

NORDSTROM INC  
Form DEF 14A  
April 08, 2010  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a)**  
**of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

# NORDSTROM, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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April 8, 2010

Dear Shareholder:

On behalf of the Board of Directors and all of us on the management team, we invite you to attend the 2010 Annual Meeting of Shareholders on Tuesday, May 18, 2010, at 11:00 a.m., Pacific Daylight Time. The meeting will be held in the John W. Nordstrom Room, Downtown Seattle Nordstrom, 1617 Sixth Avenue, 5<sup>th</sup> Floor, Seattle, Washington 98101-1707.

In addition to the topics described in the Notice of Annual Meeting and the Proxy Statement, we will update you on the business and there will be an opportunity to ask questions of interest to you as a valued shareholder and customer.

It is important that your shares be represented and voted, regardless of the size of your holdings. Accordingly, whether or not you plan to attend the Annual Meeting, please cast your vote, whether by executing and returning a printed proxy card, over the Internet, or by telephone voting. This will ensure that your shares are represented at the Annual Meeting. The proxy is revocable at any time before it is voted and will not affect your right to vote in person if you attend the Annual Meeting.

Sincerely,

Blake W. Nordstrom  
President

Peter E. Nordstrom  
EVP and President Merchandising

Erik B. Nordstrom  
EVP and President Stores

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Appendix A: Nordstrom, Inc. 2010 Equity Incentive Plan

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Appendix B: Nordstrom, Inc. Audit Committee of the Board of Directors Charter

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**Nordstrom, Inc.**

**1617 Sixth Avenue**

**Seattle, Washington**

**98101-1707**

**Notice of Annual Meeting of Shareholders**

To the Shareholders of Nordstrom, Inc.:

The 2010 Annual Meeting of Shareholders ( Annual Meeting ) of Nordstrom, Inc. (the Company ) will be held on Tuesday, May 18, 2010, at 11:00 a.m., Pacific Daylight Time, in the John W. Nordstrom Room, Downtown Seattle Nordstrom, 1617 Sixth Avenue, 5<sup>th</sup> Floor, Seattle, Washington 98101-1707.

The meeting will be held for the following purposes:

1. To elect nine directors ( Directors ) to the Company s Board of Directors (the Board ) to hold office until the 2011 Annual Meeting of Shareholders and until their successors are duly elected and qualified;
2. To approve the Nordstrom, Inc. 2010 Equity Incentive Plan;
3. To ratify the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm for the fiscal year ending January 29, 2011; and
4. To transact such other business as may properly come before the meeting and at any convening or reconvening of the meeting following a postponement or adjournment of the meeting.

The Board recommends that shareholders vote **FOR** proposals 1, 2 and 3 as outlined in the accompanying Proxy Statement.

Holders of shares of Nordstrom Common Stock ( Common Stock ) of record at the close of business on March 12, 2010 (the record date ) are entitled to notice of, and to vote on, the matters that will be presented at the meeting. There were 218,020,643 shares of Common Stock issued and outstanding as of March 12, 2010.

Shareholders are invited to attend the 2010 Annual Meeting of Shareholders in person. Those who are hearing impaired or require other assistance should contact the Company at 206-373-3033, so that we may facilitate your participation at the meeting.

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A live webcast of the 2010 Annual Meeting of Shareholders will be provided from the Company's Investor Relations web site at [www.nordstrom.com](http://www.nordstrom.com). Select *Investor Relations*, then select the *Webcast* icon and follow the instructions given. Additionally, the recorded webcast will be available on the Investor Relations web site for a period of 30 days following the 2010 Annual Meeting of Shareholders.

On or about April 8, 2010, we will mail to our shareholders either (1) a copy of our Proxy Statement, a proxy card and an Annual Report or (2) a Notice of Internet Availability of Proxy Materials, which will indicate how to access the proxy materials on the Internet. We are pleased to once again furnish proxy materials to our shareholders on the Internet. We believe this approach provides our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of getting these materials to you in connection with our Annual Meeting.

**YOUR VOTE IS VERY IMPORTANT.** Whether or not you intend to be present at the meeting, you are encouraged to vote.

By order of the Board of Directors,

Robert B. Sari

Secretary

Seattle, Washington

April 8, 2010

### **IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2010 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 18, 2010**

The accompanying Proxy Statement and the 2009 Annual Report on Form 10-K are available at <http://investor.nordstrom.com>



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## **Commonly Asked Questions and Answers About the Annual Meeting**

### **1. Why am I receiving these materials?**

You are receiving these materials because you are a shareholder of Nordstrom, Inc. as of March 12, 2010, and are entitled to receive notice of the 2010 Annual Meeting of Shareholders and to vote on matters that will be presented at the meeting.

### **2. What items will be voted on at the Annual Meeting?**

Shareholders will vote on three items at the Annual Meeting:

the election to the Board of the nine nominees named in this Proxy Statement (Proposal No. 1);

approval of the Nordstrom, Inc. 2010 Equity Incentive Plan (Proposal No. 2); and

ratification of the Appointment of Independent Registered Public Accounting Firm (Proposal No. 3)

### **3. What are the Board's voting recommendations?**

FOR each of the nominees to the Board of Directors (Proposal No. 1);

FOR approval of the Nordstrom, Inc. 2010 Equity Incentive Plan (Proposal No. 2); and

FOR ratification of the Appointment of Independent Registered Public Accounting Firm (Proposal No. 3).

### **4. Where is the Annual Meeting being held?**

The Annual Meeting is being held in the John W. Nordstrom Room, which is located in the Downtown Seattle Nordstrom Store, 1617 Sixth Avenue, 5<sup>th</sup> Floor, Seattle, Washington, 98101-1707.

### **5. What is a proxy?**

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If you designate another person to vote your stock, that other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card. If you complete the enclosed proxy card to give us your proxy, you will have designated Blake W. Nordstrom, our President, and Robert B. Sari, an Executive Vice President and our General Counsel and Secretary, as your proxies to vote your shares as directed.

### **6. What is the purpose of this Proxy Statement?**

This Proxy Statement provides information about the matters to be voted on by shareholders at the Annual Meeting, along with other information regarding the governance of Nordstrom, including our Board Committee structure and executive compensation.

### **7. What does it mean if I receive more than one package of proxy materials?**

This means that you have multiple accounts holding Nordstrom shares. These may include: accounts with our transfer agent, The Bank of New York Mellon; shares held in Nordstrom's 401(k) Plan & Profit Sharing or Employee Stock Purchase Plan; and accounts with a broker, bank or other holder of record. Please vote all proxy cards and voting instruction forms that you receive with each package of proxy materials to ensure that all of your shares are voted.

### **8. Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of printed proxy materials?**

Under rules adopted by the U.S. Securities and Exchange Commission ( SEC ), we are now providing access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Availability Notice ) to some of our shareholders of record. If you received an Availability

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Notice by mail, you will not receive a printed copy of the proxy materials *unless you request one*. The Availability Notice will tell you how to access and review the proxy materials over the Internet at [www.proxyvote.com](http://www.proxyvote.com). The Availability Notice also tells you how to access your proxy card to vote on the Internet. If you received an Availability Notice by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Availability Notice.

### **9. When is the record date and what does it mean?**

The record date for the 2010 Annual Meeting of Shareholders is March 12, 2010. Owners of Common Stock at the close of business on the record date are entitled to receive notice of, attend and vote at the Annual Meeting.

### **10. Who can vote on matters that will be presented at the Annual Meeting?**

You can vote if you were a shareholder of record or street name shareholder of Nordstrom at the close of business on the record date of March 12, 2010.

### **11. Is there a minimum number of shares that must be represented in person or by proxy to hold the Annual Meeting?**

Yes. A quorum is the number of shares that must be present to conduct business at the Annual Meeting. For the Annual Meeting, we must have a quorum of at least a majority of the outstanding shares of Common Stock as of the record date.

Your shares will be counted toward the number needed for a quorum if you: (i) submit a valid proxy card or voting instruction form, (ii) give proper instructions over the telephone or on the Internet or, (iii) in the case of a shareholder of record, attend the Annual Meeting in person.

### **12. What is the difference between a shareholder of record and a street name shareholder?**

Many Nordstrom shareholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own names. As summarized below, there are some distinctions between shares held as a shareholder of record and those held in street name.

**Shareholder of Record:** If your shares are registered directly in your name with Nordstrom's transfer agent, The Bank of New York Mellon, you are considered the shareholder of record or a registered shareholder, and these proxy materials are being sent directly to you by the Company. As the shareholder of record, you have the right to grant your voting proxy directly to Nordstrom or to vote in person at the Annual Meeting.

**Street Name Shareholder:** If your shares are held in a stock brokerage account or by a bank, trustee or nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or other holder of record who is considered the shareholder of record. As the street name shareholder you have the right to direct your broker, bank or other holder of record on how to vote your shares and you are invited to attend the Annual Meeting. Your broker, bank, trustee or nominee is obligated to provide you with a voting instruction form for you to use.

**13. How many votes am I entitled to per share?**

Each share of Common Stock is entitled to one vote on each matter properly presented at the Annual Meeting.

**14. Who will count the vote?**

Broadridge Investor Communication Services was appointed by the Board to tabulate the vote and act as Inspector of Election. Information about Broadridge is available at [www.broadridge.com](http://www.broadridge.com). Proxies and ballots that identify the votes of individual shareholders are kept confidential from the Company's management and Directors. Only Broadridge, as the proxy tabulator and the Inspector of Election, has access to the ballots, proxy forms and voting instructions. Broadridge will disclose information taken from the ballots, proxy forms and voting instructions only in the event of a proxy contest or as otherwise required by law.

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**15. How do I cast my vote?**

*Shareholders of record:* You may vote by telephone, on the Internet or by mail as described below.

*Street name shareholders:* You may vote by the method explained on the proxy card or the information you receive from the bank, broker or other record holder. We encourage you to vote by telephone or on the Internet. It is convenient, and it saves us significant postage and processing costs. In addition, when you vote by telephone or on the Internet, your vote is recorded immediately and there is no risk that postal delays will cause your vote to arrive late and therefore not be counted.

The telephone and Internet voting procedures are designed to verify that you are a shareholder of record by using a control number and allowing you to confirm that your voting instructions have been properly recorded. ***If you vote by telephone or on the Internet, please do not return your proxy card.*** Telephone and Internet voting facilities for shareholders of record will be available 24 hours a day and will close at 11:59 p.m. Eastern Daylight Time on May 17, 2010.

Voting by Telephone. You may vote by telephone by using the toll-free number listed on your proxy card. Voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

Voting on the Internet. You may vote on the Internet by using the voting portal found at [www.proxyvote.com](http://www.proxyvote.com). As with telephone voting, you can confirm that your instructions have been properly recorded.

Voting by Mail. You may vote by signing, dating and returning your proxy card.

The method by which you vote your proxy card will not limit your right to vote at the Annual Meeting if you decide to attend in person. Our Board recommends that you vote using one of the other voting methods since it is not practical for most shareholders to attend the Annual Meeting. If you are a street name shareholder, you must obtain a proxy, executed in your favor, from the bank, broker or other holder of record to be able to vote in person at the Annual Meeting.

***Shareholders holding shares invested in the Company's 401(k) Plan & Profit Sharing:*** If you participate in the Company's 401(k) Plan & Profit Sharing, the number of shares of Common Stock in your account as of the record date are reflected on your proxy card and may be voted as described above for shareholders of record. However, if your vote on those shares is not received by 5:00 p.m. Eastern Daylight Time on May 14, 2010, then the Nordstrom, Inc. Retirement Committee will vote those shares in the same proportion as all other 401(k) Plan & Profit Sharing shares that have been voted.

***Shareholders holding shares purchased through the Company's Employee Stock Purchase Plan:*** If you hold Common Stock that you acquired through the Company's Employee Stock Purchase Plan, you are the beneficial owner of those shares and your shares may be voted as described above for street name shareholders.

**16. What is the voting requirement to approve each of the proposals?**

Proposal	Vote Required	Discretionary Voting
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		<b>Allowed?</b>
Election of Directors	Majority of Votes Cast	No
Approval of Nordstrom, Inc. 2010 Equity Incentive Plan	Majority of Votes Cast*	No
Ratification of the Appointment of Independent Registered Public		
Accounting Firm	Majority of Votes Cast	Yes

\*Under the New York Stock Exchange ( NYSE ) rules, votes cast on this proposal must also exceed 50% of the Company s outstanding shares; see *Approval of the Nordstrom, Inc. 2010 Equity Incentive Plan* on page 6.

Under Washington corporation law and our Articles of Incorporation and Bylaws, the approval of any corporate action taken at a shareholder meeting is based on votes cast. Votes cast means votes actually

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cast for or against a particular proposal, whether by proxy or in person. Broker non-votes (broker non-votes and discretionary voting are explained in the answer to Question 18) are not considered votes cast and have no effect on the proposals. Abstentions are considered no votes for the approval of the Nordstrom, Inc. 2010 Equity Incentive Plan, but have no effect on the other two proposals.

***Election of Directors; Majority Vote Policy:*** In the election of directors, the Company has adopted a majority voting standard as described in more detail on page 29 under Director Elections. Because this is an uncontested election, an incumbent director nominee will be elected if the votes cast for the nominee's election exceed the votes cast against the director nominee. If a director nominee does not receive the requisite votes, that director's term will end on the date on which an individual is selected by the Board to fill the position held by such director or ninety (90) days after the date the election results are determined, whichever occurs first.

***Approval of the Nordstrom, Inc. 2010 Equity Incentive Plan:*** Under the Company's Bylaws, the votes cast for must exceed the votes cast against to approve the Nordstrom, Inc. 2010 Equity Incentive Plan.

NYSE rules require that the total votes cast on this proposal must represent greater than 50% of all the shares entitled to vote on this proposal (the Outstanding Shares). That is, the total number of votes cast for and against the proposal (collectively, the Shares Voted) must exceed 50% of the Outstanding Shares. For purposes of this proposal, the NYSE considers an abstention as a vote against approval. Because your bank, broker or other holder of record does not have discretionary voting authority to vote your shares on this proposal absent specific instructions from you, broker non-votes could create a situation where the Shares Voted do not exceed 50% of the Outstanding Shares. It is therefore important that you vote, or direct the holder of record to vote, on this proposal.

***Ratification of the Appointment of Independent Registered Public Accounting Firm:*** Under the Company's Bylaws, the votes cast for must exceed the votes cast against to approve the Ratification of Appointment of Independent Registered Public Accounting Firm.

### **17. Can I change my mind after I vote?**

Yes, if you vote by proxy, you may revoke that proxy at any time before it is voted at the Annual Meeting.

You may do this by:

voting again on the Internet or by telephone prior to the Annual Meeting;

signing another proxy card with a later date and mailing it to Broadridge Investor Communication Services, 51 Mercedes Way, Edgewood, NY 11717, prior to the Annual Meeting; or

attending the Annual Meeting in person and delivering your proxy or casting a ballot.

### **18. What if I do not return my proxy card or voting instruction form or do not provide voting instructions?**

***Shareholders of Record:*** If you are a registered shareholder and do not return your voted proxy card or vote by phone or the Internet, your shares will not be voted. If you submit your proxy card with an unclear voting designation or no voting designation at all, your

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shares will be voted by the proxies FOR Proposals 1, 2 and 3. If any additional proposals are properly presented at the Annual Meeting of Shareholders and any adjournment thereof, the proxies will vote your shares on those additional proposals in accordance with their discretion.

**Street Name Shareholders:** Your shares may be voted if they are held in the name of a broker, bank or other intermediary, even if you do not provide the holder with voting instructions. Brokerage firms and banks generally have the discretion, under NYSE rules, to vote uninstructed shares on certain routine matters for which their customers do not provide voting instructions. Proposal 3 Ratification of the Appointment of Independent Registered Public Accounting Firm, is considered a routine matter. Proposals 1 and 2, and any other matter presented at the meeting (see Other Matters, on page 20), will not be considered routine. When a proposal is not a routine matter and the institution holding the shares has not received voting instructions from the beneficial owner of the shares with respect to the proposal,



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discretionary voting by your bank or broker is not allowed on that proposal. This is called a broker non-vote. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes will not be included in vote totals and will have no effect on the outcome of any vote.

**Shareholders with shares invested in the Company's 401(k) Plan & Profit Sharing:** If your vote of shares held through the Company's 401(k) Plan & Profit Sharing is not received by 5:00 p.m. Eastern Daylight Time on May 14, 2010, then the Company's Retirement Committee will vote your shares in the same proportion as shares that have been voted in the 401(k) Plan & Profit Sharing. If you submit your proxy card with an unclear voting designation or no voting designation at all, your shares will be voted by the Retirement Committee FOR Proposals 1, 2 and 3. If any additional proposals are properly presented at the Annual Meeting of Shareholders and any adjournment thereof, the Retirement Committee will vote on the additional proposals in accordance with their discretion.

### **19. Will abstentions or broker non-votes affect the voting results?**

If you abstain from voting on a proposal, or if a broker or bank indicates it does not have discretionary authority to vote on a proposal, the shares will be counted for the purpose of determining if a quorum is present, but will not be included in the vote totals with respect to the proposal. Furthermore, any abstention or broker non-vote will have no effect on the proposals to be considered at the Annual Meeting since these actions do not represent votes cast by shareholders. An abstention will not represent a vote cast with respect to the election of directors or the ratification of the appointment of the Company's Independent Auditors but, under the rules of the NYSE, will be considered a vote against the approval of the Company's 2010 Equity Incentive Plan.

### **20. Where can I find the voting results of the Annual Meeting?**

We intend to announce preliminary voting results at the Annual Meeting and publish final results on a Form 8-K within four business days of the 2010 Annual Meeting of Shareholders. The Form 8-K will be available online at [www.nordstrom.com](http://www.nordstrom.com). Select *Investor Relations*, then select *SEC Filings*.

### **21. How does a shareholder propose actions for consideration at next year's Annual Meeting of Shareholders?**

For your proposal to be considered for inclusion in our proxy statement for next year's Annual Meeting, we must receive your written proposal no later than December 9, 2010. You should be aware that your proposal must comply with SEC regulations regarding inclusion of shareholder proposals in company-sponsored proxy materials.

In addition, in order for you to raise a proposal (including director nominations) from the floor during next year's meeting, we must receive written notice of the proposal between January 18, 2011 and February 17, 2011, and it must contain information required by the Company's Bylaws. With respect to director nominations, shareholders must also comply with our Director Nominating Process, described on page 25 of this Proxy Statement.

Please mail your proposals by U.S. mail, postage prepaid, to the attention of the Secretary, 1700 Seventh Avenue, Seattle, Washington 98101-4407.

**22. Can I receive future proxy materials online?**

Yes. If you choose this option you will not receive paper copies of the Proxy Statement and Annual Report in the mail. Choosing this option will save the Company printing and mailing costs and may benefit the environment.

You may sign up to receive future proxy materials online at [www.nordstrom.com](http://www.nordstrom.com). Select *Investor Relations*, then select *Electronic Delivery of Materials*. If you are both a registered shareholder and a street name shareholder you must sign up for each category. Your choice to receive Internet distribution of your proxy materials will remain in effect until you revoke it by returning to the site and selecting the *Change/Cancel Existing Enrollment* link.

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You can also review copies of the Proxy Statement and Annual Report online on the Company's Investor Relations homepage at <http://investor.nordstrom.com>.

**23. Who will bear the cost of this proxy solicitation?**

Nordstrom will bear the cost of this proxy solicitation, including reimbursing banks and brokers for reasonable expenses of sending out proxy materials to street name shareholders.

**24. What if I have additional questions that are not addressed here?**

You may call Investor Relations at 206-303-3200, e-mail Investor Relations at [invrelations@nordstrom.com](mailto:invrelations@nordstrom.com), or call the Office of the Secretary at 206-303-2542.

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## Proposals To Be Voted Upon

### Proposal 1

**The Board recommends a vote FOR each nominee.**

#### Election of Directors

A Board of nine Directors will be elected at the Annual Meeting, each to hold office until the 2011 Annual Meeting of Shareholders and until their successors have been duly elected and qualified. All of the nominees listed below are currently Directors of the Company and were elected at the 2009 Annual Meeting of Shareholders.

Unless otherwise directed, the persons named in the proxy intend to vote all proxies FOR the re-election of the nominees listed below. If any nominee becomes unavailable for any reason, or if a vacancy should occur before the election, the persons named as proxies (see Question 5 on page 3) may vote for a person to be selected by the Board.

#### Director Qualifications and Experience

The Board, acting through the Corporate Governance and Nominating Committee, seeks a Board that, as a whole, possesses the experience, skills, backgrounds and qualifications appropriate to function effectively in light of the Company's current and evolving business circumstances. The Corporate Governance and Nominating Committee reviews the size of the Board, the tenure of our Directors and their skills, backgrounds and experiences in determining the slate of nominees and whether to seek one or more new candidates. The Committee seeks directors with established records of significant accomplishments in business and areas relevant to our strategies. With respect to the nomination of continuing Directors for re-election, the individual's contributions to the Board are also considered.

All of our Directors bring to our Board a wealth of executive leadership experience derived from their service as executives and, in most cases, chief executive officers, of large corporations. They also bring extensive board experience. The process undertaken by the Corporate Governance and Nominating Committee in recommending qualified director candidates is described in the Director Nominating Process section on page 25. Information related to the Director nominees as of April 8, 2010 is set forth below, including the particular experience, qualifications, attributes or skills that led the Board to conclude that the person should serve as a Director for the Company:

#### **Phyllis J. Campbell, 58**

Director since 2004

Chairman of the Pacific Northwest Region of JPMorgan Chase since 2009. President and Chief Executive Officer of The Seattle Foundation, a community-based philanthropic organization, from 2003 to 2009. President and Chief Executive Officer of US Bank of Washington, a division of US Bancorp, from 1993 to 2001. Ms. Campbell held various other management positions of increasing responsibility with US Bank of Washington from 1989 to 1993. Ms. Campbell has been a director of Alaska Air Group, Inc. since 2002 and served as a director of Safeco Corporation from 1994 to 2006, Puget Energy, Inc., from 1999 to 2009 and as a director of its subsidiary, Puget Sound Energy, Inc. from 1993 to 2009. Ms. Campbell's roles at JP Morgan Chase and US Bank provide her with extensive experience in the financial sector and its retail applications, including marketing, accounting and risk management. Further, Ms. Campbell's prior role with The Seattle Foundation has provided her senior leadership skills as chief executive officer and her prior and current board experience at Alaska Air,

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Safeco and Puget Energy and its subsidiary has provided her key skills in working with directors, understanding board processes and functions and overseeing management.

### **Enrique Hernandez, Jr., 54**

Director since 1997

President and Chief Executive Officer of Inter-Con Security Systems, Inc., a worldwide security and facility support services provider, since 1986 and Executive Vice President and Assistant General Counsel from 1984 to 1986. Prior to joining Inter-Con Security Systems, Mr. Hernandez, who is a licensed attorney, practiced law with the firm of Brobeck, Pflieger and Harrison in Los Angeles. Principal partner of Interspan

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Communications, a television broadcasting company serving Spanish-speaking audiences, which he co-founded in 1988. Mr. Hernandez has been a director of McDonald's Corporation since 1996, Wells Fargo & Company since 2003 and Chevron Corporation since 2008. Mr. Hernandez served as a director of the Tribune Company from 2001 to 2007. Mr. Hernandez's role at Inter-Con Security Systems provides him executive, operational, executive compensation and legal experience with a regulated business with a large number of employees in the United States and abroad. Mr. Hernandez's role with Interspan Communications gives him key marketing skills which are invaluable in an evolving consumer market. Further, Mr. Hernandez's significant board experience at McDonald's, Wells Fargo, Chevron and the Tribune Company and his role as Nordstrom's lead director from 2000 to 2006 and as Chairman of the Board since 2006 has provided him extensive experience in corporate governance matters and working with diverse boards of directors, overseeing management, assessing risk and responding to complex financial, operational and strategic challenges.

**Robert G. Miller, 65**

Director since 2005

Chief Executive Officer of Albertson's, LLC, a retail grocery chain, since 2006. Chief Executive Officer of Rite Aid Corporation, a retail pharmacy chain, from 1999 to 2003, and Chairman of the Board from 1999 to 2007. Mr. Miller was Vice Chairman and Chief Operating Officer of The Kroger Co., a grocery supermarket company, during 1999, Vice Chairman of the Board and Chief Executive Officer of Fred Meyer, Inc., a grocery supermarket company, from 1998 to 1999 and Chairman of the Board and Chief Executive Officer of Fred Meyer, Inc. from 1991 to 1998. He has been a director of Rite Aid Corporation since 1999 and has served as a director of Harrah's Entertainment, Inc. from 1999 to 2008 and Wild Oats Markets, Inc. from 2004 to 2006. Mr. Miller's experiences at Fred Meyer, Rite Aid and Albertson's, which operate multi-store retail businesses in a highly competitive marketplace, provide him with financial, accounting, strategic and operational skills and experience acquiring and divesting assets. Mr. Miller's extensive experience in the consumer product and retail industry enables him to provide insights that are invaluable to the Board. Further, Mr. Miller's broad board experience at Rite Aid, Kroger, Fred Meyer, Harrah's and Wild Oats Markets has provided him key skills in working with directors, understanding board processes and functions, responding to complex financial, operational and strategic challenges and overseeing management.

**Blake W. Nordstrom, 49**

Director since 2005 (a)

President of the Company since August 2000. Mr. Nordstrom previously served as Executive Vice President and President of Nordstrom Rack from February 2000 to August 2000, and as Co-President of the Company from 1995 to February 2000. Mr. Nordstrom has held various other management and sales positions of increasing responsibility since 1975 when he joined the Company. He has also served as a director of the Federal Reserve Bank of Seattle from 2004 to 2007 and has served as a director of the Federal Reserve Bank of San Francisco since 2007. Mr. Nordstrom's significant and diverse managerial experience with the Company for more than 20 years, including executive and operational roles gives him unique insights in retailing and into the Company's challenges, opportunities and operations.

**Erik B. Nordstrom, 46**

Director since 2006 (a)

Executive Vice President and President of Stores since February 2006. From August 2000 to February 2006, he served as Executive Vice President of Full-Line Stores. Mr. Nordstrom previously served as Executive Vice President and Northwest General Manager from February 2000 to August 2000, and as Co-President of the Company from 1995 to February 2000. He held various other management and sales positions of increasing responsibility since 1979 when he joined the Company. Mr. Nordstrom's significant managerial experience with the Company for more than 20 years, including executive and operational roles gives him unique insights in retailing and into the Company's challenges, opportunities and operations.

**Table of Contents****Peter E. Nordstrom, 48**

Director since 2006 (a)

Executive Vice President and President Merchandising since February 2006. From September 2000 to February 2006, he served as Executive Vice President and President Full-Line Stores. Mr. Nordstrom previously served as Executive Vice President and Director of Full-Line Store Merchandise Strategy from February 2000 to September 2000, and as Co-President of the Company from 1995 to 2000. He held various other management and sales positions of increasing responsibility since 1978 when he joined the Company. Mr. Nordstrom's significant managerial experience with the Company for more than 20 years, including executive and operational roles gives him unique insights in retailing and into the Company's challenges, opportunities and operations.

**Philip G. Satre, 60**

Director since 2006

A private investor since 2005. Chief Executive Officer of Harrah's Entertainment, Inc., a provider of branded casino entertainment, from 1994 to 2003 and a director of Harrah's from 1988 to 2005, serving as Chairman of the Board from 1997 to 2005. Mr. Satre has held various other positions of increasing responsibility with Harrah's since 1980 when he joined the company as Vice President, General Counsel and Secretary, to his retirement in 2005. Prior to joining Harrah's, Mr. Satre practiced law with the firm of Vargas & Barlett in Reno, Nevada. He has been a director of Rite Aid Corporation since 2005, International Game Technology since January 2009 and its Chairman since December 2009, NV Energy, Inc. since 2005 and its Chairman since 2008. Mr. Satre served as a director of Tabcorp Holdings, Ltd. (Australia) from 2000 to 2007. Mr. Satre's roles at Harrah's Entertainment provide him legal experience, senior leadership skills as chief executive officer and experience overseeing customer loyalty and service programs. Further, Mr. Satre's substantial board experience at Rite Aid, International Game Technology, NV Energy, Tabcorp and his role as Chairman of Harrah's Entertainment, which under his leadership became one of the world's largest gambling companies, provide him with extensive experience responding to complex financial, operational and strategic challenges, experience with corporate governance matters and key skills in working with directors, understanding board processes and functions, assessing risk and overseeing management.

**Robert D. Walter, 64**

Director since 2008

A private investor since 2008. Founder and former Chairman and CEO of Cardinal Health, Inc. Mr. Walter retired from Cardinal Health in June 2008. Prior to his retirement, he served as Executive Director from November 2007 to June 2008; Executive Chairman of the Board from April 2006 to November 2007; and Chairman and Chief Executive Officer from 1971 to April 2006. Mr. Walter has been a director of American Express Company since 2002 and YUM! Brands, Inc. since 2008. He served as a director of Cardinal Health, Inc. (and its predecessors) from 1971 to November 2008, and CBS Corporation (and its predecessor Viacom, Inc.) from 2000 to 2006. Mr. Walter's roles at Cardinal Health, which under his leadership grew from a small regional business to become one of the largest distributors of pharmaceuticals, health and beauty products

and hospital supplies in the United States, provide him executive, operational, accounting and executive compensation experience, leadership and strategic skills and significant experience acquiring and developing businesses and building management teams. Further, Mr. Walter's proven financial and business acumen and significant board experience at American Express, YUM! Brands and CBS Corporation give him background and experience working with directors, overseeing management and assessing risk.

**Alison A. Winter, 63**

Director since 2001

Chief Executive Officer of Braintree Holdings, LLC, a private investments and consulting services firm, a company she founded in 2003. Senior advisor and consultant to Northern Trust Corporation, a provider of banking and trust services for individuals, institutions and corporations, since 2007. Ms. Winter, who is a Chartered Financial Analyst, was Northern Trust Corporation's Founding President and Chief Executive Officer for Personal Financial Services Northeast from 2003 to 2006, Co-President, Personal Financial Services from 2002 to 2003 and a member of the Management Committee from 2002 to 2006. She held various other positions of increasing responsibility with Northern Trust Corporation since 1971 when she joined the company.

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Ms. Winter's roles at Northern Trust, which is a consumer and business-facing financial service company, have provided her significant executive and operational experience, leadership skills, an understanding of the consumer and financial experience.

(a) Blake, Pete and Erik Nordstrom are brothers, great grandsons of the Company's founder and the second cousins of James F. Nordstrom, Jr., an Executive Vice President of the Company.

**Proposal 2**

**The Board recommends a vote FOR this proposal**

**Approval of the Nordstrom, Inc. 2010 Equity Incentive Plan**

Shareholders are being asked to vote on a proposal to approve the adoption of the Nordstrom, Inc. 2010 Equity Incentive Plan (the Incentive Plan). The Incentive Plan is intended to be a successor to the existing 2004 plan (the

2004 Equity Incentive Plan or Prior Plan) and, if the Incentive Plan is approved by the shareholders, no future grants will be made under the Prior Plan.

The Company has granted equity awards to its employees under Nordstrom equity compensation plans since 1977. All of these plans, with the exception of the Prior Plan, have expired. The Company wishes to replace its Prior Plan at this time, to ensure that the Company has sufficient shares available to continue its long-held approach to pay for performance through granting equity to its employees, and to incorporate terms for future grants that reflect current best practices in executive compensation. The Company's pay for performance philosophy is described in the Compensation Discussion and Analysis beginning on page 34.

The Incentive Plan was approved by the Board on February 24, 2010 and will become effective upon its adoption by the shareholders. The terms of the Incentive Plan will:

allow us to issue up to 11,600,000 shares.

require each share issued as part of a full-value award, such as a grant of unrestricted shares, restricted shares, restricted stock units or performance share units, to count as 1.6 shares for purposes of determining shares remaining available for grant. Under the Prior Plan, such shares were counted on a one to one basis.

generally prohibit the acceleration of vesting for outstanding awards, except in the context of (i) a qualifying termination occurring within 12 months following a change in control; or (ii) the death, disability or retirement of the participant. Under the Prior Plan, the Compensation Committee of the Board (the Compensation Committee or Committee) retained broader discretion to determine whether and when to accelerate the vesting of outstanding awards.

establish three years as the minimum period for vesting of time-vested awards. Under the Prior Plan, the minimum period for vesting was six months.

make it clear that participants are not entitled to the receipt of dividends or dividend equivalents with respect to unvested performance share units. This is a clarifying change in the terms of the Prior Plan, but does not reflect a change in practice.



generally prohibit the return to the Plan and reuse of shares tendered to the Company in satisfaction of the exercise price or taxes payable with respect to an award. This is a clarifying change in the terms of the Prior Plan, but does not reflect a change in practice.

prohibit decreasing the exercise price of any award, or canceling any outstanding award in exchange for cash or any other award with an exercise price below the original exercise price, without shareholder approval. This is not a change from the Prior Plan.

**Shares Available under Plans**