3, any reference in the Plan to the Committee shall include such secondary committee or senior executive officer, as the case may be.

ARTICLE 3. SHARES AVAILABLE FOR GRANTS

3.1 Basic Limitation. Shares issued pursuant to the Plan shall be authorized but unissued shares. The aggregate number of Options, SARs, Unrestricted Shares, Restricted Shares, Restricted Stock Units or Performance Share Units awarded under the Plan shall not exceed (a) 6,185,476 plus (b) the additional shares of Common Stock described in Section 3.3 plus (c) the 2,814,524 shares of Common Stock that, as of March 17, 2004, were available for issuance under the Company's 1997 Stock Option Plan (the "Prior Plan") or that thereafter become available for issuance under the Prior Plan in accordance with its terms as in effect on such date. The limitations of this Section 3.1 and Section 3.2 shall be subject to adjustment pursuant to Article 12.

3.2 Share Sub-limitations. The aggregate number of Unrestricted Shares awarded under the Plan shall not exceed 1,000,000.

3.3 Additional Shares. If Restricted Shares are forfeited, then such Restricted Shares shall again become available for Awards under the Plan. If Options, SARs, Restricted Stock Units or Performance Share Units are forfeited or terminate for any other reason before being exercised, then the corresponding shares of Common Stock shall again become available for Awards under the Plan. If Restricted Stock Units are settled, then only the number of shares of Common Stock (if any) actually issued in settlement of such Restricted Stock Units, or relinquished for satisfaction of tax obligations arising as a result of such settlement, shall reduce the number available under Sections 3.1 and 3.2 and the balance shall again become available for Awards under the Plan. If Performance Share Units are settled, then only the number of shares of Common Stock (if any) actually issued in settlement of such Performance Share Units, or relinquished for satisfaction of tax obligations arising as a result of such settlement, shall reduce the number available under Sections 3.1 and 3.2 and the balance shall again become available for Awards under the Plan. If SARs are exercised, then only the number of shares of Common Stock (if any) actually issued in settlement of such SARs, or relinquished for satisfaction of tax obligations arising as a result of such settlement, shall reduce the number available under Sections 3.1 and 3.2 and the balance shall again become available for Awards under the Plan. If dividend equivalents are granted, then only the number of shares of Common Stock (if any) actually issued with respect to such rights, or relinquished for satisfaction of tax obligations arising as a result of such issuance, shall reduce the number available under Sections 3.1 and 3.2. Shares that are exchanged by a Participant or withheld by the Company as full or partial payment in connection with any exercise price under any Award under the Plan shall be available for subsequent Awards under the Plan. The foregoing notwithstanding, the aggregate number of shares of Common Stock that may be issued under the Plan upon the exercise of ISOs shall not be increased when Restricted Shares, Unrestricted Shares or other shares of Common Stock are forfeited.

ARTICLE 4. ELIGIBILITY

4.1 Grants. Employees and Non-Employee Directors shall be eligible for the grant of NSOs, SARs, Unrestricted Shares, Restricted Shares, Restricted Stock Units or Performance Share Units.

4.2 Incentive Stock Options. Only Employees who are common-law employees of the Company or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Subsidiaries shall not be eligible for the grant of an ISO unless the requirements set forth in section 422(c)(6) of the Code are satisfied.

ARTICLE 5. OPTIONS

Options granted under the Plan are subject to the following terms and conditions:

5.1 Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The Stock Option Agreement shall specify whether the Option is an NSO or an ISO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

5.2 Number of Shares. Each Stock Option Agreement shall specify the number of shares of Common Stock subject to the Option, which shall be subject to adjustment in accordance with Article 12. Options granted to any Employee in a single fiscal year of the Company shall not cover more than 250,000 shares of Common Stock. The limitation set forth in the preceding sentence shall be subject to adjustment in accordance with Article 12.

5.3 Exercise Price. Each Stock Option Agreement shall specify the Exercise Price; provided that the Exercise Price under an Option shall in no event be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant.

5.4 Exercisability and Term. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that the term of an ISO shall in no event exceed ten (10) years from the date of grant. A Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service. Options may be awarded in combination with SARs, and such an Award may provide that the Options will not be exercisable unless the related SARs are forfeited.

5.5 Effect of Change in Control. The Committee may determine, at the time of granting an Option or thereafter, in a manner that meets the requirements of Code Section 409A, that such Option shall become exercisable as to all or part of the shares of Common Stock subject to such Option in the event that a Change in Control occurs with respect to the Company.

However, in the case of an ISO, the acceleration of exercisability shall not occur without the Optionee's written consent. In addition, acceleration of exercisability may be required under Section 12.1.

5.6 Modification or Assumption of Options/No Repricing. Within the limitations of the Plan, the Committee may modify Options, or assume outstanding options granted by another issuer, provided that no Option shall be repriced. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such Option.

ARTICLE 6. PAYMENT FOR OPTION SHARES

6.1 General Rule. The entire Exercise Price of shares of Common Stock issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such shares of Common Stock are purchased, except as follows:

(a) In the case of an ISO granted under the Plan, payment shall be made only pursuant to the express provisions of the applicable Stock Option Agreement. The Stock Option Agreement may specify that payment may be made in any form(s) described in this Article 6.

(b) In the case of an NSO, the Committee may at any time accept payment in any form(s) described in this Article 6.

6.2 Stock Swap. To the extent that this Section 6.2 is applicable, all or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, shares of Common Stock that are already owned by the Optionee. Such shares of Common Stock shall be valued at their Fair Market Value on the date when the new shares of Common Stock are purchased under the Plan. If originally received pursuant to any Company benefit plan, shares of Common Stock swapped in payment of the Exercise Price must have been held by the Optionee for at least six (6) months.

6.3 Exercise/Sale. To the extent that this Section 6.3 is applicable, all or any part of the Exercise Price and any withholding taxes may be paid by delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or part of the shares of Common Stock being purchased under the Plan and to deliver all or part of the sales proceeds to the Company.

6.4 Exercise/Pledge. To the extent that this Section 6.4 is applicable, all or any part of the Exercise Price and any withholding taxes may be paid by delivering (on a form prescribed by the Company) an irrevocable direction to pledge all or part of the shares of Common Stock being purchased under the Plan to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company.

ARTICLE 7. STOCK APPRECIATION RIGHTS

SARs granted under the Plan are subject to the following terms and conditions:

7.1 SAR Agreement. Each grant of an SAR under the Plan shall be evidenced by an SAR Agreement between the Participant and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Agreements entered into under the Plan need not be identical.

7.2 Number of Shares. Each SAR Agreement shall specify the number of shares of Common Stock to which the SAR pertains and shall provide for the adjustment of such number in accordance with Article 12. SARs granted to any Participant in a single calendar year shall in no event pertain to more than 250,000 shares of Common Stock. The limitation set forth in the preceding sentence shall be subject to adjustment in accordance with Article 12.

7.3 Exercise Price. Each SAR Agreement shall specify the Exercise Price; provided that the Exercise Price under an SAR shall in no event be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant.

7.4 Exercisability and Term. Each SAR Agreement shall specify the date when all or any installment of the SAR is to become exercisable. The SAR Agreement shall also specify the term of the SAR. An SAR Agreement may provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service. SARs may be awarded in combination with Options, and such an Award may provide that the SARs will not be exercisable unless the related Options are forfeited.

7.5 Effect of Change in Control. The Committee may determine, at the time of granting an SAR or thereafter, that such SAR shall become fully exercisable as to all shares of Common Stock subject to such SAR in the event that the Company is subject to a Change in Control. In addition, acceleration of exercisability may be required under Section 12.1.

7.6 Exercise of SARs. Upon exercise of an SAR, the Participant (or any person having the right to exercise the SAR after his or her death) shall receive from the Company (a) shares of Common Stock, (b) cash or (c) a combination of shares of Common Stock and cash, as the Committee shall determine. The amount of cash and/or the Fair Market Value of shares of Common Stock received upon exercise of SARs shall, in the aggregate, be equal to the amount by which the Fair Market Value (on the date of surrender) of the shares of Common Stock subject to the SARs exceeds the Exercise Price.

7.7 Modification or Assumption of SARs/No Repricing. Within the limitations of the Plan, the Committee may modify SARs, or assume outstanding stock appreciation rights granted by another issuer, provided that no SAR shall be repriced. The foregoing notwithstanding, no modification of an SAR shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such SAR.

ARTICLE 8. UNRESTRICTED SHARES

Unrestricted Shares granted under the Plan are subject to the following terms and conditions:

8.1 Unrestricted Stock. The Committee may grant up to 1,000,000 shares of Common Stock that have no restrictions. Such Unrestricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. In no event shall the number of Unrestricted Shares that are granted to any Participant in a single fiscal year exceed 50,000, subject to adjustment in accordance with Article 12.

8.2 Payment for Awards. Unrestricted Shares may be awarded under the Plan for such consideration consisting of any tangible or intangible property or benefit to the Company as the Committee may determine, including cash, promissory notes, services performed and contracts for services to be performed.

ARTICLE 9. RESTRICTED SHARES

Restricted Shares granted under the Plan are subject to the following terms and conditions:

9.1 Restricted Share Agreement. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Share Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Share Agreements entered into under the Plan need not be identical.

9.2 Payment for Awards. Restricted Shares may be awarded under the Plan for such consideration consisting of any tangible or intangible property or benefit to the Company as the Committee may determine, including cash, promissory notes, services performed and contracts for services to be performed.

9.3 Vesting Conditions. Each Award of Restricted Shares shall be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Share Agreement. If the only restriction on an Award of Restricted Shares is vesting based on the lapse of time, the minimum period for full vesting shall be six (6) months. The Committee may include among such conditions the requirement that the performance of the Company or a business unit of the Company for at least a one-year period equal or exceed a target determined in advance by the Committee. Such target shall be based on any one or combination of the following performance criteria:

- (a) achievement of a specified percentage increase or quantitative level in the Company's shareholder return as compared to a comparator group,
- (b) achievement of a specified percentage increase or quantitative level in the trading price of the Company's Common Stock,

(c) achievement of a specified percentage increase or quantitative level in the results of operations, such as sales, earnings, cash flow, economic profit or return on investment (including return on equity, return on invested capital or return on assets) of the Company or of a subsidiary or division or other segment of the Company for which the Participant has responsibilities,

(d) achievement of a specified percentage increase or quantitative level in the other financial results, such as profit margins, expense reduction or asset management goals of the Company or of a subsidiary or division or other segment of the Company for which the Participant has responsibilities, or

(e) achievement of a specified percentage increase or quantitative level in the internal or external market share of a product or line of products. The Committee shall identify such conditions not later than the 90th day of such period, and before 25% of such period has elapsed. The Committee shall certify in writing prior to payout that such conditions and any other material terms were in fact satisfied. Approved minutes of a meeting of the Committee may be treated as such written certification.

In no event shall the number of Restricted Shares which are subject to performance-based vesting conditions and which are granted to any Participant in a single fiscal year exceed 250,000, subject to adjustment in accordance with Article 12.

If the Participant's employment with the Company or Subsidiary is terminated before the end of the period of time, designated by the Committee, over which Restricted Shares may be earned (a "Performance Cycle") for any reason other than retirement, disability, or death, the Participant shall forfeit all rights with respect to any Restricted Shares that were being earned during the Performance Cycle. The Committee, in its sole discretion, may establish guidelines providing that if a Participant's employment is terminated before the end of a Performance Cycle by reason of retirement, disability, or death, the Participant shall be entitled to a prorated payment with respect to any shares of Restricted Stock that were being earned during the Performance Cycle. Alternatively, a Restricted Share Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of granting Restricted Shares or thereafter, that all or part of such Restricted Shares shall become vested in the event that a Change in Control occurs with respect to the Company or in the event that the Participant is subject to an Involuntary Termination after a Change in Control.

9.4 Voting and Dividend Rights. The holders of Restricted Shares awarded under the Plan shall have the voting, dividend and other rights as set forth in their Restricted Share Agreement, and may have the same voting, dividend and other rights as the Company's other shareholders. A Restricted Share Agreement may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid.

ARTICLE 10. RESTRICTED STOCK UNITS

Restricted Stock Units granted under the Plan are subject to the following terms and conditions:

10.1 Restricted Stock Units. Restricted Stock Units are designated in shares of Common Stock.

10.2 Restricted Stock Unit Agreement. Each grant of Restricted Stock Units under the Plan shall be evidenced by a Restricted Stock Unit Agreement between the recipient and the Company. Such Restricted Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms of the applicable Restricted Stock Unit Agreement that are not inconsistent with the Plan. The provisions of the various Restricted Stock Unit Agreements entered into under the Plan need not be identical.

10.3 Payment for Awards. To the extent that an Award is granted in the form of Restricted Stock Units, no cash consideration shall be required of the Award recipients.

10.4 Vesting Conditions. Each Award of Restricted Stock Units shall be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Stock Unit Agreement. If the only restriction on an Award of Restricted Stock Units is vesting based on the lapse of time, the minimum period for full vesting shall be six (6) months. The Committee may include among such conditions the requirement that the performance of the Company or a business unit of the Company for at least a one-year period equal or exceed a target determined in advance by the Committee. Such target shall be based on any one or combination of the following performance criteria:

(a) achievement of a specified percentage increase or quantitative level in the Company's shareholder return as compared to a comparator group,

(b) achievement of a specified percentage increase or quantitative level in the trading price of the Company's Common Stock,

(c) achievement of a specified percentage increase or quantitative level in the results of operations, such as sales, earnings, cash flow, economic profit or return on investment (including return on equity, return on invested capital or return on assets) of the Company or of a subsidiary or division or other segment of the Company for which the Participant has responsibilities,

(d) achievement of a specified percentage increase or quantitative level in the other financial results, such as profit margins, expense reduction or asset management goals of the Company or of a subsidiary or division or other segment of the Company for which the Participant has responsibilities, or

(e) achievement of a specified percentage increase or quantitative level in the internal or external market share of a product or line of products. The Committee shall identify such conditions not later than the 90th day of such period, and before 25% of such period has elapsed. The Committee shall certify in writing prior to payout that such conditions and any other material terms were in fact satisfied. Approved minutes of a meeting of the Committee may be treated as such written certification.

In no event shall the number of Restricted Stock Units which are subject to performance-based vesting conditions and which are granted to any Participant in a single fiscal year exceed 250,000, subject to adjustment in accordance with Article 12.

If the Participant's employment with the Company or Subsidiary is terminated before the end of the period of time, designated by the Committee, over which Restricted Stock Units may be earned (a "Performance Cycle") for any reason other than retirement, disability, or death, the Participant shall forfeit all rights with respect to any Restricted Stock Units that were being earned during the Performance Cycle. The Committee, in its sole discretion, may establish guidelines providing that if a Participant's employment is terminated before the end of a Performance Cycle by reason of retirement, disability, or death, the Participant shall be entitled to a prorated payment with respect to any shares of Restricted Stock Units that were being earned during the Performance Cycle. Alternatively, a Restricted Stock Unit Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of granting Restricted Stock Units or thereafter, that all or part of such Restricted Stock Units shall become vested in the event that a Change in Control occurs with respect to the Company or in the event that the Participant is subject to an Involuntary Termination after a Change in Control.

10.5 Voting and Dividend Rights. The holders of Restricted Stock Units awarded under the Plan shall have no voting rights with respect to shares of Common Stock represented by Restricted Stock Units until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). Dividend equivalents may be credited in respect of shares of Common Stock covered by an Award of Restricted Stock Units, as determined by the Committee and contained in the Restricted Stock Unit Agreement. At the sole discretion of the Committee, such dividend equivalents may be converted into additional shares of Common Stock covered by the Award of Restricted Stock Units in such manner as determined by the Committee. Any additional shares covered by the Restricted Stock Unit Agreement credited by reason of such dividend equivalents shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were made.

10.6 Form and Time of Settlement of Restricted Stock Unit Awards. Settlement of vested Restricted Stock Units may be made in the form of (a) cash, (b) shares of Common Stock (c) any combination of both, as determined by the Committee. For the avoidance of doubt, settlement of vested Restricted Stock Units in shares of Common Stock shall not be considered an Award of Unrestricted Shares under Article 8. Methods of converting Restricted Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of shares of Common Stock over a series of trading days. Vested Restricted Stock Units shall be settled in a lump sum before the later of (i) two and one half (2 1/2) months after the end of the Company's fiscal year during in which all vesting conditions applicable to the Restricted Stock Units have been satisfied or have lapsed or (ii) March 15 following the calendar year in which all vesting conditions applicable to the Restricted Stock Units have been satisfied or have lapsed. Until an Award of Restricted Stock Units is settled, the number of such Restricted Stock Units shall be subject to adjustment pursuant to Article 12.

10.7 Creditors' Rights. A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Restricted Stock Unit Agreement.

ARTICLE 11. PERFORMANCE SHARE UNITS

Performance Share Units granted under the Plan are subject to the following terms and conditions:

11.1 Performance Share Units. Performance Share Units are designated in shares of Common Stock.

11.2 Agreement. Each grant of Performance Share Units under the Plan shall be evidenced by an Agreement between the recipient and the Company, shall be subject to all applicable terms of the Plan, and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Performance Share Unit Agreements entered into under the Plan need not be identical. Performance Share Units may be granted in consideration of a reduction in the recipient's other compensation.

11.3 Payment for Awards. To the extent that an Award is granted in the form of Performance Share Units no cash consideration shall be required of the Award recipients.

11.4 Vesting Conditions. Each Award of Performance Share Units shall be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Performance Share Unit Agreement. If the only restriction on an Award of Performance Share Units is vesting based on the lapse of time, the minimum period for full vesting shall be three years. The Committee may include among such conditions, the requirement that the performance of the Company or a business unit of the Company for at least a one-year period (a "Performance Cycle") equal or exceed a target determined in advance by the Committee. Such target shall be based on any one or combination of the following performance criteria:

(a) achievement of a specified percentage increase or quantitative level in the Company's shareholder return as compared to a comparator group,

(b) achievement of a specified percentage increase or quantitative level in the trading price of the Company's Common Stock,

(c) achievement of a specified percentage increase or quantitative level in the results of operations, such as sales, earnings, cash flow, economic profit or return on investment (including return on equity, return on invested capital or return on assets) of the Company or of a subsidiary or division or other segment of the Company for which the participant has responsibilities,

(d) achievement of a specified percentage increase or quantitative level in the other financial results, such as profit margins, expense reduction or asset management goals of

the Company or of a subsidiary or division or other segment of the Company for which the participant has responsibilities, or

(e) achievement of a specified percentage increase or quantitative level in the internal or external market share of a product or line of products. The Committee shall determine such conditions not later than the 90th day of the Performance Cycle, and before 25% of the Performance Cycle has elapsed. The Committee shall certify in writing prior to payout that such conditions and any other material terms were in fact satisfied. Approved minutes of a meeting of the Committee may be treated as such written certification.

In no event shall the number of Performance Share Units which are subject to performance-based vesting conditions and which are granted to any Participant in a single fiscal year exceed 250,000, subject to adjustment in accordance with Article 12.

If the participant's employment with the Company or Subsidiary is terminated before the date that Performance Share Units vest, the participant shall forfeit all rights with respect to any unvested Performance Share Units. However, with respect to Performance Share Units subject to performance-based vesting conditions, the Committee, in its sole discretion at the time that an Award of Performance Share Units is made, may establish guidelines providing that if a participant's employment is terminated before the end of a Performance Cycle by reason of retirement, disability, or death, the participant shall be entitled to a prorated payment with respect to any Performance Share Units that were being earned during the Performance Cycle. Alternatively, a Performance Share Unit Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other objectively-determinable events. The Committee may determine, at the time of granting Performance Share Units or thereafter, that all or part of the Performance Share Units shall become vested in the event that the Company is subject to a Change in Control or in the event that the Participant is subject to an Involuntary Termination after a Change in Control. In addition, acceleration of vesting may be required under Section 12.1.

11.5 Voting and Dividend Rights. The holders of Performance Share Units shall have no voting rights. Prior to settlement or forfeiture, any Performance Share Unit awarded under the Plan may, at the Committee's discretion as evidenced in the Agreement, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one share of Common Stock while the Performance Share Unit is outstanding. Dividend equivalents may be converted into additional Performance Share Units. Settlement of dividend equivalents may be made in the form of cash, in the form of shares of Common Stock, or in a combination of both. Prior to distribution, any dividend equivalents that are not paid shall be subject to the same conditions and restrictions as the Performance Share Units to which they attach.

11.6 Form and Time of Settlement of Units. Settlement of vested Performance Share Units may be made in the form of (a) cash, (b) shares of Common Stock or (c) any combination of both, as determined by the Committee. For the avoidance of doubt, settlement of vested Performance Share Units in shares of Common Stock shall not be considered an Award of Unrestricted Shares under Article 8. Methods of converting Performance Share Units into cash may include (without limitation) a method based on the average Fair Market Value of shares of

Common Stock over a series of trading days. Vested Performance Share Units shall be settled in a lump sum by the last day of the calendar year in which all vesting conditions applicable to the Performance Share Units have been satisfied or have lapsed. Until an Award of Performance Share Units is settled, the number of such Share Units shall be subject to adjustment pursuant to Article 12.

11.7 Creditors' Rights. A holder of Performance Share Units shall have no rights other than those of a general creditor of the Company. Performance Share Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Performance Share Unit Agreement.

ARTICLE 12. PROTECTION AGAINST DILUTION

12.1 Adjustments. Upon or in contemplation of any reclassification, recapitalization, stock split (including a stock split in the form of a share dividend) or reverse stock split ("stock split"); any merger, combination, consolidation, or other reorganization; any spin-off, split-up, or similar extraordinary dividend distribution in respect of shares of Common Stock (whether in the form of securities or property); any exchange of shares of Common Stock or other securities of the Company, or any similar, unusual or extraordinary corporate transaction in respect of shares of Common Stock; or a sale of all or substantially all the assets of the Company as an entirety; then the Committee shall, in such manner, to such extent (if any) and at such time as it deems appropriate and equitable in the circumstances:

(a) proportionately adjust any or all of (A) the number and type of shares of Common Stock (or other securities) that thereafter may be made the subject of Awards (including the specific share limits, maximums and numbers of shares set forth elsewhere in this Plan), (B) the number, amount and type of shares of Common Stock (or other securities or property) subject to any or all outstanding Awards, (C) the grant, purchase, or exercise price of any or all outstanding Awards, (D) the securities, cash or other property deliverable upon exercise of any or all outstanding Awards, or (E) the performance standards appropriate to any or all outstanding Awards, or

(b) make provision for a cash payment or for the assumption, substitution or exchange of any or all outstanding share-based Awards or the cash, securities or property deliverable to the holder of any or all outstanding share-based Awards, based upon the distribution or consideration payable to holders of the outstanding shares of Common Stock upon or in respect of such event.

The Committee may adopt such valuation methodologies for outstanding Awards as it deems reasonable in the event of a cash or property settlement and, in the case of Options, SARs or similar rights, but without limitation on other methodologies, may base such settlement solely upon the excess if any of the per share amount payable upon or in respect of such event over the grant price of the Award, unless otherwise provided in, or by authorized amendment to, the Award or provided in another applicable agreement with the Participant. With respect to any ISO, in the discretion of the Committee, the adjustment may be made in a manner that would cause the Option to cease to qualify as an ISO.

12.2 Dissolution or Liquidation. To the extent not previously exercised, settled or assumed, Options, SARs, and Performance Share Units shall terminate immediately prior to the dissolution or liquidation of the Company.

ARTICLE 13. AWARDS UNDER OTHER PLANS

The Company may grant awards under other plans or programs. Such awards may be settled in the form of shares of Common Stock issued under this Plan.

ARTICLE 14. LIMITATION ON RIGHTS

14.1 Retention Rights. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an Employee or Non-Employee Director. The Company and its Subsidiaries reserve the right to terminate the Service of any Employee or Non-Employee Director at any time, with or without cause, subject to applicable laws, the Company's Restated Articles of Incorporation and Bylaws and a written employment agreement (if any).

14.2 Shareholders' Rights. Unless otherwise provided in this Plan or in any Award, a Participant shall have no dividend rights, voting rights or other rights as a shareholder with respect to any shares of Common Stock covered by his or her Award prior to the time when a stock certificate for such shares of Common Stock is issued or, if applicable, the time when he or she becomes entitled to receive such shares of Common Stock by filing any required notice of exercise and paying any required Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan.

14.3 Regulatory Requirements. Any other provision of the Plan notwithstanding, the obligation of the Company to issue shares of Common Stock under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of shares of Common Stock pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such shares of Common Stock related to their registration, qualification or listing or to an exemption from registration, qualification or listing.

14.4 Compliance with Code Section 409A. Awards under the Plan are intended to comply with Code Section 409A and all Awards shall be interpreted in a manner that results in compliance with Section 409A, Department of Treasury regulations, and other interpretive guidance under Section 409A. Notwithstanding any provision of the Plan or an Award to the contrary, if the Committee determines that any Award does not comply with Code Section 409A, the Company may adopt such amendments to the Plan and the affected Award (without consent of the Participant) or adopt other policies or procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary and appropriate to (a) exempt the Plan and the Award from application of Code

Section 409A and/or preserve the intended tax treatment of amounts payable with respect to the Award, or (b) comply with the requirements of Code Section 409A.

ARTICLE 15. WITHHOLDING TAXES

15.1 General. To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any shares of Common Stock or make any cash payment under the Plan until such obligations are satisfied.

15.2 Share Withholding. To the extent that applicable law subjects a Participant to tax withholding obligations, the Committee may permit such Participant to satisfy all or part of such obligations by having the Company withhold all or a portion of any shares of Common Stock that otherwise would be issued to him or her or by surrendering all or a portion of any shares of Common Stock that he or she previously acquired. Such shares of Common Stock shall be valued at their Fair Market Value on the date when they are withheld or surrendered, and shall be deemed to have been issued for purposes of identifying any shares which may become available for grant pursuant to Section 3.3 above.

ARTICLE 16. FUTURE OF THE PLAN

16.1 Term of the Plan. The Plan, as set forth herein, became effective, subject to approval by the Company's shareholders, on February 26, 2004, the date the Board adopted the Plan and shall remain in effect for a period of 10 years unless earlier terminated under Section 16.2.

16.2 Amendment or Termination. The Board may, at any time and for any reason, amend or terminate the Plan. An amendment of the Plan shall be subject to the approval of the Company's shareholders only to the extent required by applicable laws, regulations or rules. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

ARTICLE 17. DEFINITIONS

17.1 "Award" means any award of an Option, an SAR, an Unrestricted Share, a Restricted Share, or a Performance Share Unit under the Plan, including dividend equivalent rights at the discretion of the Committee.

17.2 "Board" means the Company's Board of Directors, as constituted from time to time.

17.3 "Cause" means (a) the unauthorized use or disclosure of the confidential information or trade secrets of the Company, which use or disclosure causes material harm to the Company, (b) conviction of, or a plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof, (c) gross negligence, (d) willful misconduct or (e) a failure

to perform assigned duties that continues after the Participant has received written notice of such failure. The foregoing, however, shall not be deemed an exclusive list of all acts or omissions that the Company (or the Subsidiary employing the Participant) may consider as grounds for the discharge of the Participant without Cause.

17.4 “Change in Control” means:

(a) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons who were not shareholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization 50% or more of the voting power of the outstanding securities of each of (i) the continuing or surviving entity and (ii) any direct or indirect parent corporation of such continuing or surviving entity;

(b) The sale, transfer or other disposition of all or substantially all of the Company’s assets;

(c) A change in the composition of the Board (other than due to the retirement of directors upon reaching the Board’s mandatory retirement age), as a result of which fewer than 50% of the incumbent directors are directors who either (i) had been directors of the Company on the date 24 months prior to the date of the event that may constitute a Change in Control (the “original directors”) or (ii) were elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the aggregate of the original directors who were still in office at the time of the election or nomination and the directors whose election or nomination was previously so approved; or

(d) Any transaction as a result of which any person is the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least 25% of the total voting power represented by the Company’s then outstanding voting securities. For purposes of this Paragraph (d), the term “person” shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude (i) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Subsidiary and (ii) a corporation owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transaction.

17.5 “Code” means the Internal Revenue Code of 1986, as amended.

17.6 “Committee” means the Compensation Committee of the Company’s Board.

17.7 “Common Stock “ means shares of the common stock of the Company.

17.8 “Company” means Nordstrom, Inc., a Washington corporation.

17.9 “Employee” means a common-law employee of the Company or a Subsidiary.

17.10 “Exchange Act” means the Securities Exchange Act of 1934, as amended.

17.11 “Exercise Price,” in the case of an Option, means the amount for which one share of Common Stock may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement. “Exercise Price,” in the case of an SAR, means an amount, as specified in the applicable SAR Agreement, which is subtracted from the Fair Market Value of one share of Common Stock in determining the amount payable upon exercise of such SAR.

17.12 “Fair Market Value” means the market price of a share of Common Stock, determined by the Committee in good faith on such basis as it deems appropriate. Whenever possible, the determination of Fair Market Value by the Committee shall be based on the closing price on the date of the Award as reported by the New York Stock Exchange, or the primary exchange or quotation system on which the Common Stock is then trading. Such determination shall be conclusive and binding on all persons.

17.13 “ISO” means an incentive stock option described in Section 422(b) of the Code.

17.14 “NSO” means a stock option not described in Sections 422 or 423 of the Code.

17.15 “Non-Employee Director” means a member of the Company’s Board or the Board of Directors of a Subsidiary who is not an Employee. Service as a Non-Employee Director shall be considered employment for all purposes of the Plan, except as provided in Section 4.1.

17.16 “Option” means an NSO or an ISO granted under Article 5 of the Plan and entitling the holder to purchase shares of Common Stock.

17.17 “Optionee” means an individual or estate who holds an Option.

17.18 “Participant” means an individual or estate who holds an Award.

17.19 “Performance Share Unit” means a bookkeeping entry representing the equivalent of one share of Common Stock, as awarded under the Plan.

17.20 “Performance Share Unit Agreement” means the agreement between the Company and the recipient of a Performance Share Unit that contains the terms, conditions and restrictions pertaining to such Performance Share Unit.

17.21 “Plan” means this Nordstrom, Inc. 2004 Equity Incentive Plan, as amended from time to time, including this 2007 Amendment and restatement, to maintain the Plan’s compliance with Code Section 409A.

17.22 “Restricted Share” means a share of Common Stock awarded under the Plan, with such restrictions as set forth in the applicable Restricted Share Agreement.

17.23 “Restricted Stock Unit” means a right granted under Article 10 to receive Common Stock or cash at the end of a specified deferral period, which right may be conditioned on the satisfaction of certain requirements (including the satisfaction of certain performance goals).

17.24 “Restricted Stock Unit Agreement” means the agreement between the Company and the recipient of a Restricted Stock Unit that contains the terms, conditions and restrictions pertaining to such Restricted Stock Unit.

17.25 “Restricted Share Agreement” means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.

17.26 “SAR” means a stock appreciation right granted under Article 7 of the Plan.

17.27 “SAR Agreement” means the agreement between the Company and a Participant that contains the terms, conditions and restrictions pertaining to his or her SAR.

17.28 “Service” means service as an Employee or Non-Employee Director.

17.29 “Stock Option Agreement” means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

17.30 “Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

17.31 “Unrestricted Share” means a share of Common Stock awarded under Article 8 of the Plan.

This Plan is signed and adopted, pursuant to proper authority, this 19th day of November 2008.

NORDSTROM, INC.

By: /s/ Delena Sunday
Delena Sunday

Title: Executive Vice President
Human Resources and Diversity Affairs

AMENDMENT 2008-1
TO THE
NORDSTROM EXECUTIVE DEFERRED COMPENSATION PLAN
(2007 Restatement)

The Nordstrom Executive Deferred Compensation Plan (2007 Restatement) ("Plan") is hereby amended to reflect administrative changes adopted (1) to simplify administration of deferral elections after a Plan participant receives a hardship distribution under the Nordstrom 401(k) Plan & Profit Sharing, and (2) to establish a hierarchy of unforeseeable financial emergency withdrawals that complies with Section 409A of the Internal Revenue Code.

1. Section 3.7 Applicability of Deferral Agreement is replaced with the following:

"3.7 Applicability of Deferral Agreement.

(a) General Rule. Except as provided in this Section 3.7, a Deferral Agreement shall be irrevocable and remains in effect for the entire Plan Year to which it applies. A Participant must file a new Deferral Agreement to continue deferrals in any subsequent Plan Year. The terms of any Deferral Agreement may, but need not be, similar to the terms of any prior Deferral Agreement.

(b) Exceptions to Irrevocability.

(1) Financial Hardship. A Participant's Deferral Agreement shall be automatically canceled and deferrals shall cease for the remainder of the Plan Year if the Participant:

(A) receives a distribution due to an unforeseeable financial emergency, as described in Section 6.2(a)(1), or

(B) receives a hardship distribution from the Profit Sharing Plan pursuant to Treasury Regulation 1.401(k)-1(d)(3).

(2) Disability. A Deferral Agreement shall be canceled if a Participant becomes Disabled. For purposes of this section, "Disabled" means that a Participant suffers from a medically determinable physical or mental impairment resulting in his or her inability to perform the duties of his or her position or any substantially similar position for a continuous period of not less than six months.

(c) Resuming Participation. A Participant may elect to resume deferrals under this Plan at any subsequent Annual Election Period, provided that the Participant satisfies the Plan's eligibility requirements in effect at that time. In addition, effective January 1, 2009, if the reason for revocation of the Deferral Agreement was receipt of a hardship distribution under the Profit Sharing Plan, the Participant must wait until an Annual Election Period that begins at least six

months after the Participant received the hardship distribution from the Profit Sharing Plan before electing to resume deferrals under this Plan.”

2. Section 6.2 In-Service Distributions is amended by adding a new subsection 6.2(a)(4) as follows:

“(4) Distribution Hierarchy. If a Participant qualifies for a distribution due to unforeseeable financial emergency, the Participant must first exhaust amounts available from his or her paid-time off bank under the Company’s Sabbatical Program before receiving a distribution from this Plan.”

IN WITNESS WHEREOF, this Amendment 2008-1 to the Nordstrom Executive Deferred Compensation Plan (2007 Restatement) is executed this 19th day of November 2008, effective January 1, 2009, except as otherwise provided herein.

NORDSTROM, INC.

By: Delena Sunday
Title: Executive Vice President
Human Resources and Diversity Affairs

AMENDMENT 2008-1

NORDSTROM, INC. LEADERSHIP SEPARATION PLAN

The Nordstrom, Inc. Leadership Separation Plan (“Plan”) is amended to exclude certain positions from eligibility, to clarify how the Plan complies with certain provisions of the Employee Retirement Income Security Act of 1974, as amended, and Section 409A of the Internal Revenue Code of 1986, as amended, and to delegate amendment authority.

1. **Article II Eligible Employees** is amended by adding the following sentence to the end of Section B:

“Employees holding the following positions are not Designated Leadership Employees for purposes of this Plan: President—Nordstrom, Inc.; President—Merchandising; and President—Stores.”

2. **Article IV Plan Benefits** is amended by adding a new Section G., as follows:

“G. Administration of Benefits.

1. Welfare Plan Under ERISA. The Plan is intended to be an employee welfare benefit plan governed by ERISA. Therefore, in accordance with 29 CFR § 2510.3-2(b), the following rules apply to benefits paid under the Plan:

- a. Payments are not contingent, directly or indirectly, on a Participant’s retirement;
- b. The total amount of payments under this Plan cannot exceed the equivalent of twice the Participant’s annual compensation during the year immediately preceding the Participant’s termination of employment; and
- c. All payments to the Participant under the Plan are completed within 24 months after the Participant’s termination of employment.

2. Compliance with Code Section 409A. It is intended that benefits provided under the Plan will qualify for exemptions contained in final regulations under Code Section 409A. Therefore, severance benefits will be paid according to the following rules.

a. Cash Severance Benefits and Cash in Lieu of COBRA Contributions. Cash Severance Benefits and cash in lieu of COBRA contributions will be paid in a single lump sum on or before the last day of either of the following periods, whichever is later:

- (i) the 15th day of the third month following the end of the calendar year in which the Participant’s Involuntary Termination occurs; or

(ii) the 15th day of the third month following the end of the Company's fiscal year in which the Participant's Involuntary Termination occurs.

b. Outplacement Services and Relocation Benefits. Outplacement Services and Relocation Benefits will not be provided for periods beyond the last day of the second calendar year following the calendar year in which the Participant's Involuntary Termination occurred, provided that all reimbursements must be paid not later than the third calendar year following the calendar year in which the Participant's Involuntary Termination occurred."

3. **Article VI Amendment and Termination** is replaced with the following:

"The Company reserves the right to amend or terminate the Plan at any time; provided, however, that no such amendment or termination will affect the right to any unpaid benefit of any Eligible Leadership Employee who became entitled to such benefits prior to such amendment or termination. The Board of Directors has the authority to amend or terminate the Plan. The Compensation Committee has the authority to amend the Plan. The Company's senior officer with responsibility for Human Resources has the authority to approve technical, administrative, editorial, and compliance amendments recommended by legal counsel, including any amendments that are necessary to bring the Plan into legal compliance or to clarify operation of the Plan."

Approved pursuant to proper authority this 19th day of November 2008.

NORDSTROM, INC.

By: Delena Sunday

Title: Executive Vice President
Human Resources and Diversity Affairs

LEADERSHIP SEPARATION PLAN
AMENDMENT 2008-1

**NORDSTROM
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
(2008 Restatement)**

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ARTICLE I.

TITLE, PURPOSE AND EFFECTIVE DATE

1.01 Title. This plan shall be known as the Nordstrom Supplemental Executive Retirement Plan, and any reference in this instrument to the “Plan” or “SERP” shall include the plan as described herein and as amended from time to time.

1.02 Purpose. The Plan is intended to constitute an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of Nordstrom, Inc., a Washington corporation (“Company”), and its affiliates as designated by the Board (collectively the “Employers”), within the meaning of Section 201(2), 301(a)(3) and 401(a)(4) of the Employee Retirement Income Security Act of 1974 (“ERISA”). In addition, the Plan is an unfunded, nonqualified plan that is not intended to satisfy the qualification requirements set forth in Section 401(a) of the Internal Revenue Code of 1986, as amended (“Code”). The benefits provided to a Participant under this Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Employers. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

1.03 Effective Date. The Plan was originally effective as of July 18, 1988. The Plan was subsequently amended on a number of occasions and, in order to provide a number of Plan design changes, to make changes in Plan administration and to otherwise clarify certain Plan provisions, the Company adopted a restatement of the Plan, effective January 1, 1999. Subsequent to the 1999 Restatement, the Company undertook a complete review of the competitive nature of the Plan’s benefit structure, revisited the initial goals and objectives of the Plan and, in making a number of other administrative changes, adopted the 2002 Restatement. After an internal review of the 2002 Restatement and the structure of the benefit formula and its impact on specific participant groups, a number of modifications were proposed, which were included in a 2003 Restatement. The 2008 Restatement is adopted effective January 1, 2009 to document compliance with Section 409A of the Code. For the period from January 1, 2005 to December 31, 2008, the Plan observed operational compliance with Section 409A of the Code, in accordance with transitional guidance issued by the Internal Revenue Service.

ARTICLE II.

ELIGIBILITY AND PARTICIPATION

2.01 Eligibility. Eligibility for this Plan shall be limited to Executives as that term is defined herein.

(a) Executive Defined. For purposes of this Plan, the term “Executive” means the officers of Nordstrom, Inc., as selected by the Board, and any other management or highly compensated employee of the Company or an Employer, who has been specifically designated

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
2008 RESTATEMENT

by the Committee and approved by the Board as eligible to become a Participant in this Plan. When designating such individual as an “Executive,” the Board or Committee shall have the discretion to categorize Executives as any one of the following:

(i) 1999 Plan Executives. A “1999 Plan Executive” is any Executive who, as of January 1, 2003, was both: (1) designated as eligible under the Plan (either because he or she was a corporate officer or as a result of Board or Committee designation), and (2) eligible for, or within one year of being eligible for, Early Retirement under the Plan.

(ii) Transition Plan Executives. A “Transition Plan Executive” is any Executive who, as of January 1, 2003, met all of the following requirements: (1) was designated as eligible under the Plan (either because he or she was a corporate officer or as a result of Board or Committee designation), (2) had more than 15 Years of Credited Service under the Plan, (3) was not eligible for, and was not within one year of being eligible for, Early Retirement under the Plan, and (4) was not specifically designated as a Tier I or Tier II Executive.

(iii) Tier I Executives. A “Tier I Executive” is any Executive designated by the Board or the Committee as a Tier I Executive and who is not a 1999 Plan Executive or a Transition Plan Executive.

(iv) Tier II Executives. A “Tier II Executive” is any Executive designated by the Board or Committee as a Tier II Executive and who is not a 1999 Plan Executive or a Transition Plan Executive.

(v) Change in Designation. The Committee and the Board shall have the discretion and authority to change an Executive’s designation, provided that the time and form of payment of a benefit under this Plan shall be determined based on the Executive’s category when he or she was first designated as eligible for this Plan.

(b) Revocation of Designation. Notwithstanding the foregoing, the Board may, in its sole and exclusive discretion, revoke an employee’s designation as an Executive hereunder at any time. An Executive whose designation has been revoked shall be entitled to only those benefits, if any, which have vested as of the date of revocation, and the revocation shall not change the time or form of payment of benefits.

(c) Certain Executive Transfers. An Executive pursuant to subparagraph (a) who has terminated employment with an Employer or the Company as a result of an employment transfer to an affiliate that is not an Employer, shall continue to be considered an eligible Executive solely for purposes of determining whether the Executive has separated from active employment (including for purposes of determining eligibility for Early Retirement under 3.06), but shall not accrue any additional benefits while not actively employed by the Company or an Employer. Any subsequent designation of such individual’s Executive status under the Plan may include benefit credit for years of service with such organization as the Committee deems appropriate.

2.02 Participation. An Executive becomes a "Participant" in the Plan, when such Executive retires under 2.02(a), with the appropriate approval under 2.02(b) and 2.02(c), as follows:

(a) "Retirement" Defined. An Executive retires under the terms of the Plan when such Executive separates from active employment with the Company and each and every subsidiary and affiliate of the Company, on or after a retirement date specified in this section. For purposes of this Plan, an Executive separates from active employment on the date when the Company and the Executive reasonably anticipate that the Executive's level of bona fide services will be permanently reduced to 49 percent or less of the level of bona fide services performed during the immediately preceding period of 36 consecutive months. An Executive's termination of employment with the Company as a result of such Executive's transfer to a subsidiary or affiliate of the Company shall not, by itself, constitute a separation from active employment for purposes of this section. The retirement dates are:

(i) Normal Retirement Date. The Executive's Normal Retirement Date shall be (a) a 1999 Plan Executive's sixtieth (60th) birthday, (b) a Transition Plan Executive's fifty-fifth (55th) birthday, or (c) a Tier I or Tier II Executive's fifty-eighth (58th) birthday.

(ii) Early Retirement Date. The Executive's Early Retirement Date shall be the date that the Executive has both:

(1) completed at least ten (10) Years of Credited Service (as defined under 3.01(a)); and

(2) in the case of a 1999 Plan Executive, attained age 50, or in the case of a Tier I, Tier II or Transition Plan Executive, attained age 53.

(iii) Disability Retirement Date. The Executive's Disability Retirement Date shall be the date on which: (1) a 1999 Plan Executive becomes eligible for unreduced Early Retirement Benefits under Section 3.06, provided that the Executive continues to be permanently Disabled on such date, or (2) a Tier I, Tier II or Transition Plan Executive becomes eligible for Normal Retirement Benefits under 3.05, provided that the Executive continues to be permanently Disabled through his or her Normal Retirement Date.

(b) Committee Approval. As a condition to payment, the Committee must approve all Retirement Benefits under Article III.

(c) Board Approval for Early Retirement. An Executive who separates from active employment on or after his or her Early Retirement Date (but prior to Normal Retirement Date) must receive the consent and approval of the Board for such early retirement. If the Executive elects to separate from active employment without Board approval of early retirement, the Executive's entire benefit under the Plan shall be forfeited.

2.03 Disability. An Executive who becomes Disabled while employed by the Company or an Employer shall be deemed to be an Executive in active service with the Company during the period of such Disability and shall continue to accrue Years of Credited Service for such period whether or not such Executive actually performs services for the Company during such period; provided, however, that accrual of service under this section shall cease upon the earlier of the Disabled Executive's: (i) recovering from such Disability; or (ii) Disability Retirement Date. An Executive who recovers from such Disability, but who does not thereafter return to active service with an Employer shall be treated as though he or she terminated employment prior to reaching a Retirement Date and his or her Plan benefit shall be forfeited. For purposes of this Plan, an Executive is Disabled if, due to a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of at least 12 months, the Executive is receiving income replacement benefits for a period of at least three months under the Company's Disability Program.

2.04 Leave of Absence. The Board shall determine, on an individual basis and in its sole and absolute discretion, the treatment under the Plan of an Executive who takes a leave of absence from the Company or an Employer for reasons other than Disability, provided that the Board shall not change the time or form of payment of benefits set forth in this Plan solely because of the Executive's leave of absence. An Executive on a leave of absence for reasons other than Disability will be considered to have experienced a termination of employment for purposes of this Plan if the period of leave exceeds six months, unless the Executive retains a right to be reinstated to employment with the Company or an Employer under an applicable law or contract after the six-month period ends.

ARTICLE III.

BENEFITS

3.01 Retirement Benefit. An Executive's "Retirement Benefit" shall mean the benefit payable to the Executive as a Participant, pursuant to this Article III, expressed and payable as a monthly benefit in the form of a 50% Joint and Survivor Annuity, commencing on the Retirement Date. An Executive's Retirement Benefit depends on the Executive's eligibility category as designated by the Board or Committee as a 1999 Plan Executive, Transition Plan Executive, Tier I Executive, or Tier II Executive, with the following provisions and definitions applying to each of those categories:

(a) Year of Credited Service. A "Year of Credited Service" shall have the same meaning as "Years of Service" under the Nordstrom 401(k) Plan & Profit Sharing (and any predecessor or successor thereto) ("Profit Sharing Plan"). Service with a subsidiary or other corporation controlled by the Company shall not be considered "Credited Service" unless the Committee specifically agrees to credit such service. In addition, Years of Credited Service may be granted by the Committee under 4.05. In no case, however, will more than twenty five (25) Years of Credited Service be counted for any purpose under the Plan.

(b) Final Average Compensation. For purposes of this Plan, Final Average Compensation shall mean the monthly compensation resulting from the average of the highest thirty-six (36) months of the Executive's Covered Compensation, measured over the Averaging Period:

(i) Covered Compensation. For purposes of determining an Executive's Final Average Compensation, Covered Compensation shall include base salary and the cash bonus accrued for a fiscal year, divided by the number of full and partial months the Executive worked in the fiscal year. Covered Compensation shall not include any other items of remuneration such as reimbursements, allowances, fringe benefits or gains on the exercise of stock options, regardless of whether such amounts are included in the taxable income of the Executive. Unless specifically agreed to by the Committee, Covered Compensation shall not include any remuneration provided by a subsidiary or an affiliate.

(ii) Averaging Period. The Executive's Averaging Period shall be the longer of: (a) the final sixty (60) months of the Executive's employment; or (b) the entire period of service (measured in months) after either (1) a 1999 Plan Executive's fiftieth (50th) birthday, or (2) a Transition Plan or Tier I or II Executive's fifty-third (53rd) birthday. Unless the Committee decides otherwise, periods of employment with a subsidiary or affiliate that is not an Employer shall not be considered for purposes of determining the Averaging Period.

3.02 Tier I Executive Retirement Benefit. A Tier I Executive's Retirement Benefit shall be equal to one and six-tenths percent (1.6%) of such Executive's Final Average Compensation, multiplied by the Executive's Years of Credited Service.

3.03 Tier II Executive Retirement Benefit. A Tier II Executive's Retirement Benefit shall be equal to eight-tenths percent (0.8%) of such Executive's Final Average Compensation, multiplied by the Executive's Years of Credited Service.

3.04 1999 and Transition Plan Executive Retirement Benefit. A 1999 Plan Executive's Retirement Benefit and a Transition Plan Executive's Retirement Benefit shall be equal to two and four-tenths percent (2.4%) of such Executive's Final Average Compensation, multiplied by the Executive's Years of Credited Service, but reduced by the Executive's Annuity Value of Profit Sharing, determined as follows:

(a) Annuity Value of Profit Sharing. The Executive's Annuity Value of Profit Sharing means the actuarially equivalent monthly amount of the Executive's Company contribution account balances as of the date such Executive retires, if the account balances were paid in the form of a 50% Joint and Survivor Annuity, as follows:

(i) Profit Sharing Plan. Company-provided profit sharing and matching contributions (and income thereon) under the Profit Sharing Plan; plus

(ii) Other Qualified Plans. The amount of any Company-provided benefits to the Executive under any other qualified plan of the Company or its affiliates; plus

(iii) Distributions. The amount of any previous withdrawals or other distributions of any type (regardless of the payee) from the previously described plans (without adjustment for imputed earnings for any period following the actual date of withdrawal or distribution), other than (1) distributions of life insurance policies from the Profit Sharing Plan; and (2) the excess (if any) of premiums paid with respect to life insurance policies prior to such date over the cash surrender value used in computing the account balances in the Profit Sharing Plan as of such date expressed and payable as a monthly benefit commencing on the applicable payment date in the form of a 50% Joint and Survivor Annuity.

(b) 50% Joint and Survivor Annuity. For purposes of determining the reductions under Section 3.04(a), a 50% Joint and Survivor Annuity means the annuity defined in Section 5.02, with the following modifications to take into account the determination of such annuity value upon the Participant's (as opposed to the Beneficiary's) commencement of benefits under the Plan:

(i) Beneficiary. A Participant's joint annuitant in this context is the individual who would be considered the Participant's Beneficiary under 5.01(a) (for purposes of the Plan's pre-retirement survivor annuity) on the date the Participant retires. In the event that there is no Beneficiary on such date, the survivor annuity shall be calculated as though the Participant had a Beneficiary of the same age as the Participant.

(ii) Actuarial Equivalent. The Actuarial Equivalent used for this section shall be the same as that defined and used by the Committee in Section 5.02(b), except that the interest rate used shall be the IRS Long Term Applicable Federal Rate (AFR) stated for the month prior to the month in which the Executive retires.

3.05 Normal Retirement Benefits. An Executive who retires on or after Normal Retirement Date shall be entitled, upon approval of the Committee, to a Retirement Benefit under either 3.02, 3.03 or 3.04 (as appropriate) determined as of the actual date the Executive retires.

3.06 Early Retirement Benefits. Subject to 3.06(c), an Executive who retires (with the consent and approval of the Board) on or after his or her Early Retirement Date shall be entitled, upon approval of the Committee, to an Early Retirement Benefit as follows:

(a) Retirement Benefit. The Executive's Retirement Benefit under 3.02, 3.03 or 3.04 (as appropriate) determined on the actual date the Executive retires, reduced by the Early Retirement Reduction Factor.

(b) Early Retirement Reduction Factor.

(i) 1999 Plan Executives. For 1999 Plan Executives, three percent (3%) for each year the sum of the Participant's age and Years of Credited Service is less than 75.

(ii) Transition Plan Executives. For Transition Plan Executives, twelve and one-half percent (12.5%) for each year prior to the Executive's Normal Retirement

Date, with such reduction percentage to be prorated for any applicable fraction of a year, based on the number of full months worked in such year.

(iii) Tiers I and II Executives. For any Tier I or Tier II Executive, ten percent (10%) for each year prior to the Executive's Normal Retirement Date, with such reduction percentage to be prorated for any applicable fraction of a year, based on the number of full months worked in such year.

(c) Transition Plan Executives. If a Transition Plan Executive's Early Retirement Benefit calculated as though they were a Tier I Executive (under 3.02 and 3.06(b)(iii)), is greater than the Early Retirement Benefit calculated as a Transition Plan Executive (under 3.04 and 3.06(b)(ii)), then such Transition Plan Executive shall be entitled to receive such greater Early Retirement Benefit calculated as though they were a Tier I Executive.

3.07 Deferred Retirement Benefits. An Executive who retires after his or her Normal Retirement Date shall be entitled to a Deferred Retirement Benefit equal to the Normal Retirement Benefit under this Article III, but increased with interest for each Year of Post-Normal Retirement Date Service, up to a maximum of ten (10) Years of Post-Normal Retirement Date Service. A Year of Post-Normal Retirement Date Service means the period of twelve (12) consecutive complete calendar months beginning with the first of the month following a Participant's Normal Retirement Date, and each successive period of twelve (12) consecutive complete calendar months, prior to the Participant's date of Retirement (as defined in 2.02(a)). Partial Years of Post-Normal Retirement Date Service shall be disregarded. An interest rate of five percent (5%) per Year of Post-Normal Retirement Date Service, compounded annually, shall be used to calculate the increase under this section.

3.08 Disability Retirement Benefits. A Disabled Executive continuing to accrue service credit under Section 2.03 shall be treated, for purposes of the Plan, as an active Executive for such period, and the Retirement Benefit under this Article III shall be determined as of such Disabled Executive's Disability Retirement Date. A Disabled Executive may not receive Retirement Benefits prior to the Disability Retirement Date, even if, for example, the Executive qualifies for Early Retirement before his or her Disability Retirement Date. In addition, a Disabled Executive who receives Retirement Benefits while also receiving long-term disability or other disability income benefits pursuant to any other Employer-sponsored plan, fund or program that covers a substantial number of employees (excluding disability income paid by Social Security), shall have the monthly Retirement Benefit payable under this Plan reduced (but not below zero) by the monthly benefit actually paid or payable under such other plan. The amount by which the disability retirement benefit is reduced due to other payments shall be permanently forfeited.

3.09 Death Benefit. The Death Benefit under this Plan, whether payable before or after Retirement, shall consist solely of a survivor annuity, payable for the life of the Beneficiary (if any), as described in Article V.

3.10 Payment of Benefits. The following shall apply to the payment of benefits under Article III:

(a) Payment Commencement.

(i) General Rule. Payment of benefits under this Article III shall commence within 90 days after the date the Executive retires. The Participant may not designate the taxable year in which payments will begin.

(ii) Key Employees. If the Executive is a Key Employee, in order to comply with Code Section 409A, payments during the six-month period beginning on the Retirement Date shall be suspended. The first payment after expiration of the six-month waiting period shall include all periodic payments that were suspended during the six-month waiting period. For purposes of the Plan, Key Employee has the same meaning as under Code Section 416(i)(1)(A) (i), (ii), or (iii) (and disregarding Code Section 416(i)(5)). An Executive's status as a Key Employee is determined as of each September 30, and the Executive is treated as a Key Employee under the Plan for the next calendar year.

(b) Semi-Monthly Payment. Periodic payments of benefits shall be paid in equal monthly amounts on a semi-monthly basis through the Company's normal payroll system.

(c) Withholding.

(i) Income Tax and Other Withholding. The Company shall withhold from any and all benefit payments made under the Plan and this Article III, all federal, state and local income taxes the Company reasonably determines are required to be withheld in connection with the benefits hereunder, and any other amounts due, owing and unpaid by the Participant to the Company, to be determined in the sole discretion of the Company. In the event the amounts due under this 3.10(c)(i) exceed the amount of benefits currently payable, the Participant shall be required to contribute to the Company an amount necessary to meet such obligations.

(ii) Employment Taxes. At the time of Retirement, the Company shall calculate the employment taxes (i.e., Social Security and Medicare taxes) due on the Participant's benefit under the Plan. The Company shall pay the Company's share and the Participant's share of the employment taxes directly to the appropriate taxing authority. To the extent that the Company's payment creates an additional tax liability for the Participant, the Company shall pay the Participant an additional amount to satisfy this additional tax liability. The Company's payment to the Participant must be made no later than the last day of the Participant's taxable year next following the Participant's taxable year in which the Company makes the employment tax payment on behalf of the Participant.

ARTICLE IV.

RIGHTS OF PARTICIPANTS IN THE PLAN

4.01 Vesting. Except as otherwise provided in this Section and elsewhere in Article IV and Section 6.02, no Executive, Participant or Beneficiary shall have any vested interest in any

Plan benefits. The Benefits in which such Participant or Beneficiary has a vested interest under this Section (subject to forfeiture in 4.02) shall be determined as follows:

(a) Years in Position. In addition to the other requirements of this Section 4.01, an Employee must have been a designated Tier II Executive under the Plan for a period of at least seven Years of Credited Service in order to become vested in a benefit under this Plan.

(b) Early Retirement. A Participant entitled to Early Retirement Benefits under Section 3.06 shall have a vested interest in such benefits after the Board consents to and approves the Participant's Early Retirement Date.

(c) Normal Retirement. A Participant entitled to Normal Retirement benefits under Section 3.05 shall have a vested interest in Normal Retirement benefits on the Participant's Normal Retirement Date.

(d) Deferred Retirement. An Executive who retires after Normal Retirement Date shall have a vested interest in Retirement Benefits granted under Section 3.05 on the Participant's Normal Retirement Date, and shall have a vested interest in the additional benefits under Section 3.07 on such Participant's Deferred Retirement Date.

(e) Death Benefit. The Beneficiary of a Participant who is entitled to a survivor annuity under Article V shall have a vested interest in any applicable survivor annuity which is actually payable in accordance with the terms of Article V, on and after the date of the Participant's death.

4.02 Exceptions to Vesting. Notwithstanding any other provision of this Plan, an Executive's benefit shall be forfeited in the following situations:

(a) Tier II Executives. No benefits shall be paid to a Tier II Executive who terminates employment with less than seven Years of Credited Service as a designated Tier II Executive under the Plan.

(b) Suicide or Self-Inflicted Injury. No benefits shall be paid to an Executive or to any Beneficiary of such Executive as a result of suicide or self-inflicted injury by the Executive within three (3) years after such Executive becomes an "Executive" under the Plan.

(c) Termination for Good Cause. If an Executive is terminated for "cause" or if an Executive is found by the Company at any time to have engaged in any acts as would have constituted "cause" for termination, the Executive and any Beneficiary of the Executive shall immediately forfeit any and all rights to benefits under this Plan. Accordingly, any benefits in pay status shall cease immediately, and no future benefits shall be payable to the Executive or to his or her Beneficiary. For purposes of this Plan, "cause" shall mean that the Executive has or had:

(i) misappropriated, stolen or embezzled funds of the Company or an affiliate;

(ii) committed an act of deceit, fraud, dereliction of duty or gross or willful misconduct;

(iii) been convicted of either a felony or a crime involving moral turpitude or entered a plea of no contest in response to an indictment for such crime or felony;

(iv) intentionally disclosed confidential information of the Company or an affiliate (except when such disclosure is made pursuant to the direction of the Company or in accordance with legal, administrative or judicial process); or

(v) engaged in competitive behavior against, actions inimical to the interests of, purposely aided a competitor of, or has misappropriated or aided in the misappropriation of a material opportunity of the Company or its affiliates.

(d) Cessation of Benefits for Competition. Retirement Benefits currently in pay status to a Participant shall cease, and no further benefits shall be payable, to the Participant (or Beneficiary) to the extent the Participant competes, directly or indirectly, with the Company. For purposes of this Plan, "competing, directly or indirectly, with the Company" shall mean (without limitation) a determination, in the sole discretion of the Committee, of any of the following: (i) engaging in the operation of any type of business or enterprise in any way competitive with the business of the Company or its subsidiaries or affiliates, (ii) holding an interest, either directly or indirectly, as owner, director, officer, employee, partner, shareholder (other than as the owner of less than two percent (2%) of the outstanding stock of a publicly owned company), in any type of business or enterprise in any way competitive with the business of the Company or its subsidiaries or affiliates; or (iii) investing capital in, lending money or property to or rendering services to any type of business or enterprise in any way competitive with the business of the Company or its subsidiaries or affiliates. In the event of a dispute as to the application of this paragraph, the Committee may waive or modify its right to discontinue payment to any Participant or to any Beneficiary of such Participant by written agreement.

4.03 Application of Clawback Policy. This section applies if the Board elects to apply the Company's clawback policy to a Participant and application of the clawback policy results in a reduction in the Participant's Final Average Compensation. The Participant's Plan benefit shall be recalculated, and the Participant's future payments shall be adjusted automatically beginning with the first payment after the recalculation is completed. To the extent that the Participant has already received payments under the Plan and those payments are greater than the recalculated benefit (i.e., an overpayment), the Plan Administrator shall recover the overpayment by reducing the next payment due under the Plan (but not below zero) and applying it to the overpayment. To the extent that there continues to be an overpayment after reduction of the first recalculated payment, each successive payment shall be reduced (but not below zero) and the reduction shall be applied to the overpayment until the overpayment has been repaid in full. Once the overpayment has been repaid in full, the Participant shall receive the recalculated benefit as if the recalculated benefit had been the initial benefit calculated under the Plan. The provisions of this section for recovery of overpayments shall also apply to the Beneficiary of a Participant after the Participant's death.

4.04 Rights in Plan are Unfunded and Unsecured. The Company's obligation under the Plan shall in every case be an unfunded and unsecured promise to pay. A Participant's right to Plan distributions shall be no greater than the rights of general, unsecured creditors of the Company. The Company may establish one or more grantor trusts (as defined in Code Section 671 et seq.) to facilitate the payment of benefits hereunder; however, the Company shall not be obligated under any circumstances (other than a Change of Control, as described in 6.02) to fund its financial obligations under the Plan. Any assets which the Company may acquire or set aside to defray its financial liabilities shall be general assets of the Company, and such assets, as well as any assets set aside in a grantor trust, shall be subject to the claims of its general creditors in the event of the Company's insolvency.

4.05 Discretion to Grant Years of Service or Increase Age. If circumstances warrant (in order to attract or retain a qualified Executive), and it is decided it is in the best interests of the Company, the Committee shall have the authority and discretion to grant to certain individuals additional Years of Credited Service or to treat such individuals as having attained a certain age for purposes of this Plan, provided, however, that no such action may alter the time or form of payment of Plan benefits. Such circumstances may include (a) providing Executives with a recruiting incentive, or (b) such other circumstances that the Committee deems appropriate. The Committee may condition the receipt of such additional benefits (to which the Executive is not otherwise entitled) on the Participant's execution of an election of increased benefits under this Plan and a general release of all claims. The Committee's granting of Years of Credited Service and/or treating the Executive as attaining a certain age may affect the amount of the Executive's benefit under this Plan, but shall not alter, and shall not be construed as altering, the Executive's actual age or years of service with the Employer under any other plan of the Employer or for purposes of determining the time or form of payment under this Plan.

ARTICLE V.

DEATH BENEFITS

5.01 Death Benefit Payable. Each Executive's Retirement Benefit is expressed and payable as a monthly benefit in the form of a 50% Joint and Survivor Annuity under this Plan. Accordingly, the sole death benefit payable under this Plan on behalf of an Executive or a Participant is as follows:

(a) Pre-Retirement Death Benefit. If a Participant dies while actively employed as an Executive, a pre-retirement death benefit shall be payable under the Plan upon the death of the Executive. The pre-retirement death benefit shall be a Survivor Annuity payable for the life of the Executive's Beneficiary, calculated as though the Executive had retired as a Participant and had begun receiving Early, Normal or Deferred Retirement Benefits under the Plan based on his or her actual age and Years of Credited Service on the day before his or her death. The periodic payment to the Beneficiary is 50% of the periodic payment that would have been paid to the Executive if the Executive had not died prior to Retirement. If the Executive

dies before reaching a Retirement Date under the Plan, the survivor annuity shall commence on the earliest date the Executive would have been eligible to retire under the Plan.

(b) Post-Retirement Death Benefit. The Post-Retirement Death Benefit payable on behalf of a Participant shall be a 50% Survivor Annuity payable for the life of the Participant's Beneficiary, based on the actual Retirement Benefit the Participant was receiving at the time of his or her death, calculated in accordance with the provisions of Section 5.02.

5.02 50% Joint and Survivor Annuity. A 50% Joint and Survivor Annuity means an annuity for the life of the Participant and, after his or her death, a survivor annuity for the life of the Participant's Beneficiary in an amount that is fifty percent (50%) of the original annuity amount paid to the Participant; provided, however, that if the Beneficiary is more than five years younger than the Participant, such survivor annuity will be calculated so that it is the Actuarial Equivalent of the 50% survivor annuity for a Beneficiary five years younger than the Participant.

(a) Beneficiary. A Participant's Beneficiary is the individual to whom the Participant is legally married or the Participant's Life Partner on the date of the Participant's death. For this purpose, the term "Life Partner" has the same meaning as is used under the Nordstrom Welfare Benefit Plan; provided, however, that the Committee may, in its discretion, substitute a less restrictive definition than is used in the Nordstrom Welfare Benefit Plan.

(b) Actuarial Equivalent. The Committee shall have the authority to periodically determine and change the appropriate factors used to determine Actuarial Equivalence under the Plan. As of the Effective Date of this Restatement, the mortality table shall be the 1983 Group Annuity Mortality Table for males (GAM 83) and the interest rate shall be the IRS Long Term Applicable Federal Rate (AFR) stated for the month of the Executive's death.

5.03 Acknowledgment. The Committee shall have the sole and exclusive discretion to determine the identity of any Beneficiary, and no person shall have a right to any death benefit under this Plan in the absence of a determination that he or she is the Beneficiary of the Executive or Participant.

5.04 Surviving Beneficiary. For purposes of determining whether the Beneficiary predeceases the Executive, the individual is considered to survive the Executive if such Beneficiary is alive seven (7) days after the date of the Executive's death.

5.05 Doubt as to Beneficiary. If the Plan Administrator has any doubt as to the proper individual to receive payments pursuant to this Plan, the Plan Administrator shall have the right, exercisable in its discretion, to cause the Executive's Employer to withhold such payments until this matter is resolved to the Plan Administrator's satisfaction.

ARTICLE VI.

TERMINATION, AMENDMENT OR MODIFICATION OF THE PLAN

6.01 Plan Amendments and Termination.

(a) Board of Directors. The Plan may be amended or terminated by the Board of Directors at any time. Except as provided in 6.02, such amendment or termination may modify or eliminate any benefit hereunder other than a benefit that is in pay status, or the vested portion of a Retirement Benefit that is not in pay status.

(b) Compensation Committee. The Committee has the authority on behalf of the Board to review, finalize, approve and adopt amendments to the Plan, other than amendments relating to Plan eligibility. Except as provided in 6.02, such amendment may modify or eliminate any benefit hereunder other than a benefit that is in pay status, or the vested portion of a Retirement Benefit that is not in pay status. The Committee shall notify the Board of all amendments adopted under this provision.

(c) Officer in Charge of Human Resources. The Company's senior officer with responsibility for Human Resources has the authority on behalf of the Board to review, finalize, approve and adopt technical, legal, administrative, and compliance amendments recommended by the Company's legal counsel. The Company's senior officer with responsibility for Human Resources shall notify the Board of all amendments adopted under this provision.

(d) Benefits on Termination. If the Plan is terminated, benefit payments may be accelerated only to the extent permitted in final regulations under Code Section 409A.

6.02 Change of Control – Protected Benefits. In the event of a Change of Control (as defined in the Trust), the following additional provisions shall apply.

(a) No Amendment or Termination. No amendment (or termination) of the Plan can occur that would reduce or otherwise eliminate the monthly benefit payable under the Plan to any person with respect to a Participant who retired prior to such Change of Control, nor shall any Plan amendment reduce the benefit to be paid with respect to an Executive (who has not retired) below the amount which such Executive has accrued and would have received (upon reaching Normal Retirement Date) had he or she retired the day before such Change of Control (the "Change of Control Benefit").

(b) Full Vesting in Accrued Benefit. Upon the occurrence of a Change of Control, each active Executive shall be fully vested in his or her Change of Control Benefit under this Plan through the date of the Change of Control; in the event of termination of employment after a Change of Control and before the Executive's Normal Retirement Date, the terminated Executive shall receive a reduced Early Retirement benefit commencing on his or her Early Retirement Date (with reductions based upon the age attained on the actual Early Retirement Date and without the need for Board approval of the Early Retirement Date).

(c) Full Funding. Notwithstanding the provisions of Section 4.04 and the unfunded status of the Plan, in the event of a Change of Control, the Company shall fully fund the Trust as provided in Article VIII.

ARTICLE VII.

CLAIMS PROCEDURES

7.01 Submission of Claim. Benefits shall be paid in accordance with the provisions of this Plan. The Participant, or any person claiming through the Participant ("Claiming Party"), shall make a written request for benefits under this Plan, mailed or delivered to the Committee. Such claim shall be reviewed by the Committee or its delegate.

7.02 Denial of Claim. If a claim for payment of benefits is denied in full or in part, the Committee or its delegate shall provide a written notice to the Claiming Party within ninety (90) days setting forth: (a) the specific reasons for denial; (b) any additional material or information necessary to perfect the claim; (c) an explanation of why such material or information is necessary; and (d) an explanation of the steps to be taken for a review of the denial. A claim shall be deemed denied if the Committee or its delegate does not take any action within the aforesaid ninety (90) day period.

7.03 Review of Denied Claim. If the Claiming Party desires Committee review of a denied claim, the Claiming Party shall notify the Committee or its delegate in writing within sixty (60) days after receipt of the written notice of denial. As part of such written request, the Claiming Party may request a review of the Plan document or other non-privileged documents relevant to the claim, may submit any written issues and comments, and may request an extension of time for such written submission of issues and comments.

7.04 Decision upon Review of Denied Claim. The decision on the review of the denied claim shall be rendered by the Committee within sixty (60) days after receipt of the request for review. If circumstances require, the Committee may take up to an additional sixty (60) days to render its decision. The decision shall be in writing and shall state the specific reasons for the decision, including reference to specific provisions of the Plan on which the decision is based.

ARTICLE VIII.

TRUST

8.01 Establishment of the Trust. The Company may establish a trust, provided that any trust created by the Company, and any assets held by such trust to assist the Company in meeting its obligations under this Plan, shall be structured in a way to avoid immediate taxation to Participants in the Plan. Except in the case of a Change of Control (as defined in the Trust), the

Company reserves the absolute right, in its sole and exclusive discretion, to direct (or refrain from directing) the transfer over to the Trust of such assets to the extent the Company deems advisable, provided that no such transfer, Trust or other arrangement entered into by the Company shall affect the status of the Plan as unfunded for purposes of ERISA or the Code.

8.02 Interrelationship of the Plan and the Trust. The provisions of the Plan shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Company, Participants and the creditors of the Company to the assets transferred to the Trust. The Company shall at all times remain liable to carry out its obligations under the Plan. The Company's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Company's obligations under this Plan.

8.03 Funding on Change of Control. In the event of a Change of Control (as defined in the Trust) at any time when the Trust has not been terminated and is not fully funded (as defined below), the Company shall promptly transfer to the trustee of the Trust assets sufficient to cause the Trust to be fully funded on the date of such transfer. For purposes of this paragraph, the Trust shall be "fully funded" on a given date if, on such date, the fair market value of the assets held by the trustee of the Trust is at least equal to the Actuarial Equivalent present value of: (i) all benefits under the Plan in pay status to Participants or Beneficiaries on such date; plus (ii) the fully vested Change of Control Benefit under 6.02. For purposes of this paragraph, Actuarial Equivalent present value shall be determined using the interest and mortality assumptions of the Article III Actuarial Equivalent in effect for the month prior to the Change of Control.

8.04 Administration of Trust Assets. Prior to a Change of Control, the Company, acting through an Administrative Committee established for the purpose of overseeing administration of the Company's non-qualified deferred compensation plans, shall direct the Trustee regarding the investment of Trust assets. On and after a Change of Control, the authority of the Administrative Committee shall cease, and the Trustee shall have the exclusive authority and responsibility for the investment of Trust assets, subject to any investment guidelines provided by the Company prior to the Change of Control.

ARTICLE IX.

PLAN ADMINISTRATION

9.01 Plan Sponsor and Administrator. The Company is the "Plan Sponsor," and the Committee is the "Plan Administrator." The Company's senior officer with responsibility for Human Resources and the Company's Leadership Benefits Department have been selected to assist the Committee in its day to day responsibilities with respect to the Plan. The Committee, with the advice of Leadership Benefits, will make such rules and computations and will take such other actions to administer the Plan as the Committee may deem appropriate.

9.02 Authority of Committee. As Plan Administrator, the Committee has the sole and exclusive discretion, authority and responsibility to construe and interpret the terms and provisions of the Plan, to remedy and resolve ambiguities, to grant or deny any and all claims for

benefits and to determine all issues relating to eligibility for benefits. All actions taken by the Committee as Plan Administrator, or its delegate, will be conclusive and binding on all persons having any interest under the Plan, subject only to the provisions of Article VII. All findings, decisions and determinations of any kind made by the Committee or its delegate shall not be disturbed unless the Committee has acted in an arbitrary and capricious manner.

9.03 Exercise of Authority. All resolutions or other actions taken by the Committee shall either: (a) be taken by a vote of a majority of those present at a meeting at which a majority of the members are present; or (b) be evidenced in a writing adopted by a majority of all the members in office at the time the action is taken if the Committee acts without a meeting.

9.04 Delegation of Authority. The Committee may delegate all or part of its responsibilities, authority and discretion under the Plan to other persons. The duties of the Committee under the Plan will be carried out in its name by the officers, directors and employees of the Company. Any such delegation shall carry with it the full discretion and authority vested in the Committee under Section 9.02. The Committee has delegated the day-to-day administration of the Plan to the Company's Leadership Benefits Department under the direction of the Company's senior officer with responsibility for Human Resources.

9.05 Reliance on Opinions. The members of the Committee and the officers and directors of the Company, and any employee of the Company who is charged with duties in connection with the administration of the Plan shall be entitled to rely on all certificates and reports made by any duly appointed accountants, and on all opinions given by any duly appointed legal counsel, including legal counsel for the Company.

9.06 Information. The Company shall supply full and timely information to the Committee on all matters relating to the compensation of Participants, the date and circumstances of the termination of employment or death of a Participant and such other pertinent information as the Committee may reasonably require.

9.07 Indemnification. The Company shall indemnify and hold harmless each Committee or Board member, and each Company employee performing services or acting in any capacity, from and with respect to the Plan against any and all expenses and liabilities arising in connection with services performed in regard to this Plan. Expenses against which such individual shall be indemnified hereunder shall include, without limitation, the amount of any settlement or judgment, costs, counsel fees and related charges reasonably incurred in connection with a claim asserted, or a proceeding brought or settlement thereof. The foregoing right of indemnification shall be in addition to any other rights to which any such individual may be entitled as a matter of law or other agreement.

ARTICLE X.

MISCELLANEOUS

10.01 No Employment Contract. The terms and conditions of the Plan shall not be deemed to constitute a contract of employment between the Company and an Executive. Nothing in this Plan shall be deemed to give an Executive the right to be retained in the service of the Company or to interfere with any right of the Company to discipline or discharge the Executive at any time.

10.02 Employee Cooperation. An Executive will cooperate with the Company by furnishing any and all information reasonably requested by the Company and take such other actions as may be requested to facilitate Plan administration and the payment of benefits hereunder.

10.03 Illegality and Invalidity. If any provision of this Plan is found illegal or invalid, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal and invalid provision had not been included herein.

10.04 Required Notice. Any notice which shall be or may be given under the Plan shall be in writing and shall be mailed by United States mail, postage prepaid. If notice is to be given to the Company, such notice shall be addressed to the Company c/o Leadership Benefits, 1700 Seventh Avenue, Suite 900, Seattle, Washington 98101-4407. If notice is to be given to a Participant, such notice shall be hand-delivered to the Participant or may be mailed to the last known address of the Participant on the Company's Human Resources records. Any party may, from time to time, change the address to which notices shall be mailed by giving written notice of such new address.

10.05 Interest of Participant's Beneficiary. The interest in the benefits hereunder of a spouse or Life Partner of a Participant who, at any time prior to the death of the Participant, ceases to be the spouse or Life Partner of the Participant (whether by death, dissolution, annulment, separation, divorce or, in the case of a Life Partner, the termination of the life partnership), shall automatically pass to the Participant unless the spouse is required to be treated as the "Surviving Spouse" pursuant to a court order meeting the requirements of a Qualified Domestic Relations Order, applying rules analogous to those under Code Section 414(p). A former spouse may not transfer his or her interest in the Plan in any manner, including but not limited to by his or her will, nor shall such interest pass under the laws of intestate succession.

10.06 Tax Liabilities from Plan. If an Executive's participation in this Plan generates a state or federal tax liability to the Participant prior to commencement of benefit payments (including a tax liability under Section 409A of the Code), the Committee may exercise its discretion to authorize a distribution of funds in an amount not to exceed the amount needed to satisfy such liability (including additions to tax, penalties and interest). A distribution under this provision is solely at the discretion of the Committee, and the Executive may not elect, directly or indirectly, to accelerate payment. The Executive's tax liability shall be measured by using that Executive's then current highest federal, state and local marginal tax rate, plus the rates or

amounts for the applicable additions to tax, penalties and interest. Such a distribution shall affect and reduce the benefits to be paid under Articles III and V hereof.

10.07 Benefits Nonexclusive. The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Company. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

10.08 Discharge of Company Obligation. The payment of benefits under the Plan to a Participant or Beneficiary shall fully and completely discharge the Company, the Board, and the Committee from all further obligations under this Plan with respect to a Participant, and participation shall terminate upon such full payment of benefits.

10.09 Costs of Enforcement. If any action at law or in equity is necessary by the Committee or the Company to enforce the terms of the Plan, the Committee or the Company shall be entitled to recover reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which that party may be entitled.

10.10 Gender and Case. Unless the context clearly indicates otherwise, masculine pronouns shall include the feminine and singular words shall include the plural and vice versa.

10.11 Titles and Headings. Titles and headings of the Articles and Sections of the Plan are included for ease of reference only and are not to be used for the purpose of construing any portion or provision of the Plan document.

10.12 Applicable Law. To the extent not preempted by federal law, the Plan shall be governed by the laws of the State of Washington.

10.13 Counterparts. This instrument may be executed in one or more counterparts, each of which is legally binding and enforceable.

10.14 Definitions:

- (a) "Board" means the board of directors of Nordstrom, Inc.
- (b) "Code" means the Internal Revenue Code of 1986, as amended.
- (c) "Committee" means the Compensation Committee of the Board.

This Plan is signed and adopted, pursuant to proper authority, this 19th day of November 2008.

NORDSTROM, INC.

By: /s/ Delena Sunday
Delena Sunday

Title: Executive Vice President
Human Resources and Diversity Affairs

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
2008 RESTATEMENT

NORDSTROM

FOR RELEASE:

Nov. 19, 2008 at 8:00 a.m. EST

INVESTOR CONTACT: Chris Holloway
Nordstrom, Inc.
206-303-3290

MEDIA CONTACT: Brooke White
Nordstrom, Inc.
206-373-3030

NORDSTROM BOARD OF DIRECTORS APPROVES QUARTERLY DIVIDEND

SEATTLE – November 19 – Nordstrom, Inc. (NYSE: JWN) announced today that its board of directors approved a quarterly dividend of \$0.16 per share payable on December 15, 2008, to shareholders of record on November 28, 2008.

Nordstrom, Inc. is one of the nation's leading fashion specialty retailers, with 168 U.S. stores located in 28 states. Founded in 1901 as a shoe store in Seattle, today Nordstrom operates 109 full-line stores, 55 Nordstrom Racks, two Jeffrey boutiques, and two clearance stores. In addition, Nordstrom serves customers through its online presence at www.nordstrom.com and through its catalogs. Nordstrom, Inc. is publicly traded on the NYSE under the symbol JWN.

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