

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended August 3, 2024

or

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

For the transition period from _____ to _____

Commission File Number: 001-15059

NORDSTROM

Nordstrom, Inc.

(Exact name of registrant as specified in its charter)

Washington

(State or other jurisdiction of
incorporation or organization)

91-0515058

(I.R.S. Employer
Identification No.)

1617 Sixth Avenue, Seattle, Washington 98101

(Address of principal executive offices)

206-628-2111

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, without par value	JWN	New York Stock Exchange
Common stock purchase rights		New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☒ Large Accelerated Filer

☐ Non-accelerated filer

☐ Accelerated filer

☐ Smaller reporting company

☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Common stock outstanding as of August 30, 2024: 164,210,989 shares

TABLE OF CONTENTS

	Page
FORWARD-LOOKING STATEMENTS	3
DEFINITIONS OF COMMONLY USED TERMS	5
PART I — FINANCIAL INFORMATION	
Item 1. Financial Statements (Unaudited).	6
Condensed Consolidated Statements of Earnings	6
Condensed Consolidated Statements of Comprehensive Earnings	6
Condensed Consolidated Balance Sheets	7
Condensed Consolidated Statements of Shareholders' Equity	8
Condensed Consolidated Statements of Cash Flows	9
Notes to Condensed Consolidated Financial Statements	
Note 1: Basis of Presentation	10
Note 2: Revenue	12
Note 3: Debt and Credit Facilities	13
Note 4: Fair Value Measurements	14
Note 5: Stock-based Compensation	14
Note 6: Shareholders' Equity	15
Note 7: Earnings Per Share	15
Note 8: Segment Reporting	15
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.	16
Item 3. Quantitative and Qualitative Disclosures About Market Risk.	27
Item 4. Controls and Procedures.	28
PART II — OTHER INFORMATION	
Item 1. Legal Proceedings.	28
Item 1A. Risk Factors.	28
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.	30
Item 3. Defaults Upon Senior Securities.	30
Item 4. Mine Safety Disclosures.	30
Item 5. Other Information.	30
Item 6. Exhibits.	30
Exhibit Index	31
Signatures	32

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements regarding matters that are not historical facts, and are based on our management's beliefs and assumptions and on information currently available to our management. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. In some cases, forward-looking statements can be identified by terms such as "may," "will," "should," "could," "goal," "would," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "potential," "pursue," "going forward" and similar expressions intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, our anticipated financial outlook for the fiscal year ending February 1, 2025, trends in our operations and the following:

Strategic and Operational

- successful execution of our customer strategy to provide customers superior service, products and experiences, online, through our fulfillment capabilities and in stores,
- timely and effective implementation and execution of our evolving business model, including:
 - winning at our market strategy by providing a differentiated and seamless experience, which consists of the integration of our digital and physical assets, development of new supply chain capabilities and timely delivery of products,
 - broadening the reach of Nordstrom Rack, including delivering great brands at great prices and leveraging our digital and physical assets,
 - enhancing our platforms and processes to deliver core capabilities to drive customer, employee and partner experiences both digitally and in stores,
- our ability to effectively manage our merchandise strategy, including our ability to offer compelling assortments and optimize our inventory to ensure we have the right product mix and quantity in each of our channels and locations, allowing us to get closer to our customers,
- our ability to effectively allocate and scale our marketing strategies and resources, as well as realize the expected benefits of Nordstrom Media Network, The Nordy Club, advertising and promotional campaigns,
- our ability to respond to the evolving retail environment, including new fashion trends, environmental considerations and our customers' changing expectations of service and experience in stores and online, and our development and outcome of new market strategies and customer offerings,
- our ability to mitigate the effects of any disruptions in the global supply chain, including factory closures, transportation challenges or stoppages of certain imports, and rising prices of raw materials and freight expenses,
- our ability to control costs through effective inventory management and supply chain processes and systems,
- the potential impacts of the Board of Director's consideration of potential avenues to enhance shareholder value, including the disclosure of a possible "going private" transaction being explored by our Chief Executive Officer and our President and Chief Brand Officer, on our business, financial condition and results of operations, as well as our stock price,
- our ability to acquire, develop and retain qualified and diverse talent by providing appropriate training, compelling work environments and competitive compensation and benefits, especially in areas with increased market compensation, all in the context of any labor shortage and competition for talent,
- our ability to realize expected benefits, anticipate and respond to potential risks and appropriately manage costs associated with our credit card revenue sharing program,
- potential goodwill impairment charges, future impairment charges and fluctuations in the fair values of reporting units or of assets in the event projected financial results are not achieved within expected time frames or if our strategic direction changes,

Data, Cybersecurity and Information Technology

- successful execution of our information technology strategy, including engagement with third-party service providers,
- the impact of any system or network failures, cybersecurity and/or security breaches, including any security breach of our systems or those of a third-party provider that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information, or that results in the interruption of business processes or causes financial loss, and our compliance with information security and privacy laws and regulations, as well as third-party contractual obligations in the event of such an incident,

Reputation and Relationships

- our ability to maintain our reputation and relationships with our customers, employees, vendors and third-party partners and landlords,
- our ability to act responsibly and with transparency with respect to our environmental, social and governance practices and initiatives, meet any communicated targets, goals or milestones and adapt to evolving reporting requirements,

- our ability to market our brand and distribute our products through a variety of third-party publisher or platform channels, as well as access mobile operating system and website identifiers for personalized delivery of targeted advertising,
- the impact of a concentration of stock ownership on our shareholders' ability to influence corporate matters,

Investment and Capital

- efficient and proper allocation of our capital resources,
- our ability to properly balance our investments in technology, Supply Chain Network facilities and existing and new store locations, including the expansion of our market strategy,
- our ability to maintain or expand our presence, including timely completion of construction associated with Supply Chain Network facilities and new, relocated and remodeled stores, as well as any potential store closures, all of which may be impacted by third parties, consumer demand and other natural or man-made disruptions, and government responses to any such disruptions,
- market fluctuations, increases in operating costs, exit costs and overall liabilities and losses associated with owning and leasing real estate,
- compliance with debt and operating covenants, availability and cost of credit, changes in our credit ratings and changes in interest rates,
- the actual timing, price, manner and amounts of future share repurchases, dividend payments or share issuances, if any, subject to the discretion of our Board of Directors, contractual commitments, market and economic conditions and applicable SEC rules,

Economic and External

- the length and severity of epidemics or pandemics, or other catastrophic events, and the related impact on customer behavior, store and online operations and supply chain functions, as well as our future consolidated financial position, results of operations and cash flows,
- the impact of the seasonal nature of our business and cyclical customer spending,
- the impact of economic and market conditions, including inflation and measures to control inflation, and resulting changes to customer purchasing behavior, unemployment and bankruptcy rates, and the resulting impact on consumer spending and credit patterns,
- the impact of economic, environmental or political conditions,
- the impact of changing consumer traffic patterns at shopping centers and malls,
- financial insecurity or potential insolvency experienced by our vendors, suppliers, developers, landlords, competitors or customers,
- weather conditions, natural disasters, climate change, national security concerns, global conflicts, civil unrest, other market and supply chain disruptions, the effects of tariffs, or the prospects of such events, and the resulting impact any of these events may have on business operations, consumer spending patterns or information technology systems and communications,

Legal and Regulatory

- our, and the third parties' we do business with, compliance with applicable domestic and international laws, regulations and ethical standards, minimum wage, employment and tax, information security and privacy, consumer credit and environmental regulations and the outcome of any claims, litigation and regulatory investigations and resolution of such matters,
- the impact of changes in laws relating to consumer credit, the current regulatory environment, the financial system and tax reforms,
- the impact of accounting rule and regulation changes, or our interpretation of the changes, or changes in underlying assumptions, estimates or judgments.

These and other factors, including those factors we discuss in Part II, [Item 1A. Risk Factors](#), could affect our financial results and cause our actual results to differ materially from any forward-looking information we may provide. Given these risks, uncertainties and other factors, undue reliance should not be placed on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this filing, and these estimates and assumptions may prove to be incorrect. This Quarterly Report on Form 10-Q should be read completely and with the understanding that our actual future results may be materially different from what we expect. We hereby qualify our forward-looking statements by these cautionary statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

All references to "we," "us," "our," or the "Company" mean Nordstrom, Inc. and its subsidiaries. On March 2, 2023, Nordstrom Canada commenced a wind-down of its business operations (see Note 1: Basis of Presentation in Item 1) and as of this date, Nordstrom Canada was deconsolidated from Nordstrom, Inc.'s financial statements. Nordstrom Canada results prior to March 2, 2023 are included in the Company's Condensed Consolidated Financial Statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the filing date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

The content of any websites and materials named, hyperlinked or otherwise referenced in this Quarterly Report on Form 10-Q are not incorporated by reference into this Quarterly Report on Form 10-Q or in any other report or document we file with the SEC, and any references to such websites and materials are intended to be inactive textual references only. The information on these websites is not part of this Quarterly Report on Form 10-Q.

DEFINITIONS OF COMMONLY USED TERMS

Term	Definition
2023 Annual Report	Annual Report on Form 10-K filed on March 19, 2024
Adjusted EPS	Adjusted earnings (loss) per diluted share (a non-GAAP financial measure)
Adjusted ROIC	Adjusted return on invested capital (a non-GAAP financial measure)
ASU	Accounting Standards Update
CCAA	Companies' Creditors Arrangement Act
Digital sales	Sales conducted through a digital platform such as our websites or mobile apps. Digital sales may be self-guided by the customer, as in a traditional online order, or facilitated by a salesperson using a virtual styling or selling tool. Digital sales may be delivered to the customer or picked up in our Nordstrom stores, Nordstrom Rack stores or Nordstrom Local service hubs. Digital sales also includes a reserve for estimated returns.
EBIT	Earnings (loss) before interest and income taxes
EBIT margin	Earnings (loss) before interest and income taxes as a percent of net sales
EBITDA	Earnings (loss) before interest, income taxes, depreciation and amortization
EBITDAR	Earnings (loss) before interest, income taxes, depreciation, amortization and rent, as defined by our Revolver covenant
EPS	Earnings (loss) per share
ESPP	Employee Stock Purchase Plan
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Second quarter of 2024	13 fiscal weeks ending August 3, 2024
Second quarter of 2023	13 fiscal weeks ending July 29, 2023
Fiscal year 2024	52 fiscal weeks ending February 1, 2025
Fiscal year 2023	53 fiscal weeks ending February 3, 2024
GAAP	U.S. generally accepted accounting principles
GMV	Gross merchandise value
Gross profit	Net sales less cost of sales and related buying and occupancy costs
Leverage Ratio	The sum of our funded debt and operating lease liabilities divided by the preceding twelve months of Adjusted EBITDAR as defined by our Revolver covenant

Term	Definition
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
NAV	Net asset value
Nordstrom	Nordstrom.com, Nordstrom U.S. stores and Nordstrom Local. Nordstrom also included Canada operations prior to March 2, 2023, inclusive of Nordstrom.ca, Nordstrom Canadian stores and Nordstrom Rack Canadian stores and ASOS Nordstrom prior to December 2023.
Nordstrom Canada	Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC
Nordstrom Local	Nordstrom Local service hubs, which offer order pickups, returns, alterations and other services
Nordstrom Rack	NordstromRack.com, Nordstrom Rack U.S. stores and Last Chance clearance stores
The Nordy Club	Our customer loyalty program
NYSE	New York Stock Exchange
Operating Lease Cost	Fixed rent expense, including fixed common area maintenance expense, net of developer reimbursement amortization
Property incentives	Developer and vendor reimbursements
PSU	Performance share unit
Revolver	Senior revolving credit facility
Rights Plan	Our limited-duration Shareholder Rights Agreement adopted by the Board of Directors
ROU asset	Operating lease right-of-use asset
RSU	Restricted stock unit
SEC	Securities and Exchange Commission
SG&A	Selling, general and administrative expenses
Supply Chain Network	Fulfillment centers that primarily process and ship orders to our customers, distribution centers that primarily process and ship merchandise to our stores and other facilities and omni-channel centers that both fulfill customer orders and ship merchandise to our stores
TD	Toronto-Dominion Bank, N.A.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

NORDSTROM, INC. CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(Amounts in millions except per share amounts)
(Unaudited)

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Net sales	\$3,785	\$3,662	\$7,006	\$6,726
Credit card revenues, net	109	110	223	227
Total revenues	3,894	3,772	7,229	6,953
Cost of sales and related buying and occupancy costs	(2,401)	(2,380)	(4,604)	(4,407)
Selling, general and administrative expenses	(1,303)	(1,200)	(2,456)	(2,304)
Canada wind-down costs	—	—	—	(309)
Earnings (loss) before interest and income taxes	190	192	169	(67)
Interest expense, net	(26)	(26)	(53)	(54)
Earnings (loss) before income taxes	164	166	116	(121)
Income tax (expense) benefit	(42)	(29)	(33)	54
Net earnings (loss)	\$122	\$137	\$83	(\$67)
Earnings (loss) per share:				
Basic	\$0.74	\$0.85	\$0.50	(\$0.42)
Diluted	\$0.72	\$0.84	\$0.49	(\$0.42)
Weighted-average shares outstanding:				
Basic	164.1	161.7	163.6	161.3
Diluted	168.8	163.2	167.3	161.3

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC. CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(Amounts in millions)
(Unaudited)

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Net earnings (loss)	\$122	\$137	\$83	(\$67)
Foreign currency translation adjustment	—	—	—	(4)
Comprehensive net earnings (loss)	\$122	\$137	\$83	(\$71)

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in millions)
(Unaudited)

	August 3, 2024	February 3, 2024	July 29, 2023
Assets			
Current assets:			
Cash and cash equivalents	\$679	\$628	\$885
Accounts receivable, net	277	334	246
Merchandise inventories	2,144	1,888	1,979
Prepaid expenses and other current assets	348	286	400
Total current assets	3,448	3,136	3,510
Land, property and equipment (net of accumulated depreciation of \$8,507, \$8,251 and \$8,254)	3,063	3,177	3,181
Operating lease right-of-use assets	1,353	1,359	1,381
Goodwill	249	249	249
Other assets	530	523	480
Total assets	\$8,643	\$8,444	\$8,801
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$1,533	\$1,236	\$1,434
Accrued salaries, wages and related benefits	289	244	375
Current portion of operating lease liabilities	247	240	224
Other current liabilities	1,149	1,102	1,264
Current portion of long-term debt	—	250	249
Total current liabilities	3,218	3,072	3,546
Long-term debt, net	2,615	2,612	2,609
Noncurrent operating lease liabilities	1,370	1,377	1,392
Other liabilities	492	535	580
Commitments and contingencies			
Shareholders' equity:			
Common stock, no par value: 1,000 shares authorized; 164.2, 162.4 and 161.7 shares issued and outstanding	3,458	3,418	3,388
Accumulated deficit	(2,518)	(2,578)	(2,717)
Accumulated other comprehensive gain	8	8	3
Total shareholders' equity	948	848	674
Total liabilities and shareholders' equity	\$8,643	\$8,444	\$8,801

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Amounts in millions except per share amounts)
(Unaudited)

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Common stock				
Balance, beginning of period	\$3,437	\$3,372	\$3,418	\$3,353
Issuance of common stock under stock compensation plans	2	2	9	13
Stock-based compensation	19	14	31	22
Balance, end of period	\$3,458	\$3,388	\$3,458	\$3,388
Accumulated deficit				
Balance, beginning of period	(\$2,609)	(\$2,824)	(\$2,578)	(\$2,588)
Cumulative effect of change in accounting principle, net of tax	—	—	39	—
Net earnings (loss)	122	137	83	(67)
Dividends	(31)	(30)	(62)	(61)
Repurchase of common stock	—	—	—	(1)
Balance, end of period	(\$2,518)	(\$2,717)	(\$2,518)	(\$2,717)
Accumulated other comprehensive gain (loss)				
Balance, beginning of period	\$8	\$3	\$8	(\$26)
Accumulated translation loss reclassified to earnings	—	—	—	33
Other comprehensive loss	—	—	—	(4)
Balance, end of period	\$8	\$3	\$8	\$3
Total shareholders' equity	\$948	\$674	\$948	\$674
Dividends per share	\$0.19	\$0.19	\$0.38	\$0.38

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in millions)
(Unaudited)

	Six Months Ended	
	August 3, 2024	July 29, 2023
Operating Activities		
Net earnings (loss)	\$83	(\$67)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization expenses	305	285
Canada wind-down costs	—	220
Asset impairment	51	—
Right-of-use asset amortization	92	86
Deferred income taxes, net	(27)	(17)
Stock-based compensation expense	41	28
Other, net	(12)	(47)
Change in operating assets and liabilities:		
Merchandise inventories	(157)	(78)
Other current and noncurrent assets	9	(81)
Accounts payable	172	99
Accrued salaries, wages and related benefits	45	89
Lease liabilities	(130)	(134)
Other current and noncurrent liabilities	56	82
Net cash provided by operating activities	528	465
Investing Activities		
Capital expenditures	(204)	(225)
Decrease in cash and cash equivalents resulting from Canada deconsolidation	—	(33)
Proceeds from the sale of assets and other, net	10	29
Net cash used in investing activities	(194)	(229)
Financing Activities		
Principal payments on long-term debt	(250)	—
Change in cash book overdrafts	30	18
Cash dividends paid	(62)	(61)
Payments for repurchase of common stock	—	(1)
Proceeds from issuances under stock compensation plans	9	13
Other, net	(10)	(7)
Net cash used in financing activities	(283)	(38)
Net increase in cash and cash equivalents	51	198
Cash and cash equivalents at beginning of period	628	687
Cash and cash equivalents at end of period	\$679	\$885
Supplemental Cash Flow Information		
Income taxes paid, net of refunds received	\$41	\$12
Interest paid, net of capitalized interest	69	68

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share, per option and per unit amounts)
(Unaudited)

NOTE 1: BASIS OF PRESENTATION

The interim Condensed Consolidated Financial Statements have been prepared on a basis consistent in all material respects with the accounting policies described and applied in our 2023 [Annual Report](#), except as described below, and reflect all adjustments of a normal recurring nature that are, in management's opinion, necessary for the fair presentation of the results of operations, financial position and cash flows for the periods presented.

The Condensed Consolidated Financial Statements as of and for the periods ended August 3, 2024 and July 29, 2023 are unaudited. The Condensed Consolidated Balance Sheet as of February 3, 2024 has been derived from the audited Consolidated Financial Statements included in our 2023 Annual Report. The interim Condensed Consolidated Financial Statements should be read together with the Consolidated Financial Statements and related footnote disclosures contained in our 2023 Annual Report.

Principles of Consolidation

The Condensed Consolidated Financial Statements include the balances of Nordstrom, Inc. and its subsidiaries. All intercompany transactions and balances are eliminated in consolidation.

On March 2, 2023, Nordstrom Canada commenced a wind-down of its business operations and as of this date, Nordstrom Canada was deconsolidated from Nordstrom, Inc.'s financial statements. Nordstrom Canada results prior to March 2, 2023 are included in the Company's Condensed Consolidated Financial Statements for the period ended July 29, 2023.

Fiscal Year

We operate on a 52/53-week fiscal year ending on the Saturday closest to January 31st. References to 2024 and any other year included within this document are based on a 52-week fiscal year, except for 2023 which is a 53-week fiscal year.

Seasonality

Our business, like that of other retailers, is subject to seasonal fluctuations and cyclical trends in consumer spending. Our sales are typically higher in our second quarter, which usually includes most of our Anniversary Sale, and in the fourth quarter due to the holidays. One week of our Anniversary Sale shifted to the second quarter in 2024 from the third quarter in 2023.

Results for any one quarter are not indicative of the results that may be achieved for a full fiscal year. We plan our merchandise purchases and receipts to coincide with expected sales trends. For instance, our merchandise purchases and receipts increase prior to the Anniversary Sale and in the fall as we prepare for the holiday shopping season (typically from November through December). Consistent with our seasonal fluctuations, our working capital requirements have historically increased during the months leading up to the Anniversary Sale and the holidays as we purchase inventory in anticipation of increased sales.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires that we make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities during the reporting period. Uncertainties regarding such estimates and assumptions are inherent in the preparation of financial statements. Actual results may differ from these estimates and assumptions. Our most significant accounting judgments and estimates include revenue recognition, inventory valuation, long-lived asset recoverability, income taxes and contingent liabilities.

Change in Accounting Principle

Effective February 4, 2024, we changed our method of accounting for merchandise inventories from the retail inventory method to the weighted average cost method. Under this new method, we value our inventory at the lower of cost or net realizable value using the weighted average cost. We record reserves for excess and obsolete inventory based on specific identification of units with a current retail value below cost, plus an estimate of future markdowns below cost, which considers the age of inventory and historical trends.

We believe using the weighted average cost method is preferable to the retail inventory method and consistent with our overall strategy because it provides more precise data and enhances visibility into item-level profitability, which drives faster decisions and better outcomes. We determined that retrospective application for periods prior to fiscal year 2024 was impracticable due to lack of available information. We recorded the cumulative effect of this change in accounting principle as of February 4, 2024, resulting in a decrease to accumulated deficit of \$39, net of tax of \$14.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share, per option and per unit amounts)
(Unaudited)

Canada Wind-down

On March 2, 2023, as part of our initiatives to drive long-term profitable growth and enhance shareholder value, and after careful consideration of all reasonably available options, we announced the decision to discontinue support for Nordstrom Canada's operations. While Nordstrom continues to own 100% of the shares of Nordstrom Canada, as of March 2, 2023, we no longer have a controlling interest under GAAP and have deconsolidated Nordstrom Canada. We hold a variable interest in the Nordstrom Canada entities, which are considered variable interest entities, but are not consolidated, as we are no longer the primary beneficiary. In December 2023, Nordstrom Canada delivered a proposed plan of arrangement to its creditors, which was subsequently approved by creditors on March 1, 2024, sanctioned by the Ontario Superior Court of Justice on March 20, 2024 and implemented by Nordstrom Canada on April 25, 2024. Initial distributions pursuant to the plan of arrangement occurred in May 2024. As of August 3, 2024, we recorded \$8 within accounts receivable, net on the Condensed Consolidated Balance Sheet to reflect the remaining amount we estimate we will receive as part of the plan of arrangement. For more information on the wind-down of our Canada operations, see our 2023 Annual Report.

Non-cash charges associated with the wind-down of operations in Canada in 2023 are included in Canada wind-down costs on the Condensed Consolidated Statement of Cash Flows. The decrease in cash due to the deconsolidation of Nordstrom Canada is included in investing activities on the Condensed Consolidated Statement of Cash Flows and all other impacts are included in operating cash flows.

Prior to deconsolidation, Nordstrom made loans to the Canadian subsidiaries and incurred liabilities related to certain intercompany charges. These were considered intercompany transactions and were eliminated in consolidation of Nordstrom. Subsequent to deconsolidation, these liabilities and receivables were no longer eliminated through consolidation, are considered related-party transactions and are recorded in our Condensed Consolidated Balance Sheets at estimated fair value. Nordstrom had no outstanding liability to Nordstrom Canada as of August 3, 2024.

Leases

We incurred operating lease liabilities arising from lease agreements of \$ 132 for the six months ended August 3, 2024 and \$ 121 for the six months ended July 29, 2023.

Supply Chain Asset Impairment

During the second quarter of 2024, we decommissioned certain supply chain assets and incurred a non-cash impairment charge of \$ 51 as a result of a change in our supply chain optimization strategy. This included \$27 on long-lived tangible assets and \$ 24 on ROU assets to adjust the carrying values to their estimated fair values. These charges are included in our Corporate/Other SG&A expense on the Condensed Consolidated Statement of Earnings and asset impairment on the Condensed Consolidated Statement of Cash Flows.

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires additional quarterly and annual reportable segment disclosures, primarily around significant segment expenses. Annual disclosure requirements will be effective for us for the fourth quarter of 2024, and quarterly disclosure requirements will be effective for us in the first quarter of 2025, with early adoption permitted. We are currently evaluating the impact of this ASU on our disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires disclosure of additional income tax information, primarily related to the rate reconciliation and income taxes paid. Annual disclosure requirements will be effective for us for the fourth quarter of 2025, with early adoption permitted. We are currently evaluating the impact of this ASU on our disclosures.

Subsequent Events

In April 2024, we announced that our Board of Directors had established a special committee of independent and disinterested directors (the "Special Committee") in response to interest expressed by Erik B. Nordstrom, our Chief Executive Officer, and Peter E. Nordstrom, our President and Chief Brand Officer, in pursuing a potential transaction in which Nordstrom would become a private company in conjunction with the Board's exploration of possible avenues to enhance shareholder value. On September 4, 2024, the Special Committee confirmed receipt of a proposal from Erik and Pete Nordstrom, other members of the Nordstrom family, and El Puerto de Liverpool, S.A.B. de C.V. (collectively, the "Bid Group") to acquire all of the outstanding shares of the Company, other than shares held by members of the Bid Group, for \$23 per share in cash.

The Special Committee and the other independent directors will carefully review the proposal in consultation with independent financial and legal advisors to determine the course of action that is in the best interests of Nordstrom and all shareholders. There can be no assurance that the Company will pursue this transaction or other strategic outcome, or that a proposed transaction will be approved or consummated. We do not intend to disclose further developments regarding this matter unless and until further disclosure is determined to be appropriate or necessary.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share, per option and per unit amounts)
(Unaudited)

In September 2024, we entered into a Second Amendment to the Shareholder Rights Agreement, which provides that the Bid Group shall be an Exempt Person under the Shareholder Rights Agreement until the earlier of (i) April 17, 2025 and (ii) the date that the Bid Group increases its aggregate beneficial ownership of shares of the Company's common stock to an amount greater than its beneficial ownership on the date of the Amendment plus 0.1% of the then-outstanding shares of common stock (subject to specified exclusions). For more information on the Shareholders Rights Agreement, see our 2023 [Annual Report](#).

NOTE 2: REVENUE

Contract Liabilities

Contract liabilities represent our obligation to transfer goods or services to customers and include deferred revenue for The Nordy Club (including unused points and unredeemed Nordstrom Notes), gift cards and our TD program agreement. Our contract liabilities are classified on the Condensed Consolidated Balance Sheets as follows:

	Other current liabilities	Other liabilities
Balance as of January 28, 2023	\$536	\$136
Balance as of April 29, 2023	489	123
Balance as of July 29, 2023	464	111
Balance as of February 3, 2024	508	85
Balance as of May 4, 2024	479	72
Balance as of August 3, 2024	442	60

Revenues recognized from our beginning contract liability balance were \$ 139 and \$225 for the quarter and six months ended August 3, 2024 and \$ 131 and \$218 for the quarter and six months ended July 29, 2023.

Disaggregation of Revenue

The following table summarizes our disaggregated net sales:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Nordstrom	\$2,514	\$2,491	\$4,554	\$4,518
Nordstrom Rack	1,271	1,171	2,452	2,208
Total net sales	\$3,785	\$3,662	\$7,006	\$6,726
Digital sales as a % of total net sales	37 %	36 %	35 %	36%

The following table summarizes the percent of net sales by merchandise category:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Women's Apparel	29 %	28 %	30 %	28 %
Shoes	25 %	26 %	26 %	26 %
Men's Apparel	15 %	15 %	14 %	15 %
Beauty	12 %	12 %	12 %	12 %
Accessories	12 %	12 %	11 %	12 %
Kids' Apparel	4 %	4 %	4 %	4 %
Other	3 %	3 %	3 %	3 %
Total net sales	100 %	100 %	100 %	100 %

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share, per option and per unit amounts)
(Unaudited)

NOTE 3: DEBT AND CREDIT FACILITIES

Debt

During the first quarter of 2024, we retired our 2.30% senior notes due in April 2024 using cash on hand.

Credit Facilities

As of August 3, 2024 and July 29, 2023 we had no outstanding borrowings under the Revolver that expires in May 2027. As of August 3, 2024, we have an outstanding standby letter of credit of \$29 resulting in available short-term borrowing capacity of \$ 771. This letter of credit is not reflected in our Condensed Consolidated Balance Sheets. Provided that we obtain written consent from the lenders, we have the option to increase the Revolver by up to \$200, to a total of \$ 1,000, and two options to extend the Revolver for additional one-year terms.

Any outstanding borrowings under the Revolver are secured by substantially all our personal and intellectual property assets and are guaranteed by certain of our subsidiaries. Under the Revolver, our obligation to secure any outstanding borrowings will be eliminated if no default exists and we either have an unsecured investment-grade debt rating from two of three specified ratings agencies, or we have one investment-grade rating and achieve two consecutive fiscal quarters with a Leverage Ratio of less than 2.5 times.

Under the Revolver, we have two financial covenant tests that need to be met on a quarterly basis: a Leverage Ratio that is less than or equal to 4 times and a fixed charge coverage ratio that is greater than or equal to 1.25 times. As of August 3, 2024, we were in compliance with all covenants.

The Revolver contains customary representations, warranties, covenants and terms, including paying a variable rate of interest and a facility fee based on our debt rating, and is available for working capital, capital expenditures and general corporate purposes. The Revolver allows us to issue dividends and repurchase shares provided we are not in default and no default would arise as a result of such payments. If the pro-forma Leverage Ratio after such payments is less than 3 times, then such payments are unlimited. If the pro-forma Leverage Ratio is greater than or equal to 3 times but less than 3.5 times, then we are limited to \$ 100 per fiscal quarter and if the pro-forma Leverage Ratio is greater than or equal to 3.5 times, then the limit is \$60 per fiscal quarter.

Our \$800 commercial paper program allows us to use the proceeds to fund operating cash requirements. Under the terms of the commercial paper agreement, we pay a rate of interest based on, among other factors, the maturity of the issuance and market conditions. The issuance of commercial paper has the effect of reducing available liquidity under the Revolver by an amount equal to the principal amount of commercial paper outstanding. Conversely, borrowings under our Revolver have the effect of reducing the available capacity of our commercial paper program by an amount equal to the amount outstanding. As of August 3, 2024 and July 29, 2023, we had no issuances outstanding under our commercial paper program.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollar and share amounts in millions except per share, per option and per unit amounts)
(Unaudited)

NOTE 4: FAIR VALUE MEASUREMENTS

We disclose our financial assets and liabilities that are measured at fair value in our Condensed Consolidated Balance Sheets by level within the fair value hierarchy as defined by applicable accounting standards:

- Level 1: Quoted market prices in active markets for identical assets or liabilities
- Level 2: Other observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3: Unobservable inputs that cannot be corroborated by market data that reflect the reporting entity's own assumptions

Financial instruments measured at carrying value on a recurring basis include cash and cash equivalents, accounts receivable, accounts payable and our Revolver, which approximate fair value due to their short-term nature.

Long-term debt is recorded at carrying value. If long-term debt was measured at fair value, we would use quoted market prices of the same or similar issues, which is considered a Level 2 fair value measurement. The following table summarizes the carrying value and fair value estimate of our long-term debt, including current maturities:

	August 3, 2024	February 3, 2024	July 29, 2023
Carrying value of long-term debt	\$2,615	\$2,862	\$2,858
Fair value of long-term debt	2,344	2,441	2,324

We measure certain items at fair value on a nonrecurring basis, primarily goodwill and long-lived tangible and ROU assets, in connection with periodic evaluations for potential impairment. For more information regarding long-lived tangible asset impairment charges for the six months ended August 3, 2024, see Note 1: Basis of Presentation. We estimate the fair value of these assets using primarily unobservable inputs and, as such, these are considered Level 3 fair value measurements. In the first quarter of 2023, we measured our investment in Nordstrom Canada, our related-party receivables and related lease guarantees at fair value. See our 2023 [Annual Report](#) for more detailed information on charges associated with the wind-down of our Canada operations.

Investments Measured at NAV

From time to time, we invest in financial interests of private companies and venture capital funds that align with our business and omni-channel strategies, which are classified in other assets in the Condensed Consolidated Balance Sheets and proceeds from the sale of assets and other, net within investing activities on the Condensed Consolidated Statements of Cash Flows. These investments are measured at fair value using the NAV per share, or its equivalent, as a practical expedient. This class of investments consists of partnership interests that mainly invest in venture capital strategies with a focus on privately held consumer and technology companies. The NAV is based on the fair value of the underlying net assets owned by the fund and the relative interest of each participating investor in the fair value of the underlying assets. Our interest in these partnerships is generally not redeemable and is subject to significant restrictions regarding transfers. Distributions from each fund will be received as the underlying assets of the funds are liquidated. Liquidation is triggered by clauses within the partnership agreements or at the funds' stated end date. The contractual terms of the partnership interests range from six to ten years.

As of August 3, 2024, February 3, 2024 and July 29, 2023, we held \$ 38, \$41 and \$41 of investments measured at NAV.

NOTE 5: STOCK-BASED COMPENSATION

The following table summarizes our stock-based compensation expense:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
RSUs	\$18	\$10	\$34	\$20
Stock options	—	3	1	4
Other ¹	5	2	6	4
Total stock-based compensation expense, before income tax benefit	23	15	41	28
Income tax benefit	(6)	(4)	(11)	(7)
Total stock-based compensation expense, net of income tax benefit	\$17	\$11	\$30	\$21

¹ Other stock-based compensation expense includes PSUs, nonemployee director stock awards and ESPP.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share, per option and per unit amounts)
(Unaudited)

The following table summarizes our grant allocations:

	Six Months Ended			
	August 3, 2024		July 29, 2023	
	Granted	Weighted-average grant-date fair value per unit	Granted	Weighted-average grant-date fair value per unit
RSUs	4.3	\$15	2.8	\$17
Stock options	—	—	1.2	\$8

Under our stock-based compensation plan arrangements, we issued 0.6 and 1.8 shares of common stock during the quarter and six months ended August 3, 2024 and 0.3 and 1.7 shares during the quarter and six months ended July 29, 2023.

NOTE 6: SHAREHOLDERS' EQUITY

We have certain limitations with respect to the payment of dividends and share repurchases under our Revolver agreement (see Note 3: Debt and Credit Facilities).

Share Repurchases

In May 2022, our Board of Directors authorized a program to repurchase up to \$ 500 of our outstanding common stock, with no expiration date. We repurchased no shares of common stock during the six months ended August 3, 2024, compared with 0.03 shares for \$1 at an average purchase price per share of \$19.41 during the six months ended July 29, 2023, and had \$ 438 remaining in share repurchase capacity as of August 3, 2024.

Dividends

In August 2024, subsequent to quarter end, we declared a quarterly dividend of \$ 0.19 per share, which will be paid on September 18, 2024 to shareholders of record at the close of business on September 3, 2024.

NOTE 7: EARNINGS PER SHARE

The computation of EPS is as follows:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Net earnings (loss)	\$122	\$137	\$83	(\$67)
Basic weighted-average shares outstanding	164.1	161.7	163.6	161.3
Dilutive shares	4.7	1.5	3.7	—
Diluted weighted-average shares outstanding	168.8	163.2	167.3	161.3
Basic EPS	\$0.74	\$0.85	\$0.50	(\$0.42)
Diluted EPS	\$0.72	\$0.84	\$0.49	(\$0.42)
Anti-dilutive shares	4.7	8.1	4.9	10.5

NOTE 8: SEGMENT REPORTING

The following table sets forth information for our reportable segment:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Retail segment EBIT	\$306	\$246	\$354	\$386
Corporate/Other EBIT	(116)	(54)	(185)	(453)
Interest expense, net	(26)	(26)	(53)	(54)
Earnings (loss) before income taxes	\$164	\$166	\$116	(\$121)

For information about disaggregated revenues, see Note 2: Revenue.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

The following MD&A provides a narrative of our financial performance and is intended to promote understanding of our results of operations and financial condition. MD&A is provided as a supplement to, and should be read in conjunction with, Item 1. Financial Statements (Unaudited) and generally discusses the results of operations for the quarter and six months ended August 3, 2024 compared with the quarter and six months ended July 29, 2023. The following discussion and analysis contains forward-looking statements and should also be read in conjunction with cautionary statements and risks described elsewhere in this Form 10-Q before deciding to purchase, hold or sell shares of our common stock.

Overview	17
Results of Operations	18
Liquidity	24
Capital Resources	25
Critical Accounting Estimates	27
Recent Accounting Pronouncements	27

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

OVERVIEW

Second quarter results reflected progress on our 2024 key priorities of driving Nordstrom banner growth, optimizing our operations and building upon the momentum at the Rack. We reported net earnings of \$122, or 3.2% of net sales, \$0.72 per diluted share and EBIT of \$190, or 5.0% of net sales. Adjusted EBIT¹ was \$244, or 6.4% of net sales, and Adjusted EPS¹ was \$0.96, which exclude charges primarily related to a supply chain asset impairment.

Total Company net sales increased 3.4% versus the same period in fiscal 2023, and total Company comparable sales increased 1.9%. The timing shift of the Anniversary Sale, with one day falling in the third quarter this year versus eight days last year, benefited net sales by approximately 100 basis points. In the second quarter, active, women's apparel, beauty and kids were our top performing categories.

Our Anniversary Sale is a unique event that rewards and engages our customers with new products from the best brands at reduced prices for a limited time. We had another successful Anniversary Sale this year, led by newness and fall fashion from the brands that matter most to our customers. We had great participation in the Anniversary Sale, especially by our most loyal customers, with 75% of our Icon and Ambassador Nordy Club members shopping the sale.

We are committed to delivering profitable growth while improving the customer experience and are encouraged by the progress we made against our key priorities during the second quarter of 2024.

Nordstrom – We are committed to driving growth at the Nordstrom banner, with a focus on digital-led growth supported by stores, aiming to further enable our customers to shop when and where they want. In the second quarter, solid sales growth at Nordstrom.com was driven by an increase in our assortment across a balance of price points, improvements to search and discovery, as well as high in-stock rates of our fastest-turning items. In our Nordstrom stores, we continued our efforts to provide a more consistent offering of the brands that matter most to our customers across our entire store fleet. This includes ensuring that we have the newness, relevance, and depth of merchandise that our customers value, including our Nordstrom private brands which were relaunched earlier this year.

Operational Optimization – We are focused on optimizing our operations, including in our supply chain, to drive improvements in customer experience. We continued to make progress against our supply chain initiatives during the second quarter of 2024, delivering a better experience to our customers through a consistent flow of fresh merchandise, including during our Anniversary Sale. We have also made progress on implementing RFID technology across our locations, which provides us with new insights to improve product flow and reduce shrink, while enhancing the customer experience through improved inventory accuracy.

Nordstrom Rack – Second quarter Nordstrom Rack net sales increased 8.8% versus the same period in fiscal 2023, and comparable sales increased 4.1%. We continued to expand our reach and convenience for customers by opening 5 new Rack stores in the second quarter of 2024 bringing our year to date total to 11 new Rack stores. We believe that Rack stores are a great use of capital, delivering a solid return on investment, while attracting new customers.

Our strategy and focus on the brands that matter most continued to resonate with customers and deliver results, driving topline strength and margin expansion in the second quarter. We believe continued focus and execution on our key priorities will help us navigate through the near-term uncertain external environment and position us well to build capabilities to better serve our customers, drive profitable growth and increase shareholder value.

¹ Adjusted EBIT and adjusted EPS are non-GAAP financial measures. Refer to the "Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT Margin and Adjusted EPS" sections of MD&A below for additional information as well as reconciliations between the Company's GAAP and non-GAAP financial results.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

RESULTS OF OPERATIONS

In our ongoing effort to enhance the customer experience, we are focused on providing a seamless retail experience across our Company. We invested early in integrating our operations, merchandising and technology across our stores and online in both our Nordstrom and Nordstrom Rack banners. By connecting our digital and physical assets across Nordstrom and Nordstrom Rack, we are able to better serve customers when, where and how they want to shop. We have one Retail reportable segment and analyze our results on a total Company basis, using customer, market share, operational and net sales metrics.

Our Anniversary Sale, historically the largest event of the year, typically falls in the second quarter. One week of our Anniversary Sale shifted to the second quarter in 2024 from the third quarter in 2023.

We monitor a number of key operating metrics to evaluate our performance. In addition to net sales, net earnings (loss) and other results under GAAP, three other key operating metrics we use are GMV, comparable sales and inventory turnover rate.

- **GMV:** calculated as the total dollar value of owned and unowned inventory sold through our digital platforms and stores, including the impact of estimated future customer returns and deferred revenue from Nordy Club points and Notes. We use GMV as an indicator of the scale and growth of our operations and the impact of our unowned inventory models.
- **Comparable Sales:** calculated as the total dollar value of owned and unowned inventory sold through our digital platforms and stores, which are added to the comparable sales base after they have been open for 13 full months or more, and removed in the month of their closure. Comparable sales are net of actual returns. Due to the 53rd week in 2023, we calculate our 2024 comparable sales growth using a realigned 2023 52-week period. We use comparable sales to evaluate the performance of our business without the impact of recently opened or closed stores.
- **Inventory Turnover Rate:** calculated as the trailing four-quarter merchandise cost of sales divided by the trailing 13-month average inventory. Inventory turnover rate is an indicator of our success in optimizing inventory volumes in accordance with customer demand. Merchandise inventories prior to February 4, 2024 were calculated under the retail inventory method. Effective February 4, 2024, we changed our accounting method to the weighted average cost method, and recorded the cumulative effect of this change in accounting principle in beginning accumulated deficit on our Condensed Consolidated Balance Sheet as of February 4, 2024 (see Note 1: Basis of Presentation in Item 1).

Net Sales

The following table summarizes net sales:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Net sales:				
Nordstrom	\$2,514	\$2,491	\$4,554	\$4,518
Nordstrom Rack	1,271	1,171	2,452	2,208
Total net sales	\$3,785	\$3,662	\$7,006	\$6,726
Net sales increase (decrease):				
Nordstrom	0.9 %	(10.1 %)	0.8 %	(10.7 %)
Nordstrom Rack	8.8 %	(4.1 %)	11.1 %	(7.9 %)
Total Company	3.4 %	(8.3 %)	4.2 %	(9.8 %)
Digital sales:				
As a % of total net sales	37 %	36 %	35 %	36 %
Sales increase (decrease)	6.2 %	(12.9 %)	3.3 %	(15.0 %)
GMV increase (decrease):				
Nordstrom	1.1 %	(10.4 %)	0.7 %	(11.0 %)
Total Company	3.5 %	(8.5 %)	4.2 %	(10.1 %)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

Total Company net sales and GMV increased for the second quarter and six months ended August 3, 2024, compared with the same periods in 2023. The timing shift of the Anniversary Sale had a positive impact of approximately 100 and 50 basis points for the second quarter and six months ended August 3, 2024, compared with the same periods of 2023. For the six months ended August 3, 2024, this was partially offset by the wind-down of Canadian operations which had a negative impact on total Company net sales of 35 basis points, as the first quarter of 2023 included one month of Canadian sales. For the second quarter and six months ended August 3, 2024, active, women's apparel, beauty and kids' had the strongest growth compared with the same periods in 2023. Total Company digital sales increased for the second quarter and six months ended August 3, 2024, compared with the same periods in 2023. The timing shift of the Anniversary Sale had a positive impact on total Company digital sales of approximately 100 basis points for the second quarter and six months ended August 3, 2024, compared with the same periods in 2023. For the second quarter and six months ended August 3, 2024, comparable sales increased 1.9% and 2.8%.

Nordstrom net sales and GMV increased for the second quarter and six months ended August 3, 2024, compared with the same periods in 2023. The timing shift of the Anniversary Sale had a positive impact of approximately 200 and 100 basis points for the second quarter and six months ended August 3, 2024, compared with the same periods of 2023. For the six months ended August 3, 2024, this was partially offset by the wind-down of Canadian operations which had a negative impact on net sales of 50 basis points. For the second quarter of 2024, Nordstrom net sales reflected an increase in the average selling price per item sold, while the number of items sold remained flat. For the six months ended August 3, 2024, Nordstrom net sales reflected an increase in the average selling price per item sold, partially offset by a decrease in the number of items sold. For the second quarter and six months ended August 3, 2024, comparable sales increased 0.9% and 1.3%.

Nordstrom Rack net sales increased for the second quarter and six months ended August 3, 2024, compared with the same periods in 2023. For the second quarter of 2024, Nordstrom Rack net sales reflected an increase in both the number of items sold and the average selling price per item sold. For the six months ended August 3, 2024, Nordstrom Rack net sales reflected an increase in the number of items sold, partially offset by a decrease in the average selling price per item sold. For the second quarter and six months ended August 3, 2024, comparable sales increased 4.1% and 5.9%.

Store Count

	August 3, 2024	July 29, 2023
Nordstrom	93	94
Nordstrom Local service hubs	6	7
ASOS Nordstrom	—	1
Nordstrom Rack	269	247
Last Chance clearance stores	2	2
Total	370	351

Credit Card Revenues, Net

Credit card revenues, net decreased \$1 and \$4 for the second quarter and six months ended August 3, 2024, compared with the same periods in 2023, primarily due to higher credit losses, partially offset by increased finance charges from higher outstanding balances and rates.

Fiscal Year 2024 Total Revenue Outlook

In fiscal 2024, we expect a total revenue range, including retail sales and credit card revenues, of 1.0% decline to 1.0% growth compared with the 53-week fiscal 2023, which includes an approximately 135 basis point unfavorable impact from the 53rd week.

Gross Profit

The following table summarizes gross profit:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Gross profit	\$1,384	\$1,282	\$2,402	\$2,319
Gross profit as a % of net sales	36.6%	35.0%	34.3%	34.5%
			August 3, 2024	July 29, 2023
Inventory turnover rate			3.7	3.4

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

Gross profit increased \$102 and 155 basis points as a percent of net sales for the second quarter of 2024, compared with the same period in 2023, primarily due to strong regular price sales, leverage on higher total sales and slight improvements in shrink. For the six months ended August 3, 2024, gross profit increased \$83 primarily due to higher sales volume. For the six months ended August 3, 2024, gross profit as a percent of net sales decreased 20 basis points, compared with the same period in 2023, primarily related to higher loyalty activity, partially offset by leverage on higher sales volume.

Ending inventory as of August 3, 2024 increased 8.3%, compared with the same period in 2023, versus a 3.4% increase in sales for the second quarter of 2024.

Selling, General and Administrative Expenses

SG&A is summarized in the following table:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
SG&A	\$1,303	\$1,200	\$2,456	\$2,304
SG&A as a % of net sales	34.4%	32.8%	35.0%	34.3%

SG&A increased \$103 for the second quarter compared with the same period in 2023, due to a charge primarily related to a supply chain asset impairment, higher variable costs associated with higher sales volume and a 2023 gain on the sale of a real estate asset. SG&A increased \$152 for the six months ended August 3, 2024, primarily due to higher variable costs associated with higher sales volume, a charge primarily related to a supply chain asset impairment and a 2023 gain on the sale of a real estate asset.

SG&A as a percent of net sales increased 160 and 80 basis points for the second quarter of 2024 and six months ended August 3, 2024, compared with the same periods in 2023, due to a charge primarily related to supply chain asset impairment and a 2023 gain on the sale of a real estate asset, partially offset by leverage on higher sales.

Canada Wind-down Costs

We recognized charges associated with the wind-down of Nordstrom Canada of \$309 in the six months ended July 29, 2023.

Earnings Before Interest and Income Taxes

EBIT is summarized in the following table:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
EBIT	\$190	\$192	\$169	(\$67)
EBIT margin	5.0%	5.3%	2.4%	(1.0%)

EBIT decreased \$2 for the second quarter of 2024, compared with the same period in 2023, due to a charge primarily related to a supply chain asset impairment in 2024 and a gain on the sale of a real estate asset in 2023, partially offset by higher sales volume. EBIT margin decreased 25 basis points for the second quarter of 2024, primarily driven by a supply chain asset impairment charge and a 2023 gain on the sale of a real estate asset, partially offset by leverage on higher sales.

EBIT increased \$236 and 340 basis points as a percent of net sales for the six months ended August 3, 2024, compared with the same period in 2023, primarily due to \$309 of expenses in 2023 associated with the wind-down of Canadian operations, partially offset by a charge primarily related to a supply chain asset impairment and a 2023 gain on the sale of a real estate asset.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

Interest Expense, Net

Interest expense, net is summarized in the following table:

Fiscal year	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Interest on long-term debt and short-term borrowings	\$35	\$37	\$72	\$74
Interest income	(7)	(8)	(15)	(15)
Capitalized interest	(2)	(3)	(4)	(5)
Interest expense, net	\$26	\$26	\$53	\$54

Interest expense, net was flat for the second quarter of 2024 and decreased \$1 for the six months ended August 3, 2024, compared with the same periods in 2023, primarily due to the retirement of our 2.30% senior notes in April 2024, partially offset by a decrease in capitalized interest.

Income Tax Expense

Income tax expense (benefit) is summarized in the following table:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Income tax expense (benefit)	\$42	\$29	\$33	(\$54)
Effective tax rate	25.7 %	17.2 %	29.1 %	44.3 %

The effective tax rate increased in the second quarter of 2024, compared with the same period in 2023, primarily due to the favorable resolution of certain tax matters in the second quarter of 2023. The effective tax rate decreased for the six months ended August 3, 2024, compared with the same period in 2023, primarily due to the favorable resolution of certain tax matters and net tax benefits of \$93 related to the wind-down of Canadian operations recorded in the first half of 2023.

Earnings Per Share

EPS is as follows:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Basic	\$0.74	\$0.85	\$0.50	(\$0.42)
Diluted	\$0.72	\$0.84	\$0.49	(\$0.42)

Diluted EPS decreased \$0.12 for the second quarter of 2024, compared with the same period in 2023, due to a charge primarily related to a supply chain asset impairment that had a net unfavorable impact of \$0.24 per diluted share in the second quarter of 2024, partially offset by higher sales volume. For the six months ended August 3, 2024, diluted EPS increased \$0.91 compared with the same period in 2023, primarily due to charges related to the wind-down of Canadian operations that had a net unfavorable impact of \$1.33 per diluted share in the six months ended July 29, 2023.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT Margin and Adjusted EPS (Non-GAAP Financial Measures)

The following are key financial metrics and, when used in conjunction with GAAP measures, we believe they provide useful information for evaluating our core business performance, enable comparison of financial results across periods and allow for greater transparency with respect to key metrics used by management for financial and operational decision-making. Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT margin and Adjusted EPS exclude certain items that we do not consider representative of our core operating performance. The financial measure calculated under GAAP which is most directly comparable to Adjusted EBIT and Adjusted EBITDA is net earnings (loss). The financial measure calculated under GAAP which is most directly comparable to Adjusted EBIT margin is net earnings as a percent of net sales. The financial measure calculated under GAAP which is most directly comparable to Adjusted EPS is diluted EPS.

Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT margin and Adjusted EPS are not measures of financial performance under GAAP and should be considered in addition to, and not as a substitute for, net earnings, net earnings as a percent of net sales, operating cash flows, earnings per share, earnings per diluted share or other financial measures performed in accordance with GAAP. Our method of determining non-GAAP financial measures may differ from other companies' financial measures and therefore may not be comparable to methods used by other companies.

The following is a reconciliation of net earnings (loss) to Adjusted EBIT and Adjusted EBITDA and net earnings as a percent of net sales to Adjusted EBIT margin:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Net earnings (loss)	\$122	\$137	\$83	(\$67)
Income tax expense (benefit)	42	29	33	(54)
Interest expense, net	26	26	53	54
Earnings (loss) before interest and income taxes	190	192	169	(67)
Supply chain asset impairment and other	54	—	54	—
Canada wind-down costs	—	—	—	309
Adjusted EBIT	244	192	223	242
Depreciation and amortization expenses	150	141	302	285
Amortization of developer reimbursements	(15)	(17)	(29)	(35)
Adjusted EBITDA	\$379	\$316	\$496	\$492
Net sales	\$3,785	\$3,662	\$7,006	\$6,726
Net earnings (loss) as a % of net sales	3.2 %	3.8 %	1.2 %	(1.0 %)
EBIT margin	5.0 %	5.3 %	2.4 %	(1.0 %)
Adjusted EBIT margin	6.4 %	5.3 %	3.2 %	3.6 %

The following is a reconciliation of diluted EPS to Adjusted EPS:

	Quarter Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Diluted EPS	\$0.72	\$0.84	\$0.49	(\$0.42)
Supply chain asset impairment and other	0.32	—	0.32	—
Canada wind-down costs	—	—	—	1.91
Income tax impact on adjustments ¹	(0.08)	—	(0.08)	(0.58)
Adjusted EPS	\$0.96	\$0.84	\$0.73	\$0.91

¹ The income tax impact of non-GAAP adjustments is calculated using the estimated tax rate for the respective non-GAAP adjustment.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

Adjusted ROIC (Non-GAAP financial measure)

We believe that Adjusted ROIC is a useful financial measure for investors in evaluating the efficiency and effectiveness of the capital we have invested in our business to generate returns over time. Our Adjusted ROIC calculation excludes certain items that we do not consider representative of our core operating performance.

Adjusted ROIC is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, return on assets, net earnings, total assets or other GAAP financial measures. Our method of calculating a non-GAAP financial measure may differ from other companies' methods and therefore may not be comparable to those used by other companies. The financial measure calculated under GAAP which is most directly comparable to Adjusted ROIC is return on assets. The following shows the components to reconcile the return on assets calculation to Adjusted ROIC:

	Four Quarters Ended	
	August 3, 2024	July 29, 2023
Net earnings	\$284	\$32
Income tax expense (benefit)	100	(22)
Interest expense	137	137
Earnings before interest and income tax expense	521	147
Operating lease interest ¹	88	85
Non-operating related adjustments ²	60	380
Adjusted net operating profit	669	612
Adjusted estimated income tax expense ³	(186)	(141)
Adjusted net operating profit after tax	\$483	\$471
Average total assets	\$8,675	\$8,986
Average noncurrent deferred property incentives in excess of ROU assets ⁴	(137)	(177)
Average non-interest bearing current liabilities	(2,949)	(3,149)
Non-operating related adjustments ²	143	184
Adjusted average invested capital	\$5,732	\$5,844
Return on assets	3.3 %	0.4 %
Adjusted ROIC	8.4 %	8.1 %

¹ Operating lease interest is a component of operating lease cost recorded in occupancy costs. We add back operating lease interest for purposes of calculating adjusted net operating profit for consistency with the treatment of interest expense on our debt.

² Non-operating related adjustments primarily included supply chain impairment charges and the wind-down of our Canadian operations. See the Adjusted EBIT and Adjusted EBITDA section, as well as our 2023 Annual Report, for detailed information on certain non-operating related adjustments.

³ Adjusted estimated income tax expense is calculated by multiplying the adjusted net operating profit by the adjusted effective tax rate (which removes the impact of non-operating related adjustments) for the trailing twelve-month periods ended August 3, 2024 and July 29, 2023. The adjusted effective tax rate is calculated by dividing adjusted income tax expense by adjusted earnings before income taxes for the same trailing twelve-month periods.

⁴ For leases with property incentives that exceed the ROU assets, we reclassify the amount from assets to other current liabilities and other liabilities on the Condensed Consolidated Balance Sheets. The current and noncurrent amounts are used to reduce average total assets above, as this better reflects how we manage our business.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

LIQUIDITY

We strive to maintain a level of liquidity sufficient to allow us to cover our seasonal cash needs and appropriate levels of short-term borrowing capacity. In the short term, our ongoing working capital and capital expenditure requirements, and any dividend payments or share repurchases, are generally funded through cash flows generated from operations. In addition, we have access to the commercial paper market and can draw on our Revolver for working capital, capital expenditures and general corporate purposes. Over the long term, we manage our cash and capital structure to maximize shareholder return, maintain our financial position, manage refinancing risk and allow flexibility for strategic initiatives. We regularly assess our debt and leverage levels, capital expenditure requirements, debt service payments, dividend payouts, share repurchases and other future investments.

We ended the second quarter of 2024 with \$679 in cash and cash equivalents and \$771 of additional liquidity available on our Revolver. Cash and cash equivalents as of August 3, 2024 decreased \$206 from \$885 as of July 29, 2023, driven primarily by payments for capital expenditures and principal payments on long-term debt, partially offset by net earnings.

During the first quarter of 2024, we retired our 2.30% senior notes that were due in April 2024 using cash on hand. We believe that our cash flows from operations are sufficient to meet our cash requirements for the next 12 months and beyond. Our cash requirements are subject to change as business conditions warrant and opportunities arise, and we may elect to raise additional funds in the future through the issuance of either debt or equity.

The following is a summary of our cash flows by activity:

	Six Months Ended	
	August 3, 2024	July 29, 2023
Net cash provided by operating activities	\$528	\$465
Net cash used in investing activities	(194)	(229)
Net cash used in financing activities	(283)	(38)

Operating Activities

Net cash provided by operating activities increased \$63 for the six months ended August 3, 2024, compared with the same period in 2023, primarily due to timing of purchases and payments for merchandise inventories and cash flows from earnings, partially offset by changes in compensation.

Investing Activities

Net cash used in investing activities decreased \$35 for the six months ended August 3, 2024, compared with the same period in 2023, primarily due to the decrease in cash and cash equivalents resulting from the deconsolidation of Canada in 2023 (see Note 1: Basis of Presentation in Item 1).

Capital Expenditures

Our capital expenditures, net are summarized as follows:

	Six Months Ended	
	August 3, 2024	July 29, 2023
Capital expenditures	\$204	\$225
Deferred property incentives ¹	(6)	(15)
Capital expenditures, net	\$198	\$210
Capital expenditures as a % of net sales	2.9 %	3.3 %

¹ Deferred property incentives are included in our cash provided by operations in our Condensed Consolidated Statements of Cash Flows in Item 1. We operationally view the property incentives we receive from our developers and vendors as an offset to our capital expenditures.

Financing Activities

Net cash used in financing activities increased \$245 for the six months ended August 3, 2024, compared with the same period in 2023, primarily due to the retirement of our 2.30% senior notes due April 2024 using cash on hand (see Note 3: Debt and Credit Facilities in Item 1).

Dividends

We paid dividends of \$62 and \$61 for the six months ended August 3, 2024 and July 29, 2023, or \$0.38 per share for each year-to-date period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

Free Cash Flow (Non-GAAP Financial Measure)

Free Cash Flow is one of our key liquidity measures and, when used in conjunction with GAAP measures, we believe it provides investors with a meaningful analysis of our ability to generate cash from our business.

Free Cash Flow is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, operating cash flows or other financial measures prepared in accordance with GAAP. Our method of calculating a non-GAAP financial measure may differ from other companies' methods and therefore may not be comparable to those used by other companies. The financial measure calculated under GAAP which is most directly comparable to Free Cash Flow is net cash provided by operating activities. The following is a reconciliation of net cash provided by operating activities to Free Cash Flow:

	Six Months Ended	
	August 3, 2024	July 29, 2023
Net cash provided by operating activities	\$528	\$465
Capital expenditures	(204)	(225)
Change in cash book overdrafts	30	18
Free Cash Flow	\$354	\$258

CAPITAL RESOURCES**Borrowing Capacity and Activity**

As of August 3, 2024, we had no outstanding borrowings under the Revolver and a \$29 outstanding standby letter of credit resulting in available short-term borrowing capacity of \$771. As of August 3, 2024, we had no issuances outstanding under our commercial paper program. For more information about our credit facilities, see Note 3: Debt and Credit Facilities in Item 1.

Impact of Credit Ratings and Revolver Covenants

Changes in our credit ratings may impact our costs to borrow and whether our personal property secures our Revolver.

For our Revolver, the interest rate applicable to any borrowings we may enter into depends upon the type of borrowing incurred plus an applicable margin, which is determined based on our credit ratings. At the time of this report, our credit ratings and outlook were as follows:

	Credit Ratings	Outlook
Moody's	Ba2	Stable
S&P Global Ratings	BB+	Negative
Fitch Ratings	BB	Stable

Should the ratings assigned to our long-term debt improve, the applicable margin associated with any borrowings under the Revolver may decrease, resulting in a lower borrowing cost under this facility. Conversely, should the ratings assigned to our long-term debt worsen, the applicable margin associated with any borrowings under the Revolver may increase, resulting in a higher borrowing cost under this facility.

As of August 3, 2024, we were in compliance with all covenants. We have certain limitations with respect to the payment of dividends and share repurchases under our Revolver agreement. For more information about our Revolver covenants, see Note 3: Debt and Credit Facilities in Item 1.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

Adjusted Debt to EBITDAR (Non-GAAP Financial Measure)

Adjusted debt to EBITDAR is one of our key financial metrics and we believe that our debt levels are best analyzed using this measure, as it provides a reflection of our creditworthiness, which could impact our credit ratings and borrowing costs. This metric is calculated in accordance with our Revolver covenant and is a key component in assessing whether our revolving credit facility is secured or unsecured, as well as our ability to make dividend payments and share repurchases. For more information regarding our Revolver, see Note 3: Debt and Credit Facilities in Item 1.

Adjusted debt to EBITDAR is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, debt to net earnings, net earnings, debt or other GAAP financial measures. Our method of calculating a non-GAAP financial measure may differ from other companies' methods and therefore may not be comparable to those used by other companies. The financial measure calculated under GAAP which is most directly comparable to Adjusted debt to EBITDAR is debt to net earnings. The following shows the components to reconcile the debt to net earnings calculation to Adjusted debt to EBITDAR:

	August 3, 2024
Debt	\$2,615
Operating lease liabilities	1,617
Adjusted debt	\$4,232
	Four Quarters Ended August 3, 2024
Net earnings	\$284
Income tax expense	100
Interest expense, net	103
Earnings before interest and income taxes	487
Depreciation and amortization expenses	604
Operating Lease Cost	286
Amortization of developer reimbursements ¹	63
Other Revolver covenant adjustments ²	97
Adjusted EBITDAR	\$1,537
Debt to Net Earnings	9.2
Adjusted debt to EBITDAR	2.8

¹ Amortization of developer reimbursements is a non-cash reduction of Operating Lease Cost and is therefore added back to Operating Lease Cost for purposes of our Revolver covenant calculation.

² Other adjusting items to reconcile net earnings to Adjusted EBITDAR as defined by our Revolver covenant include interest income, certain non-cash charges and other gains and losses where relevant. For the four quarters ended August 3, 2024, other Revolver covenant adjustments primarily included supply chain impairment charges and interest income, partially offset by Canada wind-down adjustments. See the Adjusted EBIT and Adjusted EBITDA section, as well as our 2023 Annual Report, for detailed information on certain non-operating related adjustments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts and where otherwise noted)

CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements in conformity with GAAP requires that we make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities.

We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. We believe that the estimates, assumptions and judgments involved in the accounting policies referred to in our 2023 [Annual Report](#) have the greatest potential effect on our financial statements, so we consider those to be our critical accounting policies and estimates. Our management has discussed the development and selection of these critical accounting estimates with the Audit & Finance Committee of our Board of Directors. There have been no material changes to our significant accounting policies or critical accounting estimates as described in our 2023 Annual Report, except as noted below.

Merchandise Inventories

Merchandise inventories are stated at the lower of cost or net realizable value using the weighted average cost method. Under this method, the weighted average purchase price is calculated and applied to owned inventory units. We record reserves for excess and obsolete inventory based on specific identification of units with a current retail value below cost, plus an estimate of future markdowns below cost, which considers the age of inventory and historical trends.

We take physical inventory counts at our stores and Supply Chain Network locations and adjust for differences between recorded and counted amounts. Following each physical inventory cycle and using the most recent physical inventory count and historical results, we record an estimate for shrink as a percentage of weighted average cost until the next physical inventory count.

RECENT ACCOUNTING PRONOUNCEMENTS

In March 2024, the SEC adopted the final rule under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which requires new disclosures regarding information about a registrant's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations or financial condition. In addition, certain disclosures related to severe weather events and other natural conditions will also be required in a registrant's audited financial statements. In April 2024, the SEC voluntarily stayed the final rules as a result of pending legal challenges. Annual disclosure requirements will be effective for us in the fourth quarter of 2025, pending resolution of the stay. We are evaluating the impact of this final rule on our disclosures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We discussed our interest rate risk and foreign currency exchange risk in our 2023 [Annual Report](#). There have been no material changes to these risks since that time.

Item 4. Controls and Procedures.

DISCLOSURE CONTROLS AND PROCEDURES

For the purposes of the Exchange Act, our Chief Executive Officer, Erik B. Nordstrom, serves as our principal executive officer and our Chief Financial Officer, Catherine R. Smith, is our principal financial officer and principal accounting officer.

Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we have performed an evaluation of the design and effectiveness of our disclosure controls and procedures as of the last day of the period covered by this report.

Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective. Disclosure controls and procedures are defined by Rules 13a-15(e) and 15d-15(e) under the Exchange Act as controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified within the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject from time to time to various claims and lawsuits arising in the ordinary course of business, including lawsuits alleging violations of state and/or federal wage and hour and other employment laws, privacy and other consumer-based claims. Some of these lawsuits may include certified classes of litigants, or purport or may be determined to be class or collective actions and seek substantial damages or injunctive relief, or both, and some may remain unresolved for several years. We believe the recorded accruals in our Condensed Consolidated Financial Statements are adequate in light of the probable and estimable liabilities.

On March 2, 2023, Nordstrom Canada commenced a wind-down of its business operations pursuant to a CCAA proceeding overseen by the Ontario Superior Court of Justice. See Note 1: Basis of Presentation in Part I for more information.

As of the date of this report, we do not believe any other currently identified claim, proceeding or litigation, either alone or in the aggregate, will have a material impact on our results of operations, financial position or cash flows. Since these matters are subject to inherent uncertainties, our view of them may change in the future.

Item 1A. Risk Factors.

We discussed our risk factors in Part I, "Item 1A. Risk Factors" in our 2023 [Annual Report](#) on Form 10-K filed with the SEC on March 19, 2024. The following is an update to our risk factors as previously disclosed:

The Board's consideration of potential avenues to enhance shareholder value, including the disclosure of a possible "going private" transaction proposed by our Chief Executive Officer and our President and Chief Brand Officer and the other members of their group could adversely affect our business, financial condition and results of operations, as well as our stock price.

In April 2024, we announced that our Board of Directors had established a special committee of independent and disinterested directors (the "Special Committee") in response to interest expressed by Erik B. Nordstrom, our Chief Executive Officer, and Peter E. Nordstrom, our President and Chief Brand Officer, in pursuing a potential transaction in which Nordstrom would become a private company (a "possible going private transaction") in conjunction with the Board's exploration of possible avenues to enhance shareholder value. On September 4, 2024, the Special Committee confirmed receipt of a proposal from Erik and Pete Nordstrom, other members of the Nordstrom family, and El Puerto de Liverpool, S.A.B. de C.V. (collectively, the "Bid Group") to acquire all of the outstanding shares of the Company, other than shares held by members of the Nordstrom family and Liverpool, for \$23 per share in cash. We do not intend to disclose further developments regarding this matter unless and until further disclosure is determined to be necessary or appropriate.

There can be no assurance that we will pursue a possible going private transaction or any other particular transaction or other strategic outcome, or that a possible going private transaction or any other proposed transaction will be approved or consummated. The Special Committee may suspend or terminate its consideration of a possible going private transaction at any time, and Erik and Peter Nordstrom (or any parties who may be possible financing sources for a possible going private transaction) may suspend or terminate their exploration of a possible going private transaction at any time. A possible going private transaction or other transaction is also dependent upon a number of factors that may be beyond our control including, among other factors, market conditions, industry trends, regulatory developments and litigation.

Speculation regarding any developments and perceived uncertainties related to our future could impact our ability to retain, attract or strengthen our relationships with key personnel, current and potential customers, suppliers and partners, which may cause them to terminate, or not to renew or enter into, arrangements with us, and could lead to fluctuations in our stock price. We may incur significant expenses related to a possible going private transaction or other transaction, and exploration of a possible going private transaction or other transaction has diverted and is likely to continue to divert management's time and attention.

Any of these factors could disrupt or adversely affect our business, financial condition and results of operations, as well as the market price of our common stock. To the extent the exploration of a possible going private transaction or another transaction adversely affects our business, financial condition and results of operations, as well as the market price of our common stock, it may also have the effect of heightening many of the other risks previously described.

The concentration of stock ownership in a small number of our shareholders may limit a shareholder's ability to influence corporate matters and impact the price of our shares.

We have regularly reported in our annual proxy statements the holdings of members of the Nordstrom family, including Anne E. Gittinger, the Estate of Bruce A. Nordstrom and certain members of the Nordstrom family within our Executive Team. As of March 19, 2024, these individuals beneficially owned an aggregate of approximately 30% of our common stock. In addition, on September 3, 2024, these individuals formed a group with the other members of the Bid Group in connection with the possible going-private transaction. The Bid Group has reported that they beneficially own an aggregate of approximately 43% of our common stock.

As a result, either individually or acting together, these persons may be able to exercise considerable influence over matters requiring shareholder approval, including the election of directors or other matters impacting our management or corporate governance. In addition, as reported in our periodic filings, our Board of Directors has from time to time authorized share repurchases. While these repurchases may be partially offset by share issuances under our equity incentive plans and as consideration for acquisitions, the repurchases may nevertheless have the effect of increasing the overall percentage interest held by these shareholders.

Our Board of Directors adopted a limited-duration shareholder rights agreement. The Rights Plan would cause substantial dilution to the ownership of any person or group that acquires 10% or more of the outstanding shares of our common stock, subject to certain exceptions in the plan (including that the ownership of the Estate of Bruce A. Nordstrom, Anne E. Gittinger and certain other members of the Nordstrom family as of the date of the Rights Plan's adoption is grandfathered under the plan and that the Bid Group's ownership is exempted until the earlier of (i) April 17, 2025 and (ii) the date that the Bid Group increases its aggregate beneficial ownership of shares of our common stock to an amount greater than its beneficial ownership on September 3, 2024 plus 0.1% of the then-outstanding shares of common stock (subject to specified exclusions)). By effectively preventing a shareholder or group of shareholders other than the Nordstrom family from acquiring 10% or more of our common stock, the Rights Plan may ensure that the Nordstrom family retains its concentration of ownership relative to other shareholders.

The corporate law of the State of Washington, where we are incorporated, provides that approval of a merger or similar significant corporate transaction requires the affirmative vote of two-thirds of a company's outstanding shares. The interests of the Nordstrom family shareholders may differ from the interest of our shareholders as a whole. The beneficial ownership of the Nordstrom family shareholders and the Bid Group may have the effect of discouraging offers to acquire us (including competing offers to the possible going-private transaction from third parties), delaying or otherwise preventing a significant corporate transaction because the consummation of any such transaction would likely require their approval. As a result of these factors, the market price of our common stock may be affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) SHARE REPURCHASES

(Dollar and share amounts in millions, except per share amounts)

We repurchased no shares of common stock during the second quarter of 2024 and we had \$438 remaining in share repurchase capacity as of August 3, 2024. See Note 6: Shareholders' Equity in Part I for more information about our May 2022 share repurchase program.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

During the fiscal quarter ended August 3, 2024, no director or officer of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of the SEC's Regulation S-K.

Item 6. Exhibits.

(a) The information required under this item is incorporated herein by reference or filed or furnished as part of this report at:

	Page
Nordstrom, Inc. and Subsidiaries Exhibit Index	31

All other exhibits are omitted because they are not applicable, not required or because the information required has been given as part of this report.

Nordstrom, Inc. and Subsidiaries

Exhibit Index

Exhibit		Incorporated by Reference		
		Form	Exhibit	Filing Date
4.1		8-K	4.1	9/4/2024
				Second Amendment to the Shareholder Rights Agreement, dated as of September 3, 2024, by and between Nordstrom, Inc. and Computershare Trust Company, N.A., as rights agent
10.1	*†			Nordstrom 401(k) Plan (2024 Restatement)
10.2	*†			Nordstrom Deferred Compensation Plan (2024 Restatement)
10.3	†			Nordstrom Directors Deferred Compensation Plan (2024 Restatement)
10.4	*†			Nordstrom Executive Severance Plan (2024 Restatement)
10.5	*†			Nordstrom Retiree Health Plan (2024 Restatement)
10.6	*†			Nordstrom Supplemental Executive Retirement Plan (2024 Restatement)
31.1	†			Certification of Chief Executive Officer required by Section 302(a) of the Sarbanes-Oxley Act of 2002
31.2	†			Certification of Chief Financial Officer required by Section 302(a) of the Sarbanes-Oxley Act of 2002
32.1	‡			Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	†			Inline XBRL Instance Document
101.SCH	†			Inline XBRL Taxonomy Extension Schema Document
101.CAL	†			Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	†			Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	†			Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	†			Inline XBRL Taxonomy Extension Definition Linkbase Document
104	†			Cover Page Interactive Data File (Inline XBRL)

* Management contract, compensatory plan or arrangement

† Filed herewith electronically

‡ Furnished herewith electronically

SIGNATURES

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

NORDSTROM, INC.
(Registrant)

/s/ Catherine R. Smith
Catherine R. Smith
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: September 5, 2024

**NORDSTROM 401(k) PLAN
(January 1, 2024 Restatement)**

TABLE OF CONTENTS

PREAMBLE 1

ARTICLE I DEFINITIONS AND INTERPRETATION 2

- 1.1 Plan Definitions 2
- 1.2 Interpretation 11

ARTICLE II SERVICE 12

- 2.1 Special Definitions 12
- 2.2 Crediting of Hours of Service 12
- 2.3 Hours of Service Equivalencies 13
- 2.4 Limitations on Crediting of Hours of Service 14
- 2.5 Department of Labor Rules 15
- 2.6 Eligibility Service 15
- 2.7 Years of Vesting Service 15
- 2.8 Exclusion of Vesting Service Earned Following a Break for Determining Vested Interest in Prior Account 16
- 2.9 Crediting of Hours of Service with Respect to Short "Computation Periods" 16
- 2.10 Crediting of Service on Transfer or Amendment 16

ARTICLE III ELIGIBILITY 17

- 3.1 Eligibility 17
- 3.2 Transfers of Employment 17
- 3.3 Reemployment 17
- 3.4 Notification Concerning New Eligible Employees 17
- 3.5 Effect and Duration 18

ARTICLE IV 401(K) CONTRIBUTIONS 19

- 4.1 401(k) Contributions 19
- 4.2 Amount of 401(k) Contributions 19
- 4.3 Roth 401(k) Contributions 20
- 4.4 Catch-Up 401(k) Contributions 20
- 4.5 Automatic Contribution Arrangement 21
- 4.6 Notice of Automatic Contribution Arrangement 22
- 4.7 Automatic Escalation in 401(k) Contributions 23
- 4.8 Contributions Limited to Effectively Available Compensation 25
- 4.9 Amendments to Reduction Authorization 25
- 4.10 Suspension of 401(k) Contributions 25
- 4.11 Resumption of 401(k) Contributions 25
- 4.12 Delivery of 401(k) Contributions 26
- 4.13 Vesting of 401(k) Contributions 26

ARTICLE V AFTER-TAX AND ROLLOVER CONTRIBUTIONS 27

- 5.1 No After-Tax Contributions 27
- 5.2 Rollover Contributions 27
- 5.3 Direct Rollovers to Plan 27
- 5.4 Participant Rollovers to Plan 28
- 5.5 Restrictions on Rollover Contributions 28
- 5.6 Treatment of After-Tax Contributions that are Rolled Over to the Plan 29
- 5.7 Treatment of Designated Roth Contributions that are Rolled Over to the Plan 29
- 5.8 Vesting of Rollover Contributions 29

ARTICLE VI EMPLOYER CONTRIBUTIONS 30

- 6.1 Contribution Period 30
- 6.2 Qualified Nonelective Contributions 30
- 6.3 Allocation of Qualified Nonelective Contributions 30
- 6.4 Amount and Allocation of QACA Safe Harbor Matching Contributions 31
- 6.5 Verification of Amount of Employer Contributions by the Administrator 31
- 6.6 Payment of Employer Contributions 31
- 6.7 Allocation Requirements for Employer Contributions 32
- 6.8 Vesting of Employer Contributions 32
- 6.9 100% Vesting Events 33
- 6.10 Changes to Vesting Schedule 33
- 6.11 Forfeitures to Reduce Employer Contributions 34

ARTICLE VII LIMITATIONS ON CONTRIBUTIONS 35

- 7.1 Special Definitions 35
- 7.2 Code Section 402(g) Limit 42
- 7.3 Distribution of "Excess Deferrals" 43
- 7.4 Limitation on Contributions of Highly Compensated Employees – ACP Test 44
- 7.5 Determination and Allocation of Excess Aggregate Contributions Among Highly Compensated Employees 45
- 7.6 Forfeiture or Distribution of "Excess Aggregate Contributions" 46
- 7.7 Treatment of Forfeited Matching Contributions 47
- 7.8 Determination of Income or Loss 47
- 7.9 Deemed Satisfaction of the ADP Test 47
- 7.10 Notice Requirements for QACA Safe Harbor Matching Contributions 48
- 7.11 Code Section 415 Limitations on Crediting of Contributions and Forfeitures 49

7.12	Application of Code Section 415 Limitations Where Participant is Covered Under Other Qualified Defined Contribution Plan	50
7.13	Scope of Limitations	50
ARTICLE VIII TRUST FUNDS AND ACCOUNTS		51
8.1	General Fund	51
8.2	Selection of Investment Funds	51
8.3	Self-Directed Brokerage Investment Fund	51
8.4	Loan Investment Fund	52
8.5	Income on Trust	52
8.6	Accounts	52
8.7	Sub-Accounts	52
ARTICLE IX LIFE INSURANCE CONTRACTS		53
9.1	No Life Insurance Contracts	53
ARTICLE X DEPOSIT AND INVESTMENT OF CONTRIBUTIONS		54
10.1	Future Contribution Investment Elections	54
10.2	Deposit of Contributions	54
10.3	Election to Transfer Between Funds	54
10.4	404(c) Protection	55
10.5	Voting and Tendering Employer Stock	55
ARTICLE XI CREDITING AND VALUING ACCOUNTS		57
11.1	Crediting Accounts	57
11.2	Valuing Accounts	57
11.3	Plan Valuation Procedures	57
11.4	Unit Accounting Permitted	58
11.5	Finality of Determinations	58
11.6	Notification	58
ARTICLE XII LOANS		59
12.1	Application for Loan	59
12.2	Collateral for Loan	59
12.3	Reduction of Account Upon Distribution	59
12.4	Legal Requirements Applicable to Plan Loans	60
12.5	Administration of Loan Investment Fund	62
12.6	Default	62
12.7	Deemed Distribution Under Code Section 72(p)	62
12.8	Treatment of Outstanding Balance of Loan Deemed Distributed Under Code Section 72(p)	63
12.9	Special Rules Applicable to Loans	63
12.10	Prior Loans	64

ARTICLE XIII WITHDRAWALS WHILE EMPLOYED 65

- 13.1 Non-Hardship Withdrawals of Rollover Contributions 65
- 13.2 Age 59 1/2 Withdrawals 65
- 13.3 Withdrawal by Terminally ill Participant 65
- 13.4 Withdrawal Upon Deemed Severance from Employment Due to Qualified Military Service 65
- 13.5 Overall Limitations on Non-Hardship Withdrawals 66
- 13.6 Hardship Withdrawals 66
- 13.7 Hardship Determination 67
- 13.8 Satisfaction of Necessity Requirement for Hardship Withdrawals 68
- 13.9 Conditions and Limitations on Hardship Withdrawals 68
- 13.10 Order of Withdrawal from a Participant's Sub-Accounts 68

ARTICLE XIV TERMINATION OF EMPLOYMENT AND SETTLEMENT DATE 70

- 14.1 Termination of Employment and Settlement Date 70
- 14.2 Separate Accounting for Non-Vested Amounts 70
- 14.3 Disposition of Non-Vested Amounts 71
- 14.4 Treatment of Forfeited Amounts 71
- 14.5 Recrediting of Forfeited Amounts 72

ARTICLE XV DISTRIBUTIONS 73

- 15.1 Distributions to Participants 73
- 15.2 Partial Distributions to Retired or Terminated Participants 73
- 15.3 Distributions to Beneficiaries 73
- 15.4 Code Section 401(a)(9) Requirements 73
- 15.5 Cash Outs and Participant Consent 75
- 15.6 Required Commencement of Distribution 75
- 15.7 Reemployment of a Participant 75
- 15.8 Restrictions on Alienation 75
- 15.9 Facility of Payment 76
- 15.10 Inability to Locate Payee and Non-Negotiated Checks 76
- 15.11 Distribution Pursuant to Qualified Domestic Relations Orders 77

ARTICLE XVI FORM OF PAYMENT 78

- 16.1 Form of Payment 78
- 16.2 Direct Rollover 78
- 16.3 Notice Regarding Form of Payment 79
- 16.4 Distribution in the Form of Employer Stock 79
- 16.5 Section 242(b)(2) Elections 80

ARTICLE XVII BENEFICIARIES 81

- 17.1 Designation of Beneficiary 81

17.2	Spousal Consent Requirements	81
17.3	Revocation of Beneficiary Designation Upon Divorce	81
ARTICLE XVIII ADMINISTRATION 83		
18.1	Authority of the Administrator	83
18.2	Discretionary Authority	83
18.3	Claims Review Procedure	83
18.4	Special Rules Applicable to Claims Related to Investment Errors	91
18.5	Exhaustion of Remedies & Dispute Resolution	91
18.6	Grounds for Judicial Review	92
18.7	Qualified Domestic Relations Orders	92
18.8	Correction of Erroneous Payments and Overpayments	92
18.9	Indemnification	92
18.10	Prudent Man Standard of Care	92
18.11	Actions Binding	93
ARTICLE XIX AMENDMENT AND TERMINATION 94		
19.1	Amendment by the Mass Submitter	94
19.2	Amendment by Plan Sponsor	94
19.3	Amendment by Provider	95
19.4	Limitation on Amendment	97
19.5	Termination	97
19.6	Inability to Locate Payee on Plan Termination	99
19.7	Reorganization	99
19.8	Withdrawal of an Employer	99
19.9	Loss of Pre-Approved Plan Status	100
ARTICLE XX ADOPTION BY OTHER ENTITIES 101		
20.1	Adoption by Related Employers	101
20.2	Effective Plan Provisions	101
ARTICLE XXI MISCELLANEOUS PROVISIONS 102		
21.1	No Commitment as to Employment	102
21.2	Benefits	102
21.3	No Guarantees	102
21.4	Expenses	102
21.5	Precedent	102
21.6	Duty to Furnish Information	103
21.7	Merger, Consolidation, or Transfer of Plan Assets	103
21.8	Condition on Employer Contributions	103
21.9	Return of Contributions to an Employer	103
21.10	Validity of Plan	104
21.11	Trust Agreement	104

21.12	Parties Bound	104
21.13	Application of Certain Plan Provisions	104
21.14	Merged Plans	104
21.15	Transferred Funds	105
21.16	Veterans Reemployment Rights	105
21.17	Delivery of Cash Amounts	106
21.18	Written Communications	106
21.19	Direct Transfer of Contributions	106
21.20	Plan Correction Procedures	106
ARTICLE XXII TOP-HEAVY PROVISIONS		108
22.1	Definitions	108
22.2	Applicability	110
22.3	Minimum Employer Contribution	110
22.4	Exclusion of Collectively-Bargained Employees	110

PREAMBLE

The Nordstrom 401(k) Plan, originally effective as of December 31, 1952 and last amended and restated in 2021, is hereby amended and restated in its entirety. Except as otherwise provided herein, this amendment and restatement shall be effective as of January 1, 2024. The Plan, as amended and restated hereby, is intended to qualify as a profit-sharing plan under Code Section 401(a) and includes a cash or deferred arrangement that is intended to qualify under Code Section 401(k). The Plan is maintained for the exclusive benefit of eligible Employees and their Beneficiaries.

Notwithstanding any other provision of the Plan to the contrary, a Participant's vested interest in his Account under the Plan on and after the effective date of this amendment and restatement shall be not less than his vested interest in his account on the day immediately preceding the effective date.

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.1 Plan Definitions

As used herein, the following words and phrases, when they appear with initial letters capitalized as indicated below, have the meanings hereinafter set forth:

An "**Account**" means the account maintained by the Trustee in the name of a Participant that reflects his interest in the Trust and any Sub-Accounts maintained thereunder, as provided in Article VIII.

The "**Administrator**" means the Compensation, People and Culture Committee of the Board of Directors of the Sponsor or its successor (also referred to herein as "CPCC").

An "**After-Tax Contribution**" means any after-tax employee contribution made by a Participant to the Plan as may be permitted under Article V or as may have been permitted under the terms of the Plan prior to this amendment and restatement or any after-tax employee contribution made by a Participant to another plan that is transferred directly to the Plan. After-tax employee contributions that are rolled over to the Plan in accordance with the provisions of Article V are treated as Rollover Contributions rather than After-Tax Contributions for purposes of withdrawals as outlined in Article XIII.

The "**Beneficiary**" of a Participant means the person or persons entitled under the provisions of the Plan to receive distribution hereunder in the event the Participant dies before receiving distribution of his entire interest under the Plan.

A Participant's "**Benefit Payment Date**" means the first day on which all events have occurred which entitle the Participant to receive payment of his benefit.

A "**Break in Service**" means any "computation period" (as defined in Section 2.1 for purposes of determining years of Vesting Service) during which an Employee completes no more than 500 Hours of Service except that no Employee shall incur a Break in Service solely by reason of temporary absence from work not exceeding 12 months resulting from illness, layoff, or other cause if authorized in advance by an Employer or a Related Employer pursuant to its uniform leave policy, if his employment shall not otherwise be terminated during the period of such absence.

A "**Catch-Up 401(k) Contribution**" means any 401(k) Contribution made on behalf of a Participant that is in excess of an applicable Plan limit and is made pursuant to, and is

intended to comply with, Code Section 414(v). Catch-Up 401(k) Contributions may include Pre-Tax 401(k) Contributions and/or Roth 401(k) Contributions.

The " **Code** " means the Internal Revenue Code of 1986, as amended from time to time. Reference to a Code section includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

The " **Compensation** " of a Participant for any period means the wages as defined in Code Section 3401(a), determined without regard to any rules that limit compensation included in wages based on the nature or location of the employment or services performed, and all other payments made to him for such period for services as a Covered Employee for which his Employer is required to furnish the Participant a written statement under Code Sections 6041(d), 6051(a)(3), and 6052 (commonly referred to as W-2 earnings).

Notwithstanding the foregoing, Compensation shall not include the following:

reimbursements and other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits.

Compensation includes (i) any elective deferral, as defined in Code Section 402(g)(3), (ii) any amount contributed or deferred by the Employer at the Participant's election which is not includable in the Participant's gross income by reason of Code Section 125, 132(f)(4), or 457, and (iii) certain contributions described in Code Section 414(h)(2) that are picked up by the employing unit and treated as employer contributions. Such amounts shall be included in Compensation only to the extent that they would otherwise have been included in Compensation as defined above.

Notwithstanding any other provision of the Plan to the contrary, if a Participant has a severance from employment (as defined in Treasury Regulations Section 1.401(k)-1(d)(2)) with the Employers and all Related Employers, Compensation shall not include amounts received by the Participant following such severance from employment except as provided below:

Compensation shall include amounts that would otherwise have been paid to the Participant in the course of his employment and are regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or shift differential pay), commissions, bonuses, or other similar compensation, but only to the extent such amounts (1) would have been includable in Compensation if his employment had continued and (2) are paid before the later of (a) the close of the "limitation year" (as defined in Section 7.1) in which the Participant's severance from employment occurs or (b) within 2 ½ months of such severance.

Notwithstanding any other provision of the Plan to the contrary, if a Participant is absent from employment as a Covered Employee to perform service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code), his Compensation will include any "military differential pay", as defined hereunder, he receives or is entitled to receive from his Employer. For purposes of this paragraph, "military differential pay" means any payment made to the Participant by the Employer with respect to a period during which the Participant is performing service in the uniformed services while on active duty for a period of more than 30 days that represents all or a portion of the wages the Participant would have received if he had continued employment with the Employer as a Covered Employee.

In no event, however, shall the Compensation of a Participant taken into account under the Plan for any Plan Year exceed the limit in effect under Code Section 401(a)(17) (\$255,000 for Plan Years beginning in 2013, subject to adjustment annually as provided in Code Sections 401(a)(17)(B) and 415(d); provided, however, that the dollar increase in effect on January 1 of any calendar year, if any, is effective for Plan Years beginning in such calendar year). If the Compensation of a Participant is determined over a period of time that contains fewer than 12 calendar months, then the annual compensation limitation described above shall be adjusted with respect to that Participant by multiplying the annual compensation limitation in effect for the Plan Year by a fraction the numerator of which is the number of full months in the period and the denominator of which is 12; provided, however, that no proration is required for a Participant who is covered under the Plan for less than one full Plan Year if the formula for allocations is based on Compensation for a period of at least 12 months.

A " **Contribution Period** " means the period specified in Article VI for which Employer Contributions shall be made.

A " **Covered Employee** " means any Employee of an Employer. Notwithstanding the foregoing, the term "Covered Employee" shall not include the following:

- any individual with respect to whom an Employer does not withhold income or employment taxes and file Form W-2 (or any replacement Form) with the Internal Revenue Service because such individual has executed a contract, letter of agreement, or other document acknowledging his status as an independent contractor who is not entitled to benefits under the Plan or is otherwise not classified by his Employer as a common law employee, even if such individual is later adjudicated to be a common law employee of his Employer, unless and until the Employer extends coverage to such individual.

- any Leased Employee.

- any nonresident alien who does not receive United States source income.

any Employee acquired in an asset or stock acquisition, merger, or similar transaction described in Code Section 410(b)(6)(C) until the date the acquiring Employer extends coverage to such Employees.

any individual classified by the Administrator as an employee of a non-affiliated entity

any individual who is not paid through the Employer's payroll system and does not receive a W-2 from the Employer.

The term "Covered Employee" shall include any Employee who is covered by a collective bargaining agreement with the Employer only if and to the extent such collective bargaining agreement provides for coverage under the Plan.

" **Disabled** " means the Participant is determined to be eligible for disability benefits under his employer's long-term disability plan or, if he is not covered by a long-term disability plan, he is eligible to receive a disability benefit under the terms of the Social Security Act.

An " **Eligible Employee** " means any Covered Employee who has met the eligibility requirements of Article III to participate in the Plan.

The " **Eligibility Service** " of an Employee means the period or periods of service credited to him under the provisions of Article II for purposes of determining his eligibility to participate in the Plan as may be required under Article III.

An " **Employee** " means any common law employee of an Employer or a Related Employer and any Leased Employee.

An " **Employer** " means the Sponsor and any entity which has adopted the Plan as may be provided under Article XX.

An " **Employer Contribution** " means the amount, if any, that an Employer contributes to the Plan on behalf of its Eligible Employees in accordance with the provisions of Article VI or Article XXII and that an Eligible Employee may not elect instead to receive in cash.

" **ERISA** " means the Employee Retirement Income Security Act of 1974, as amended from time to time. Reference to a section of ERISA includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

A "**401(k) Contribution**" means any amount contributed to the Plan on behalf of a Participant that the Participant could elect to receive in cash, but that the Participant elects, either affirmatively or pursuant to an automatic enrollment or automatic escalation provision, to have contributed to the Plan in accordance with the provisions of Article IV as either a Pre-Tax 401(k) Contribution or a Roth 401(k) Contribution.

The "**General Fund**" means a Trust Fund maintained by the Trustee as required to hold and administer any assets of the Trust that are not allocated among any separate Investment Funds as may be provided in the Plan or the Trust Agreement. No General Fund shall be maintained if all assets of the Trust are allocated among separate Investment Funds.

A "**Highly Compensated Employee**" means any Covered Employee who is a "highly compensated active employee" as defined hereunder.

A "highly compensated active employee" includes any Covered Employee who performs services for an Employer or any Related Employer during the Plan Year and who (i) was a 5% owner at any time during the Plan Year or the "look back year" or (ii) received "compensation" from the Employers and Related Employers during the "look back year" in excess of the dollar amount in effect under Code Section 414(q)(1)(B)(i) adjusted pursuant to Code Section 415(d) (e.g., \$115,000 for "look back years" beginning after December 31, 2012) and was in the top paid group of Employees for the "look back year". A Covered Employee is in the top paid group of Employees if he is in the top 20% of the Employees of his Employer and all Related Employers when ranked on the basis of compensation paid during the "look back year".

The determination of who is a Highly Compensated Employee hereunder, including determinations as to the number and identity of Employees in the top paid group, shall be made in accordance with the provisions of Code Section 414(q) and regulations issued thereunder.

For purposes of this definition, the following terms have the following meanings:

An Employee's "compensation" means his "415 compensation" as defined in Section 7.1.

The "look back year" means the 12-month period immediately preceding the Plan Year.

An "**Hour of Service**" with respect to an Employee means each hour, if any, that may be credited to him in accordance with the provisions of Article II.

The " **Investment Fiduciary** " means the fiduciary responsible for investments under the Plan, including, if applicable, selection of the Investment Funds and direction of the Trustee. The Administrator shall be the Investment Fiduciary, unless the Administrator designates another person or persons to act as such. The Administrator may designate different persons to act as its delegate in performing different functions of the Investment Fiduciary.

An " **Investment Fund** " means any separate investment Trust Fund maintained by the Trustee as may be provided in the Plan or the Trust Agreement or any separate investment fund maintained by the Trustee, to the extent that there are Participant Sub-Accounts under such funds, to which assets of the Trust may be allocated and separately invested.

A " **Leased Employee** " means any person (other than an "excludable leased employee") who performs services for an Employer or a Related Employer (the "recipient") (other than an employee of the "recipient") pursuant to an agreement between the "recipient" and any other person (the "leasing organization") on a substantially full-time basis for a period of at least one year, provided that such services are performed under primary direction of or control by the "recipient". An "excludable leased employee" means any Leased Employee of the "recipient" who is (a) covered by a money purchase pension plan maintained by the "leasing organization" which provides for (i) a nonintegrated employer contribution on behalf of each participant in the plan equal to at least 10% of 415 compensation (as defined in Section 7.1), (ii) full and immediate vesting, and (iii) immediate participation by employees of the "leasing organization" or (b) performs substantially all of his services for the "leasing organization" or (c) whose compensation from the "leasing organization" in each Plan Year during the 4-year period ending with the Plan Year is less than \$1,000. Notwithstanding the foregoing, a person shall not be treated as an "excludable leased employee" if Leased Employees (including any individual who would otherwise be considered an "excludable leased employee") constitute more than 20% of the "recipient's" non-highly compensated work force. For purposes of this Section, contributions or benefits provided to a Leased Employee by the "leasing organization" that are attributable to services performed for the "recipient" shall be treated as provided by the "recipient".

Notwithstanding the foregoing, if any person who performed services for a "recipient" pursuant to an agreement between the "recipient" and the "leasing organization" becomes a Covered Employee, all service performed by such person for the "recipient" shall be treated as employment with an Employer as an Employee, even if performed on less than a full-time basis, for less than a full year, or while an "excludable leased employee."

A " **Matching Contribution** " means any Employer Contribution made to the Plan on account of a Participant's 401(k) Contributions as provided in Article VI.

The " **Normal Retirement Date** " of an Employee means the date he attains age 60.

A " **Participant** " means any person who has satisfied the requirements of Article III to become an Eligible Employee and who has an Account in the Trust.

The " **Plan** " means the Nordstrom 401(k) Plan, as from time to time in effect.

A " **Plan Year** " means the 12-consecutive-month period ending each December 31.

A " **Predecessor Employer** " means any company that is a predecessor organization to an Employer under the Code, provided that the Employer maintains a plan of such predecessor organization.

A " **Pre-Tax 401(k) Contribution** " means any 401(k) Contribution made to the Plan on behalf of a Participant that is not includable in the Participant's taxable gross income, pursuant to Code Section 401(k), until distributed from the Plan.

A " **Prior Matching Contribution** " means any contribution made to the Plan prior to January 1, 2021, on account of a Participant's 401(k) Contributions.

A " **Prior Nonelective Contribution** " means any contribution made by a Participant's employer that (1) the Participant could not elect to receive in cash, (2) was not contingent upon the Participant's "elective contributions" or "employee contributions", as those terms are defined in Section 7.1, and (3) was made either (i) to the Plan pursuant to provisions of the Plan that are no longer in effect or (ii) to another plan and was transferred directly to the Plan from such other plan.

The " **Provider** " of this Pre-Approved Defined Contribution Plan is Plan Document Systems, LLC whose address is 1919 M St, NW, Suite 700, Washington, DC 20036 and phone is (202) 331-8800. The Provider certifies that it will inform the Sponsor of any amendments to the Plan or of the Provider's discontinuance or abandonment of the Plan. For more information about the Plan, a Sponsoring Employer may contact Plan Document Systems, LLC at the address noted herein.

A " **QACA Safe Harbor Matching Contribution** " means any Matching Contribution designated as such and made to the Plan as provided in Article VI that meets the requirements of Code Section 401(k)(13)(D).

A " **Qualified Nonelective Contribution** " means any Employer Contribution made to the Plan as provided in Article VI that is 100% vested when allocated to Participants' Accounts and may be taken into account to satisfy the limitations on 401(k) Contributions and/or Matching Contributions made by or on behalf of Highly Compensated Employees under Article VII.

A " **Related Employer** " means any corporation or business, other than an Employer, that would be aggregated with an Employer for a relevant purpose under Code Section 414, including members of an affiliated service group under Code Section 414(m), a controlled group of corporations under Code Section 414(b), or a group of trades or businesses under common control under Code Section 414(c) of which the adopting Employer is a member, and any other entity required to be aggregated with the Employer pursuant to Code Section 414(o).

A Participant's " **Required Beginning Date** " means the following:

for a Participant who is not a "5% owner", April 1 of the calendar year following the calendar year in which occurs the later of the Participant's (i) attainment of the "applicable age"(as defined herein) or (ii) retirement.

for a Participant who is a "5% owner", April 1 of the calendar year following the calendar year in which the Participant attains the "applicable age."

A Participant is a "5% owner" if he is a 5% owner, as defined in Code Section 416(i) and determined in accordance with Code Section 416, but without regard to whether the Plan is top-heavy, for the Plan Year ending with or within the calendar year in which the Participant attains the "applicable age." The Required Beginning Date of a Participant who is a "5% owner" hereunder shall not be re-determined if the Participant ceases to be a 5% owner as defined in Code Section 416(i) with respect to any subsequent Plan Year.

The "applicable age" means the following: (i) age 73, for a Participant born on or after January 1, 1951, (ii) age 72, for a Participant born before January 1, 1951, but on or after July 1, 1949, or (iii) age 70 ½, for a Participant born before July 1, 1949.

The " **Retirement Committee** " means the Retirement Committee established by the CPCC.

A " **Rollover Contribution** " means any rollover contribution to the Plan made by a Participant as may be permitted under Article V.

A " **Roth 401(k) Contribution** " means any 401(k) Contribution made on behalf of a Participant that is irrevocably designated as being made pursuant to, and is intended to comply with, Code Section 402A. Roth 401(k) Contributions are includable in a Participant's taxable gross income for the year in which they are contributed to the Plan. The term "Roth 401(k) Contribution" includes any "elective deferral," as defined in Code Section 402(g)(3)(A), made to a plan qualified under Code Section 401(a), that the Employee designated as a Roth contribution at the time it was contributed to such plan

and that the Employee elects to roll over to the Plan in accordance with the provisions of Article V.

The " **Settlement Date** " of a Participant means the date on which a Participant's interest under the Plan becomes distributable in accordance with Article XV.

The " **Sponsor** " means Nordstrom, Inc., and any successor thereto.

A Participant's " **Spouse** " means the person to whom the Participant is legally married under the laws of the state or country in which the marriage originated, even if such marriage is not recognized under the laws of the state or country in which the Participant resides. Effective June 26, 2013, the term Spouse will apply with respect to a Participant who is married to an individual of the same sex. Additionally, a Plan will not be treated as failing to meet the requirements of Code Section 401(a) merely because it did not recognize the same-sex spouse of a Participant as a Spouse before June 26, 2013 or prior to September 16, 2013, if it only recognized the same-sex Spouse of a Participant domiciled in a state that recognized same-sex marriages. However, effective September 13, 2013, a marriage of same-sex individuals must be recognized if it was validly entered into in a state whose laws authorize the marriage even if the married couple is domiciled in a state that does not recognize the validity of same-sex marriages.

A " **Sub-Account** " means any of the individual sub-accounts of a Participant's Account that is maintained as provided in Article VIII.

A " **Transfer Contribution** " means any amount transferred to the Plan on an Employee's behalf directly from another qualified plan pursuant to a trust to trust transfer as provided in Section 21.19.

The " **Trust** " means the trust, custodial accounts, annuity contracts, or insurance contracts maintained by the Trustee under the Trust Agreement.

The " **Trust Agreement** " means any separate agreement or agreements entered into between the Plan and the Trustee relating to the holding, investment, and reinvestment of the assets of the Plan, together with all amendments thereto and shall include any agreement establishing a custodial account, an annuity contract, or an insurance contract (other than a life, health or accident, property, casualty, or liability insurance contract) for the investment of assets if the custodial account or contract would, except for the fact that it is not a trust, constitute a qualified trust under Code Section 401. All provisions of the trust or custodial account document must be applicable to all adopting Employers of that trust or custodial account. The Trust Agreement or custodial account agreement must be in a document separate from this Plan, however if such separate trust or custodial agreement is found to be in direct conflict with this Plan, the terms of this Plan will govern.

The " **Trustee** " means the trustee or any successor trustee which at the time shall be designated, qualified, and acting under the Trust Agreement and shall include any insurance company that issues an annuity or insurance contract pursuant to the Trust Agreement or any person holding assets in a custodial account pursuant to the Trust Agreement. The Administrator may designate a person or persons other than the Trustee to perform any responsibility of the Trustee under the Plan, other than trustee responsibilities as defined in ERISA Section 405(c)(3), and the Trustee shall not be liable for the performance of such person in carrying out such responsibility except as otherwise provided by ERISA. The term Trustee shall include any delegate of the Trustee as may be provided in the Trust Agreement.

A " **Trust Fund** " means any fund maintained under the Trust by the Trustee.

A " **Valuation Date** " means the date or dates used for the purpose of valuing the General Fund and each Investment Fund and adjusting Accounts and Sub-Accounts hereunder, which dates need not be uniform with respect to the General Fund, each Investment Fund, Account, or Sub-Account; provided, however, that the General Fund and each Investment Fund shall be valued and each Account and Sub-Account shall be adjusted no less often than once annually. Unless otherwise designated, the Valuation Date under the Plan means each day a stock exchange under the Plan is open for business.

The " **Vesting Service** " of an Employee means the period or periods of service credited to him under the provisions of Article II for purposes of determining his vested interest in his Employer Contributions Sub-Account, if Employer Contributions are provided for under either Article VI or Article XXII.

1.2 Interpretation

Where required by the context, the noun, verb, adjective, and adverb forms of each defined term shall include any of its other forms. Wherever used herein, the masculine pronoun shall include the feminine or gender neutral where applicable (and vice versa), the singular shall include the plural, and the plural shall include the singular.

ARTICLE II SERVICE

2.1 Special Definitions

For purposes of this Article, the following terms have the following meanings:

A " **computation period** " for purposes of determining an Employee's years of Vesting Service means each Plan Year.

A " **maternity/paternity absence** " means an Employee's absence from employment with an Employer or a Related Employer because of the Employee's pregnancy, the birth of the Employee's child, the placement of a child with the Employee in connection with the Employee's adoption of the child, or the caring for the Employee's child immediately following the child's birth or adoption. An Employee's absence from employment will not be considered a maternity/paternity absence unless the Employee furnishes the Administrator such timely information as may reasonably be required to establish that the absence was for one of the purposes enumerated in this paragraph and to establish the number of days of absence attributable to such purpose.

2.2 Crediting of Hours of Service

An Employee shall be credited with an Hour of Service for:

- (a) Each hour for which he is paid, or entitled to payment, for the performance of duties for an Employer, a Predecessor Employer, or a Related Employer during the applicable period; provided, however, that hours compensated at a premium rate shall be treated as straight-time hours.
- (b) Subject to the provisions of Section 2.4, each hour for which he is paid, or entitled to payment, by an Employer, a Predecessor Employer, or a Related Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), lay-off, jury duty, military duty, or leave of absence.
- (c) Each hour for which he would have been scheduled to work for an Employer, a Predecessor Employer, or a Related Employer during the period that he is absent from work because of service with the armed forces of the United States provided he is eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 and returns to work with an Employer or a Related Employer within the period during which he retains such reemployment

rights; provided, however, that the same Hour of Service shall not be credited under paragraph (b) of this Section and under this paragraph (c).

- (d) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer, a Predecessor Employer, or a Related Employer; provided, however, that the same Hour of Service shall not be credited both under paragraph (a) or (b) or (c) of this Section, as the case may be, and under this paragraph (d); and provided, further, that the crediting of Hours of Service for back pay awarded or agreed to with respect to periods described in such paragraph (b) shall be subject to the limitations set forth therein and in Section 2.4.
- (e) Solely for purposes of determining whether an Employee who is on a "maternity/paternity absence" has incurred a Break in Service for a "computation period", Hours of Service shall include those hours with which such Employee would otherwise have been credited but for such "maternity/paternity absence", or shall include 8 Hours of Service for each day of "maternity/paternity absence" if the actual hours to be credited cannot be determined; except that not more than the minimum number of hours required to prevent a Break in Service shall be credited by reason of any "maternity/paternity absence"; provided, however, that any hours included as Hours of Service pursuant to this paragraph shall be credited to the "computation period" in which the absence from employment begins, if such Employee otherwise would incur a Break in Service in such "computation period", or, in any other case, to the immediately following "computation period".
- (f) Solely for purposes of determining whether he has incurred a Break in Service, each hour for which he would have been scheduled to work for an Employer, a Predecessor Employer, or a Related Employer during the period of time that he is absent from work on an approved leave of absence pursuant to the Family and Medical Leave Act of 1993; provided, however, that Hours of Service shall not be credited to an Employee under this paragraph if the Employee fails to return to employment with an Employer or a Related Employer following such leave.

Unless otherwise specified in the Plan, for purposes of determining an Employee's Vesting Service, Hours of Service shall be credited for employment with a corporation or business prior to the date such corporation or business becomes a Related Employer as if such employment were employment with a Related Employer. If the corporation or business credited Vesting Service under the elapsed time method, such prior service will be calculated in accordance with the provisions of Section 2.10.

2.3 Hours of Service Equivalencies

Notwithstanding any other provision of the Plan to the contrary, if an Employer does not maintain records that accurately reflect actual Hours of Service with respect to a Covered

Employee, the Employer shall credit Hours of Service in accordance with one of the equivalencies described in this Section. In addition, the Administrator may elect for all Covered Employees or for Covered Employees in one or more different classifications (provided such classifications are reasonable), to credit Hours of Service in accordance with one of the equivalencies described in this Section. Hours of Service shall be credited hereunder in a consistent and nondiscriminatory manner.

In accordance with this Section, a Covered Employee may be credited with:

- (a) 10 Hours of Service for each day on which he performs an Hour of Service;
- (b) 45 Hours of Service for each week in which he performs an Hour of Service;
- (c) 95 Hours of Service for each semi-monthly payroll period in which he performs an Hour of Service; or
- (d) 190 Hours of Service for each month in which he performs an Hour of Service.

2.4 Limitations on Crediting of Hours of Service

In applying the provisions of Section 2.2(b), the following shall apply:

- (a) An hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed shall not be credited to him if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation, or disability insurance laws.
- (b) Hours of Service shall not be credited with respect to a payment which solely reimburses an Employee for medical or medically-related expenses incurred by him.
- (c) A payment shall be deemed to be made by or due from an Employer, a Predecessor Employer, or a Related Employer (i) regardless of whether such payment is made by or due from such employer directly or indirectly, through (among others) a trust fund or insurer to which any such employer contributes or pays premiums, and (ii) regardless of whether contributions made or due to such trust fund, insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.
- (d) No more than 501 Hours of Service shall be credited to an Employee on account of any single continuous period during which he performs no duties (whether or not such period occurs in a single "computation period"), unless no duties are

performed due to service with the armed forces of the United States for which the Employee retains reemployment rights as provided in Section 2.2(c).

2.5 Department of Labor Rules

The rules set forth in paragraphs (b) and (c) of Department of Labor Regulations Section 2530.200b-2, which relate to determining Hours of Service attributable to reasons other than the performance of duties and crediting Hours of Service to particular periods, are hereby incorporated into the Plan by reference.

2.6 Eligibility Service

Because there are no Eligibility Service requirements to participate in the Plan, there shall be no Eligibility Service credited under the Plan.

2.7 Years of Vesting Service

Years of Vesting Service shall be determined in accordance with the following provisions:

- (a) An Employee shall be credited with years of Vesting Service for employment prior to January 1, 2024 equal to the number of years of Vesting Service credited to him as of January 1, 2024, under the terms of the Plan in effect on that date.
- (b) An Employee shall be credited with years of Vesting Service for employment on and after [DATE] in accordance with the following:
 - (i) An Employee shall be credited with a year of Vesting Service for each "computation period" during which he completes at least 1,000 Hours of Service.
 - (ii) Notwithstanding the provisions of paragraph (a), service completed by an Employee prior to a Break in Service shall not be included in determining the Employee's years of Vesting Service unless either:
 - (A) the Employee had a nonforfeitable right to any portion of his Account, excluding that portion of his Account that is attributable to Rollover Contributions, before his Break in Service commenced, or
 - (B) the number of his consecutive Breaks in Service is fewer than the greater of five or the aggregate number of his years of Vesting Service before his Break in Service commenced.

2.8 Exclusion of Vesting Service Earned Following a Break for Determining Vested Interest in Prior Account

Notwithstanding any other provision of the Plan to the contrary, Vesting Service completed by an Employee after a Break in Service shall not be included in determining his vested interest in his Account attributable to employment prior to such Break in Service if the number of his consecutive Breaks in Service is 5 or more.

2.9 Crediting of Hours of Service with Respect to Short "Computation Periods"

The following provisions shall apply with respect to crediting Hours of Service with respect to any short "computation period":

- (a) For purposes of this Article, the following terms have the following meanings:
 - (i) An "old computation period" means any "computation period" that ends immediately prior to a change in the "computation period".
 - (ii) A "short computation period" means any "computation period" of fewer than 12-consecutive months.
- (b) Notwithstanding any other provision of the Plan to the contrary, no Employee shall incur a Break in Service for a short "computation period" solely because of such short "computation period".
- (c) For purposes of determining the years of Vesting Service to be credited to an Employee, a "computation period" shall not include the "short computation period", but if an Employee completes at least 1,000 Hours of Service in the 12-consecutive-month period beginning on the first day of the "short computation period", such Employee shall be credited with a year of Vesting Service for such 12-consecutive-month period.

2.10 Crediting of Service on Transfer or Amendment

Notwithstanding any other provision of the Plan to the contrary, if as a result of a Plan amendment or a transfer from employment covered under another qualified plan maintained by an Employer or a Related Employer, the service crediting method applicable to an Employee changes between the elapsed time method described in Treasury Regulations Section 1.410(a)-7 and the Hours of Service method described in Department of Labor Regulations Sections 2530.200 through 2530.203, an affected Employee shall be credited with Vesting Service hereunder as provided in Treasury Regulations Section 1.410(a)-7(f)(1).

ARTICLE III ELIGIBILITY

3.1 Eligibility

Each Employee who was an Eligible Employee immediately prior to January 1, 2024 shall continue to be an Eligible Employee on January 1, 2024.

Each other Employee shall become an Eligible Employee as of the date he becomes a Covered Employee.

3.2 Transfers of Employment

If an Employee is transferred directly from employment with an Employer or with a Related Employer in a capacity other than as a Covered Employee to employment as a Covered Employee, he shall become an Eligible Employee as of the later of the date he is so transferred or the date he would have become an Eligible Employee in accordance with the provisions of Section 3.1 if he had been a Covered Employee for his entire period of employment with the Employer or Related Employer.

3.3 Reemployment

If a person who terminated employment with an Employer and all Related Employers is reemployed as a Covered Employee and if he had been an Eligible Employee prior to his termination of employment, he shall again become an Eligible Employee on the date he is reemployed. If such person was not an Eligible Employee prior to his termination of employment, but had satisfied the requirements of Section 3.1 prior to such termination, he shall become an Eligible Employee as of the later of the date he is reemployed or the date he would have become an Eligible Employee in accordance with the provisions of Section 3.1 if he had continued employment as a Covered Employee. Otherwise, the eligibility of a person who terminated employment with an Employer and all Related Employers and who is reemployed by an Employer or a Related Employer to participate in the Plan shall be determined in accordance with Section 3.1 or 3.2.

3.4 Notification Concerning New Eligible Employees

Each Employer shall notify the Administrator as soon as practicable of Employees becoming Eligible Employees as of any date.

3.5 Effect and Duration

Upon becoming an Eligible Employee, a Covered Employee shall be entitled to make 401(k) Contributions to the Plan in accordance with the provisions of Article IV and receive allocations of Employer Contributions in accordance with the provisions of Article VI (provided he meets any applicable requirements thereunder) and shall be bound by all the terms and conditions of the Plan and the Trust Agreement. A person shall continue as an Eligible Employee eligible to make 401(k) Contributions to the Plan and to participate in allocations of Employer Contributions only so long as he continues employment as a Covered Employee.

ARTICLE IV 401(k) CONTRIBUTIONS

4.1 401(k) Contributions

Effective as of the date he becomes an Eligible Employee, each Eligible Employee may elect, in accordance with rules prescribed by the Administrator, to have 401(k) Contributions made to the Plan on his behalf by his Employer as hereinafter provided. An Eligible Employee's election shall include his authorization for his Employer to reduce his Compensation and to make 401(k) Contributions on his behalf. If an Eligible Employee who is not subject to the automatic contribution arrangement does not make a timely election to have 401(k) Contributions made to the Plan as of the date he first becomes eligible to participate, he shall be deemed to have elected a 0% reduction and may only change such deemed election pursuant to the provisions of this Article for amending reduction authorizations.

401(k) Contributions on behalf of an Eligible Employee shall commence as soon as administratively practicable on or after the date on which he first becomes eligible to participate.

4.2 Amount of 401(k) Contributions

The amount of 401(k) Contributions to be made each payroll period on behalf of an Eligible Employee by his Employer shall be a percentage, expressed in the increments prescribed by the Administrator, of the Eligible Employee's Compensation of not less than 1% nor more than 50%. In the event an Eligible Employee elects to have his Employer make 401(k) Contributions on his behalf, his Compensation shall be reduced for each payroll period by the percentage he elects to have contributed on his behalf to the Plan in accordance with the terms of his currently effective reduction authorization.

An Employer may allow an Eligible Employee to authorize a special reduction in that portion of his Compensation that is attributable to any Employer paid cash bonuses made for such Eligible Employee for the Plan Year in an amount up to 50% of such bonuses. The Employer may designate the bonuses for which the special reduction authorization is available; provided, however, that such designation shall be made on a uniform and non discriminatory basis.

Notwithstanding any other provision of the Plan to the contrary, if a person is no longer an Eligible Employee on the date a bonus would otherwise be paid, no 401(k) Contribution with respect to such bonus shall be made on his behalf, and the person shall receive payment of his full bonus, if any.

4.3 Roth 401(k) Contributions

An Eligible Employee may designate, in accordance with rules prescribed by the Administrator, that a portion or all (as permitted by the Administrator) of his 401(k) Contributions for each payroll period be treated as Roth 401(k) Contributions. Any such designation must be made before the Compensation to which the Participant's 401(k) Contribution relates becomes available to the Eligible Employee and shall remain in effect until the Eligible Employee amends his election as prescribed in this Article. Except as otherwise specifically provided in this Article, if an Eligible Employee does not affirmatively designate that his 401(k) Contributions are to be treated as Roth 401(k) Contributions, the Eligible Employee will be considered to have designated that his 401(k) Contributions shall be treated as Pre-Tax 401(k) Contributions.

Any Roth 401(k) Contributions made to the Plan on behalf of a Participant shall be allocated to a separate Sub-Account maintained with respect to such contributions. The Administrator shall maintain a record of the portion of a Participant's Roth 401(k) Contributions Sub-Account that is not taxable upon distribution from the Plan. Earnings, losses, and other credits and charges shall be allocated on a reasonable and consistent basis among a Participant's Roth 401(k) Contributions Sub-Account and his other Sub-Accounts under the Plan. No amounts other than Roth 401(k) Contributions and properly attributable earnings shall be credited to a Participant's Roth 401(k) Contributions Sub-Account. Notwithstanding the foregoing, Roth Rollover Contributions may be allocated to a Participant's Roth 401(k) Contributions Sub-Account.

Notwithstanding any other provision of the Plan to the contrary, any distribution from a Participant's Roth 401(k) Contributions Sub-Account made after the Participant's 5-taxable-year period of participation, as described in Code Section 402A(d)(2)(B), that is a qualified distribution under Code Section 402A(d)(2)(A), shall not be taxable to the Participant or his Beneficiary. Except as otherwise provided in Article V, the Participant's 5-taxable-year period of participation shall begin on January 1 of the taxable year in which the Participant first makes a Roth 401(k) Contribution to the Plan that is not distributed as an "excess deferral" or "excess contribution" (as those terms are defined in Section 7.1) and is not returned as a permissible withdrawal in accordance with the provisions of Code Section 414(w).

4.4 Catch-Up 401(k) Contributions

An Eligible Employee who is or will be age 50 or older by the end of the taxable year may make Catch-Up 401(k) Contributions to the Plan in excess of the limits otherwise applicable to 401(k) Contributions under the Plan, but not in excess of the dollar limit in effect under Code Section 414(v)(2)(B)(i) for the taxable year (\$5,500 for 2013). Otherwise applicable limits that do not apply to Catch-Up 401(k) Contributions include,

but are not limited to, the maximum dollar amount or percentage of Compensation designated by the Administrator, the Code Section 402(g) limit described in Article VII, and the Code Section 415 limit on annual additions described in Article VII.

If the maximum dollar amount or percentage of Compensation limit specified by the Administrator changes during the Plan Year, the applicable limit under Section 4.2 for purposes of determining Catch-Up 401(k) Contributions for an Eligible Employee for such Plan Year shall be the sum of the dollar amounts of the limits applicable to the Eligible Employee for each portion of the Plan Year.

Except as otherwise specifically provided in Article VII, an Eligible Employee's Catch-Up 401(k) Contributions shall be treated as Pre-Tax and/or Roth 401(k) Contributions in accordance with the Eligible Employee's election as in effect on the date the Compensation to which the Participant's Catch-Up 401(k) Contribution relates becomes available to the Eligible Employee.

4.5 Automatic Contribution Arrangement

Effective as of January 1, 2021, except as otherwise specifically provided in this Section, an Employer shall make automatic 401(k) Contributions on behalf of each of its Covered Employees, including a re-hired Employee, who becomes an Eligible Employee on or after January 1, 2021 and each of its Covered Employees who is already an Eligible Employee prior to that date and who does not have an affirmative election in effect on January 1, 2021 either to make zero 401(k) Contributions to the Plan or to make 401(k) Contributions in an amount greater than zero. An Employer will not make 401(k) Contributions in accordance with this Section on behalf of an Eligible Employee who has an affirmative election in effect on January 1, 2021, except as otherwise provided in this Section. The automatic contribution arrangement established hereunder is intended to operate as a qualified automatic contribution arrangement ("QACA") within the meaning of Code Section 401(k)(13).

Automatic 401(k) Contributions made pursuant to this Section on behalf of an Eligible Employee shall initially be equal to 3% of the Eligible Employee's Compensation. Compensation used for the purposes of determining an Eligible Employee's automatic 401(k) Contributions must be safe harbor compensation, as defined in Treasury Regulations Section 1.401(k)-3(b)(2).

The Compensation otherwise payable to an Eligible Employee to whom this Section applies shall be reduced by the amount of the 401(k) Contributions to be made on his behalf hereunder. 401(k) Contributions will be withheld from an Eligible Employee's Compensation pursuant to the automatic contribution provisions of this Section beginning no earlier than a reasonable period of time after the notice described in the following Section is first provided to the Eligible Employee and no later than the earlier of (1) the

pay date for the second payroll period beginning after the date such notice is provided or (2) the first pay date occurring at least 30 days after the notice is provided. Automatic 401(k) Contributions made in accordance with the provisions of this Section shall be Pre-Tax 401(k) Contributions.

An Eligible Employee who is subject to the automatic 401(k) Contribution provisions of this Section may make an affirmative election to either (a) make no 401(k) Contributions to the Plan or (b) make 401(k) Contributions in a specified amount different from the amount otherwise applicable to him under this automatic contribution arrangement. An Eligible Employee may also affirmatively elect that the 401(k) Contributions to be made on his behalf hereunder be treated as Roth 401(k) Contributions instead of Pre-Tax 401(k) Contributions. Notwithstanding any other provision of the Plan to the contrary, an Eligible Employee shall have a reasonable period following his receipt of the notice described in the following Section and before the first date 401(k) Contributions are withheld from his Compensation pursuant to this automatic contribution arrangement in which to make an affirmative election hereunder.

An Eligible Employee's affirmative election must be received by the Administrator within a reasonable period of time before the first date 401(k) Contributions are to be withheld from his Compensation pursuant to this automatic contribution arrangement in order for the election to be effective as of such date.

An Eligible Employee's affirmative election made in accordance with this Section, shall continue in effect until the Eligible Employee makes a subsequent election or the Eligible Employee's employment with the Employers and all Related Employers terminates, at which time any affirmative election is deemed to expire.

Notwithstanding any other provision of the Plan to the contrary, if an Eligible Employee's 401(k) Contributions are suspended because the Eligible Employee is on an unpaid leave of absence, any affirmative election made by the Eligible Employee prior to such suspension shall be re-instated at the end of the mandatory suspension period or upon his return to active employment, as applicable.

4.6 Notice of Automatic Contribution Arrangement

The Administrator shall provide each Eligible Employee who is or becomes eligible to participate in the Plan's automatic contribution arrangement a notice explaining the automatic reduction in his Compensation for purposes of making 401(k) Contributions (including the amount of such reduction), the Eligible Employee's right to affirmatively elect either a different reduction amount or no reduction, and the manner in which the Eligible Employee's 401(k) Contributions and QACA Safe Harbor Matching Contributions will be invested in the absence of an affirmative investment election by the Eligible Employee. The notice shall describe the procedures for affirmatively electing not

to make 401(k) Contributions or to make 401(k) Contributions in a different amount and the period in which such an election may be made.

The notice shall also include a comprehensive description of the Eligible Employee's other rights and obligations under the Plan, including, but not limited to, a description of the formula used for determining the amount of the QACA Safe Harbor Matching Contributions to be made on behalf of the Eligible Employee, the vesting provisions applicable to QACA Safe Harbor Matching Contributions and any other Employer Contributions under the Plan, and the Eligible Employee's withdrawal rights under the Plan. In lieu of such description, the notice may reference the provisions of the Plan's summary plan description, to the extent permitted by Treasury Regulations.

The notice shall be written in a manner calculated to be understood by the average Eligible Employee. The Employer shall provide such notice within one of the following periods, whichever is applicable:

- (a) for an Employee who is an Eligible Employee 90 days before the beginning of the Plan Year, within the period beginning 90 days and ending 30 days before the beginning of the Plan Year, or
- (b) for an Employee who becomes an Eligible Employee after that date, within the period beginning 90 days before the date he becomes an Eligible Employee and ending on the date such employee becomes an Eligible Employee; or
- (c) for an Employee who becomes an Eligible Employee after the date specified in paragraph (a) above and for whom it is not practicable to provide the notice before the date he becomes an Eligible Employee, as soon as practicable on or after the date he becomes an Eligible Employee, and before the pay date for the payroll period that includes the date he becomes an Eligible Employee.

An Eligible Employee shall have a reasonable period after receiving the notice described herein to make an election not to have automatic 401(k) Contributions made on his behalf or to make 401(k) Contributions in a different amount.

4.7 Automatic Escalation in 401(k) Contributions

At the end of each "default period", the amount of the automatic Pre-Tax 401(k) Contributions made on behalf of an Eligible Employee shall be adjusted as follows:

- (a) For the second "default period", the percentage of Compensation contributed on an Eligible Employee's behalf shall be equal to 4%.
- (b) For the third "default period", the percentage of Compensation contributed on an Eligible Employee's behalf shall be equal to 5%.

- (c) For the fourth "default period", the percentage of Compensation contributed on an Eligible Employee's behalf shall be equal to 6%.
- (d) For the fifth "default period", the percentage of Compensation contributed on an Eligible Employee's behalf shall be equal to 7%.
- (e) For the sixth "default period", the percentage of Compensation contributed on an Eligible Employee's behalf shall be equal to 8%.
- (f) For the seventh "default period", the percentage of Compensation contributed on an Eligible Employee's behalf shall be equal to 9%.
- (g) For the eighth "default period" and all subsequent payroll periods, the percentage of Compensation contributed on an Eligible Employee's behalf shall be equal to 10%.

The percentage of Compensation contributed on behalf of an Eligible Employee shall continue at the rate in effect for the final "default period" and shall not be adjusted thereafter, except as otherwise specifically provided in this Section. Compensation used for the purposes of determining an Eligible Employee's 401(k) Contributions for any "default period" must be safe harbor compensation, as defined in Treasury Regulations Section 1.401(k)-3(b)(2).

An Eligible Employee's initial "default period" begins on the date the first automatic Pre-Tax 401(k) Contributions is withheld from the Eligible Employee's Compensation pursuant to the provisions of the automatic contribution arrangement (the "contribution date") and ends on the day immediately preceding the first anniversary of the Eligible Employee's contribution date. Subsequent "default periods" are based on 12-consecutive-month periods beginning on each anniversary of such contribution date.

If no automatic 401(k) Contributions are made on an Eligible Employee's behalf for a full Plan Year, his initial "default period" will be re-determined for purposes of determining the default contribution percentage applicable to him, provided no automatic contributions are made for such period because:

the Eligible Employee ceases employment as a Covered Employee. If the Eligible Employee is reemployed as a Covered Employee after being absent for a full Plan Year, and automatic 401(k) Contributions commence to him, his contribution date shall be the date following such reemployment on which the first such contribution is withheld from his Compensation.

4.8 Contributions Limited to Effectively Available Compensation

Notwithstanding any other provision of the Plan or of an Eligible Employee's salary reduction authorization, in no event will 401(k) Contributions, including Catch-Up 401(k) Contributions, be made for a payroll period in excess of an Eligible Employee's "effectively available" Compensation or bonuses. Effectively available Compensation means the Compensation remaining after all other required amounts have been withheld, e.g., tax withholding, withholding for contributions to a cafeteria plan under Code Section 125, etc. Effectively available bonuses are the bonus amount remaining after all other required amounts have been withheld.

4.9 Amendments to Reduction Authorization

An Eligible Employee may elect, in the manner prescribed by the Administrator, to change the amount of his future Compensation that his Employer contributes on his behalf as 401(k) Contributions and/or to change his designation of all or a part of his 401(k) Contributions as Pre-Tax or Roth 401(k) Contributions. An Eligible Employee may amend his reduction authorization at such time or times during the Plan Year as the Administrator may prescribe by giving such number of days advance notice of his election as the Administrator may require. An Eligible Employee who amends his reduction authorization shall be limited to selecting an amount of his Compensation that is otherwise permitted under this Article IV. 401(k) Contributions shall be made on behalf of such Eligible Employee by his Employer pursuant to his properly amended reduction authorization commencing with Compensation paid to the Eligible Employee on or after the date such amendment is effective, until otherwise altered or terminated in accordance with the Plan.

4.10 Suspension of 401(k) Contributions

An Eligible Employee on whose behalf 401(k) Contributions are being made may elect, in the manner prescribed by the Administrator, to have such contributions suspended at any time by giving such number of days advance notice of his election as the Administrator may require. Any such voluntary suspension shall take effect commencing with Compensation paid to such Eligible Employee on or after the expiration of the required notice period and shall remain in effect until 401(k) Contributions are resumed as hereinafter set forth.

4.11 Resumption of 401(k) Contributions

An Eligible Employee who has voluntarily suspended his 401(k) Contributions may elect, in the manner prescribed by the Administrator, to have such contributions resumed. An Eligible Employee may make such election at such time or times during the Plan Year as

the Administrator may prescribe, by giving such number of days advance notice of his election as the Administrator may require.

4.12 Delivery of 401(k) Contributions

As soon after the date an amount would otherwise be paid to an Eligible Employee as it can reasonably be separated from Employer assets, each Employer shall cause to be delivered to the Trustee in cash all 401(k) Contributions attributable to such amounts. In no event shall an Employer deliver 401(k) Contributions to the Trustee on behalf of an Eligible Employee prior to the date the Eligible Employee performs the services with respect to which the 401(k) Contribution is being made, unless such pre-funding is to accommodate a bona fide administrative concern and is not for the principal purpose of accelerating deductions.

4.13 Vesting of 401(k) Contributions

A Participant's vested interest in his 401(k) Contributions Sub-Account, including his separate Roth 401(k) Contributions Sub-Account, shall be at all times 100%.

ARTICLE V AFTER-TAX AND ROLLOVER CONTRIBUTIONS

5.1 No After-Tax Contributions

There shall be no After-Tax Contributions made to the Plan and no After-Tax Contributions may be transferred to the Plan.

5.2 Rollover Contributions

Subject to any restrictions contained in this Article, a Covered Employee who is eligible to receive or receives an "eligible rollover distribution," within the meaning of Code Section 402(c)(4), or a distribution from an individual retirement account or annuity that is eligible for rollover to the Plan in accordance with the provisions of Code Section 408(d)(3) may elect to make a Rollover Contribution to the Plan. The Administrator shall require a Covered Employee to provide it with such information as it deems necessary or desirable to show that he is entitled to roll over such distribution to a qualified retirement plan. Certification by the Covered Employee making a Rollover Contribution shall be conclusive as to the eligibility for roll over into the Plan of the amount presented as a Rollover Contribution on the Covered Employee's behalf. A Covered Employee shall make a Rollover Contribution to the Plan by delivering or causing to be delivered to the Trustee the cash that constitutes the Rollover Contribution amount. The Administrator may use the procedures of Revenue Ruling 2014-9 to determine whether a potential Rollover Contribution is valid for this Plan and if it is later determined that the amount rolled over is invalid, to distribute the amount rolled over plus any attributable earnings to the Employee within a reasonable time after such determination.

A Covered Employee who makes a Rollover Contribution to the Plan before becoming an Eligible Employee in accordance with the provisions of Article III shall be treated as a Participant for purposes of his Rollover Contributions.

5.3 Direct Rollovers to Plan

The Plan will accept "eligible rollover distributions" that are rolled over directly to the Plan ("direct rollovers") from the following:

- a qualified plan described in Code Section 401(a) or 403(a), including amounts attributable to after-tax employee contributions and designated Roth contributions, as described in Code Section 402A.

an annuity contract described in Code Section 403(b), including amounts attributable to after-tax employee contributions and designated Roth contributions, as described in Code Section 402A.

an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, including amounts attributable to designated Roth contributions, as described in Code Section 402A.

an individual retirement account or annuity described in Code Section 408(a) or 408(b), excluding amounts attributable to designated Roth contributions, as described in Code Section 402A, and after-tax employee contributions.

5.4 Participant Rollovers to Plan

The Plan will accept "eligible rollover distributions" that are first distributed to a Covered Employee ("participant rollovers") from the following:

a qualified plan described in Code Section 401(a) or 403(a), excluding amounts attributable to designated Roth contributions, as described in Code Section 402A, or after-tax employee contributions.

an annuity contract described in Code Section 403(b), excluding amounts attributable to designated Roth contributions, as described in Code Section 402A, or after-tax employee contributions.

an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, excluding amounts attributable to designated Roth contributions, as described in Code Section 402A.

an individual retirement account or annuity described in Code Section 408(a) or 408(b), excluding amounts attributable to designated Roth contributions, as described in Code Section 402A, and after-tax employee contributions.

A Covered Employee who received a distribution that he is rolling over to the Plan, must deliver the cash constituting his Rollover Contribution to the Trustee within 60 days of receipt, unless otherwise permitted by applicable guidance, of the eligible rollover distribution. Such delivery must be made in the manner prescribed by the Administrator.

5.5 Restrictions on Rollover Contributions

Rollover Contributions to the Plan are subject to the following:

the Plan shall not accept a Rollover Contribution of any promissory note attributable to a plan loan.

a participant rollover may not include designated Roth contributions, as described in Code Section 402A, or after-tax employee contributions.

5.6 Treatment of After-Tax Contributions that are Rolled Over to the Plan

If a Covered Employee elects to roll over amounts attributable to after-tax employee contributions, the Trustee shall account for such amounts separately from other Rollover Contributions and shall maintain accounts reflecting that portion of the Covered Employee's after-tax Rollover Contribution that is includible in gross income and that portion that is not includible in gross income. For purposes of withdrawals under Article XIII, a Participant's after-tax Rollover Contributions Sub-Account shall be subject to the provisions of the Plan applicable to Rollover Contributions rather than the provisions applicable to After-Tax Contributions, if any.

5.7 Treatment of Designated Roth Contributions that are Rolled Over to the Plan

If a Covered Employee elects to roll over amounts attributable to designated Roth contributions, as described in Code Section 402A, the Trustee shall account for such amounts separately from other Rollover Contributions. If the Plan accepts a direct rollover attributable to designated Roth contributions, the Trustee and the Administrator shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Covered Employee's basis in the rolled over amounts and (ii) the date on which the Covered Employee's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of designated Roth contributions) started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Covered Employee's 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Rollover Contribution.

A Participant's Roth Rollover Contributions Sub-Account shall be subject to the provisions of the Plan applicable to Roth 401(k) Contributions rather than the provisions applicable to Rollover Contributions.

5.8 Vesting of Rollover Contributions

A Participant's vested interest in his Rollover Contributions Sub-Account, including his after-tax Rollover Contributions Sub-Account and his Roth Rollover Contributions Sub-Account, shall be at all times 100%.

ARTICLE VI EMPLOYER CONTRIBUTIONS

6.1 Contribution Period

The Contribution Periods for Employer Contributions shall be as follows:

- (a) The Contribution Period for Qualified Nonelective Contributions under the Plan is each Plan Year.
- (b) The Contribution Period for QACA Safe Harbor Matching Contributions is each payroll period.

A Participant is treated as benefiting under the Plan for any Plan Year during which the Participant received or is deemed to receive an allocation in accordance with Regulations Section 1.410(b)-3(a).

6.2 Qualified Nonelective Contributions

Each Employer may, in its discretion, make a Qualified Nonelective Contribution to the Plan for the Contribution Period in an amount determined by the Employer.

6.3 Allocation of Qualified Nonelective Contributions

Any Qualified Nonelective Contribution made by an Employer for a Contribution Period shall be allocated among those Eligible Employees during the Contribution Period who (i) have met the allocation requirements for Qualified Nonelective Contributions described in this Article, (ii) are not Highly Compensated Employees for the Contribution Period, and (iii) are designated by the Administrator. The allocable share of each such Eligible Employee shall be a percentage, which need not be uniform with respect to each such Eligible Employee, of his "test compensation" (as defined in Section 7.1) for the Contribution Period. In no event shall the allocable share of an Eligible Employee in the Qualified Nonelective Contribution exceed the "QNEC limit" described below.

For purposes of this Article, the "QNEC limit" means the product of the Eligible Employee's "test compensation" for the Plan Year multiplied by the greater of 5% or 2 times the Plan's "representative contribution rate".

The Plan's "representative contribution rate" is the lowest "applicable contribution rate" of any Eligible Employee who is not a Highly Compensated Employee for the Plan Year in either (i) the group consisting of half of all Eligible Employees who are not Highly Compensated Employees for the Plan Year or (ii) the group of all Eligible Employees who are not Highly Compensated Employees for the Plan Year and who are employed by the Employer or a Related Employer on the last day of the Plan Year, whichever results in the greater amount.

6.4 Amount and Allocation of QACA Safe Harbor Matching Contributions

Each Employer shall make a QACA Safe Harbor Matching Contribution on behalf of each of its Eligible Employees during the Contribution Period who has made 401(k) Contributions for such Contribution Period. The amount of the QACA Safe Harbor Matching Contribution shall be equal to:

- (a) 100% of the first 1% of the Eligible Employee's Compensation that he contributes to the Plan as 401(k) Contributions plus
- (b) 50% of the next 6% of the Eligible Employee's Compensation that he contributes to the Plan as 401(k) Contributions.

Notwithstanding any other provision of the Plan to the contrary, Compensation earned by an Eligible Employee during the Contribution Period, but prior to the date on which the Employee first became an Eligible Employee shall be excluded in determining the amount of the QACA Safe Harbor Matching Contribution made on behalf of such Eligible Employee.

6.5 Verification of Amount of Employer Contributions by the Administrator

The Administrator shall verify the amount of Employer Contributions to be made by each Employer in accordance with the provisions of the Plan. Notwithstanding any other provision of the Plan to the contrary, the Administrator shall determine the portion of the Employer Contribution to be made by each Employer with respect to a Covered Employee who transfers from employment with one Employer as a Covered Employee to employment with another Employer as a Covered Employee.

6.6 Payment of Employer Contributions

Employer Contributions made for a Contribution Period shall be paid in cash to the Trustee within the period of time required under the Code in order for the contribution to be deductible by the Employer in determining its Federal income taxes for the Plan Year. In no event, however, shall the QACA Safe Harbor Matching Contribution with respect to 401(k) Contributions made during a Plan Year quarter be contributed later than the last day of the immediately following Plan Year quarter.

In no event shall an Employer deliver Matching Contributions to the Trustee on behalf of an Eligible Employee prior to the date the Eligible Employee performs the services with respect to which the Matching Contribution is being made unless such pre-funding is to accommodate a bona fide administrative concern and is not for the principal purpose of accelerating deductions.

6.7 Allocation Requirements for Employer Contributions

An Eligible Employee shall be eligible to receive an allocation of Employer Contributions under this Article only if he satisfies any requirements specified in the applicable contribution Section and also meets the requirements of this Section.

- (a) A person who was an Eligible Employee at any time during a Contribution Period shall be eligible to receive an allocation of Qualified Nonelective Contributions for such Contribution Period.
- (b) A person who was an Eligible Employee at any time during a Contribution Period shall be eligible to receive an allocation of QACA Safe Harbor Matching Contributions for such Contribution Period.

6.8 Vesting of Employer Contributions

A Participant's vested interest in his Qualified Nonelective Contributions and Prior Nonelective Contributions Sub-Accounts shall be at all times 100%.

A Participant's vested interest in his QACA Safe Harbor Matching Contributions Sub-Account shall be 0% until the Participant has completed 2 years of Vesting Service at which time his vested interest in his QACA Safe Harbor Matching Contributions Sub-Account shall be 100%.

A Participant's vested interest in his Prior Matching Contributions Sub-Account shall be determined in accordance with the following schedule, as applicable:

- (a) If the Participant either (i) completed at least one Hour of Service prior to January 1, 2000 or (ii) first completed an Hour of Service with Nordstrom Direct, Inc. after December 31, 2002, his vested interest in his Prior Matching Contributions Sub-Account shall be 100%.
- (b) If the Participant is not described in (a) above, his vested interest in his Prior Matching Contributions Sub-Account shall be determined under the following schedule:

Years of Service	Vested Interest
Less than 1 year	0%
1 year	33%
2 years	67%
3 or more years	100%

6.9 100% Vesting Events

Notwithstanding any other provision of the Plan to the contrary, if a Participant is employed by an Employer or a Related Employer on his Normal Retirement Date, the date he becomes Disabled, or the date he dies, his vested interest in his full Employer Contributions Sub-Account shall be 100%, without regard to the number of his years of Vesting Service.

For purposes of determining whether a Participant is 100% vested under this Section, a Participant who is absent from employment as an Employee because of military service and who dies while performing qualified military service (as described in the Uniformed Services Employment and Reemployment Rights Act of 1994) shall be treated as having returned to employment with an Employer or a Related Employer immediately prior to his death and as having died while employed by an Employer or a Related Employer.

6.10 Changes to Vesting Schedule

If there is a direct or indirect amendment to one or more of the vesting schedules applicable to a Participant's Employer Contributions Sub-Account that affects the computation of a Participant's vested interest in his Employer Contributions Sub-Account, the following special rules shall apply:

- (a) In no event shall a Participant's vested interest in his Employer Contributions Sub-Account accrued as of the later of (i) the effective date of such amendment or (ii) the date such amendment is adopted, be less than his vested interest in his Employer Contributions Sub-Account immediately prior to such date.
- (b) In no event shall a Participant's vested interest in his Employer Contributions Sub-Account accrued as of the later of (i) the effective date of such amendment or (ii) the date such amendment is adopted, be determined on and after the effective date of such amendment under a vesting schedule that is more restrictive than the vesting schedule applicable to such Employer Contributions Sub-Account immediately prior to the effective date of such amendment.
- (c) Any Participant with 3 or more years of Vesting Service shall have a right to have his vested interest in his Employer Contributions Sub-Account (including amounts accrued following the effective date of such amendment) continue to be determined under the vesting provisions in effect prior to the amendment rather than under the new vesting provisions, unless the vested interest of the Participant in his Employer Contributions Sub-Account under the Plan as amended is not at any time less than such vested interest determined without regard to the amendment. A Participant shall exercise his right under this Section by giving written notice of his exercise thereof to the Administrator within 60 days after the

latest of (i) the date he receives notice of the amendment from the Administrator, (ii) the effective date of the amendment, or (iii) the date the amendment is adopted.

6.11 Forfeitures to Reduce Employer Contributions

Notwithstanding any other provision of the Plan to the contrary, the amount of the Employer Contribution required under this Article for a Plan Year shall be reduced by the amount of any forfeitures occurring during the Plan Year or any prior Plan Year that are applied against Employer Contributions as provided in Article VII or XIV, as applicable.

ARTICLE VII
LIMITATIONS ON CONTRIBUTIONS

7.1 Special Definitions

For purposes of this Article, the following terms have the following meanings:

The " **annual addition** " with respect to a Participant for a "limitation year" means the sum of the following amounts credited to the Participant's account(s) for the "limitation year":

- (a) all employer contributions credited to the Participant's account for the "limitation year" under any qualified defined contribution plan maintained by an Employer or a Related Employer, including "elective contributions" (other than "elective contributions" to an eligible deferred compensation plan under Code Section 457) and amounts attributable to forfeitures applied to reduce the employer's contribution obligation, but excluding "catch-up contributions".
- (b) all "employee contributions" credited to the Participant's account for the "limitation year" under any qualified defined contribution plan maintained by an Employer or a Related Employer or any qualified defined benefit plan maintained by an Employer or a Related Employer if either separate accounts are maintained under the defined benefit plan with respect to such employee contributions or such contributions are mandatory employee contributions within the meaning of Code Section 411(c)(2)(C) (without regard to whether the plan is subject to the provisions of Code Section 411).
- (c) all forfeitures credited to the Participant's account for the "limitation year" under any qualified defined contribution plan maintained by the Employer or a Related Employer.
- (d) all amounts credited for the "limitation year" to an individual medical benefit account, as described in Code Section 415(l)(2), established for the Participant as part of a pension or annuity plan maintained by the Employer or a Related Employer.
- (e) if the Participant is a key employee, as defined in Code Section 419A(d)(3), all amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after that date, that are attributable to post-retirement medical benefits credited for the "limitation year" to the Participant's separate account under a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer or a Related Employer.

(f) all amounts credited to the Participant for the "limitation year" under a simplified employee pension.

Notwithstanding the foregoing, any restorative payment made to a plan by an Employer or a Related Employer to make up for losses to the plan resulting from the action or non-action of a fiduciary for which there is a reasonable risk of liability for a breach of fiduciary duty under ERISA or other applicable federal or state law shall not be treated as an annual addition provided that similarly situated participants are treated similarly with respect to the restorative payment. All qualified plans maintained by the Employer must use the same "limitation year".

Except as otherwise specifically provided below, an amount will be treated as credited to a Participant's account for a "limitation year" if such amount is both (1) allocated to the Participant's account as of a date within such "limitation year" (provided that if allocation of an amount is contingent upon the satisfaction of a future condition, such amount shall not be treated as allocated for purposes of determining "annual additions" for a "limitation year" until the date all such conditions are satisfied) and (2) actually contributed to the account within the applicable period described herein. If contributions are made after the end of the applicable period, they shall be treated as credited to the Participant's account for the "limitation year" in which they are made. The applicable period for making "employee contributions" is within 30 days of the close of the "limitation year." The applicable period for making employer contributions is: (i) for contributions by a taxable entity, within 30 days of the close of the period described in Code Section 404(a)(6), as applicable to the entity's taxable year with or within which the "limitation year" ends; or (ii) for contributions by a non-taxable entity (including a governmental employer) within 15 days of the last day of the 10th calendar month following the end of the calendar year or fiscal year (as applicable, based on how the entity maintains its books) with or within which the "limitation year" ends.

Forfeitures re-allocated to a Participant's account are treated as credited to the Participant's account for the "limitation year" in which they are allocated to such account. Corrective contributions and contributions required by reason of qualified military service (as defined in Code Section 414(u)) are treated as "annual additions" for the "limitation year" to which they relate, rather than the "limitation year" in which they are made.

A " **catch-up contribution** " means any elective deferral, as defined in Code Section 414(v)(2)(C), that is treated as a catch-up contribution in accordance with the provisions of Code Section 414(v).

The " **contribution percentage** " with respect to an "eligible participant" for a particular Plan Year means the ratio of the sum of the included contributions, described below, to the "eligible participant's" "test compensation" for such Plan Year. Contributions made

on behalf of an "eligible participant" for the Plan Year that are used in computing the "eligible participant's" "contribution percentage" include the following:

Matching Contributions, except as specifically provided below.

as directed by the Administrator, Qualified Nonelective Contributions.

Notwithstanding the foregoing, the following Matching Contributions are not included in computing an "eligible participant's" "contribution percentage" for a Plan Year:

Matching Contributions that are forfeited because they relate to 401(k) Contributions that are distributed as "excess contributions", "excess deferrals", or because they exceed the Code Section 402(g) limit.

contributions to the Plan made pursuant to Code Section 414(u) that are treated as Matching Contributions.

Notwithstanding the foregoing, the following special rules apply for any Plan Year in which the ADP test is deemed satisfied, as provided in this Article:

- (a) 401(k) Contributions with respect to which the ADP test is deemed satisfied shall not be used in computing an "eligible participant's" "contribution percentage" for such Plan Year.
- (b) If the ACP test applicable to Matching Contributions under Code Section 401(m) is also deemed satisfied for the Plan Year with respect to all or some Matching Contributions, as provided in this Article, the Administrator may elect to exclude those Matching Contributions made on an "eligible participant's" behalf for the Plan Year with respect to which the ACP test is deemed satisfied in computing the "eligible participant's" "contribution percentage" for such Plan Year.
- (c) If the ADP test is deemed satisfied using QACA Safe Harbor Matching Contributions, but the ACP test is not deemed satisfied with respect to some or all Matching Contributions for the Plan Year, the Administrator may elect to exclude Matching Contributions made on an "eligible participant's" behalf for the Plan Year in an amount up to 3.5% of the "eligible participant's" "test compensation" for the Plan Year in computing the "eligible participant's" "contribution percentage" for such Plan Year.

To be included in computing an "eligible participant's" "contribution percentage" for a Plan Year, contributions must be allocated to the "eligible participant's" Account as of a date within such Plan Year and must be made to the Plan before the end of the 12-month period immediately following the Plan Year to which the contributions relate. For Plan Years in which the prior year testing method is used in applying the nondiscrimination

requirements applicable to Matching Contributions, contributions used in computing the "contribution percentage" for the "testing year" of a non-Highly Compensated Employee must be made before the last day of the Plan Year for which the test is being applied.

If an Employer elects to change from the current year testing method to the prior year testing method, the following shall not be included in computing a non-Highly Compensated Employee's "contribution percentage" for the Plan Year immediately preceding the Plan Year in which the prior year testing method is first effective:

401(k) Contributions that were included in computing the "eligible participant's" "contribution percentage" under the current year method for such immediately preceding Plan Year.

Qualified Nonelective Contributions that were included in computing the "eligible participant's" "contribution percentage" under the current year method for such immediately preceding Plan Year.

The determination of an "eligible participant's" "contribution percentage" shall be made after any reduction required to satisfy the Code Section 415 limitations is made as provided in this Article VII and shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

An "**elective contribution**" means any employer contribution made to a plan maintained by an Employer or a Related Employer on behalf of a Participant in lieu of cash compensation pursuant to his election (whether such election is an active election or a passive election) to defer under any qualified CODA as described in Code Section 401(k), any simplified employee pension cash or deferred arrangement as described in Code Section 402(h)(1)(B), or any plan as described in Code Section 501(c)(18), and any contribution made on behalf of the Participant by an Employer or a Related Employer for the purchase of an annuity contract under Code Section 403(b) pursuant to a salary reduction agreement. For purposes of applying the limitations described in this Article VII, the term "elective contribution" includes designated Roth contributions and excludes "catch-up contributions".

An "**elective 401(k) contribution**" means any employer contribution made to a plan maintained by an Employer or a Related Employer on behalf of a Participant in lieu of cash compensation pursuant to his election (whether such election is an active election or a passive election) to defer under any qualified CODA as described in Code Section 401(k) including a designated Roth contribution. For purposes of applying the limitations described in this Article VII, the term "elective 401(k) contribution" excludes "catch-up contributions".

An " **eligible participant** " means any Eligible Employee who is eligible to have 401(k) Contributions made on his behalf (if 401(k) Contributions are taken into account in determining "contribution percentages"), or to participate in the allocation of Matching Contributions.

Notwithstanding the foregoing, Eligible Employees who are covered by a collective bargaining agreement between their Employer and employee representatives shall not be included as "eligible participants" if retirement benefits were the subject of good faith bargaining.

An " **employee contribution** " means any employee after-tax contribution allocated to an Eligible Employee's account under any qualified plan of an Employer or a Related Employer.

An " **excess aggregate contribution** " means any contribution made to the Plan on behalf of a Highly Compensated Employee that exceeds the limitations described in Section 7.4.

An " **excess deferral** " with respect to a Participant means that portion of a Participant's 401(k) Contributions, excluding Catch-Up 401(k) Contributions, for his taxable year that, when added to amounts deferred for such taxable year under other plans or arrangements described in Code Section 401(k), 408(k), or 403(b) (other than any such plan or arrangement that is maintained by an Employer or a Related Employer and excluding any "catch-up contributions"), would exceed the dollar limit imposed under Code Section 402(g) as in effect on January 1 of the calendar year in which such taxable year begins and is includible in the Participant's gross income under Code Section 402(g).

The " **415 compensation** " of a Participant for any "limitation year" means his wages, salaries, fees for professional service, and all other amounts received for personal services actually rendered in the course of employment with an Employer or a Related Employer paid to him for such "limitation year", but excluding (i) contributions (other than elective contributions described in Code Section 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) made on behalf of the Participant by an Employer or a Related Employer to a plan of deferred compensation (including a simplified employee pension described in Code Section 408(k) or a simple retirement account described in Code Section 408(p)), whether or not qualified, to the extent that, before application of the limitations of Code Section 415 to such plan, the contributions are not includible in the gross income of the Participant for the taxable year in which contributed, (ii) any distributions from a plan of deferred compensation, whether or not qualified, (except amounts received pursuant to an unfunded non-qualified plan in the year such amounts are includible in the gross income of the Participant), (iii) amounts realized from the exercise of a non-qualified option or when restricted stock or other property held by the Participant either becomes freely transferable or is no longer subject to substantial risk of forfeiture, (iv) amounts received from the sale, exchange or other disposition of stock

acquired under a qualified stock option, (v) any other amounts that receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are not includible in the gross income of the Participant and are not salary reduction amounts that are described in Code Section 125), and (vi) other items that are similar to the items listed in (i) through (v) above.

"415 compensation" includes any eligible amount that would have been received and included in the Participant's taxable gross income but for his election (or deemed election) under Code Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).

Notwithstanding any other provision of the Plan to the contrary, if a Participant is absent from employment as a Covered Employee to perform service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code), his "415 compensation" will include any "military differential pay", as defined hereunder, he receives or is entitled to receive from his Employer. For purposes of this paragraph, "military differential pay" means any payment made to the Participant by the Employer after December 31, 2008, with respect to a period during which the Participant is performing service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code) while on active duty for a period of more than 30 days that represents all or a portion of the wages the Participant would have received if he had continued employment with the Employer as an Employee.

If a Participant has a severance from employment (as defined in Treasury Regulations Section 1.415(a)-1(f)(5)) with the Employer and all Related Employers, "415 compensation" does not include amounts received by the Participant following such severance from employment except amounts paid before the later of (a) the close of the "limitation year" in which the Participant's severance from employment occurs or (b) within 2 ½ months of such severance if such amounts:

would otherwise have been paid to the Participant in the course of his employment, are regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or shift differential pay), commissions, bonuses, or other similar compensation, and would have been included in the Participant's "415 compensation" if he had continued in employment.

For purposes of this subsection, a Participant will not be considered to have incurred a severance from employment if his new employer continues to maintain the plan with respect to such Participant.

To be included in a Participant's "415 compensation" for a particular "limitation year", an amount must have been received by the Participant (or would have been received, but for

the Participant's election (or deemed election) under Code Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b)) within such "limitation year".

Notwithstanding the foregoing, amounts earned during a particular "limitation year", that are not paid until the subsequent "limitation year" because of the timing of pay periods and pay dates, are included in "415 compensation" for the "limitation year" in which they were earned if (1) the amounts are paid within the first few weeks of the next "limitation year", (2) are included on a uniform and consistent basis with respect to similarly-situated employees, and (3) are not also included as "415 compensation" in the subsequent "limitation year".

In no event, however, shall the "415 compensation" of a Participant taken into account under the Plan for any "limitation year" exceed the limit in effect under Code Section 401(a)(17) (\$255,000 for "limitation years" beginning in 2013, subject to adjustment annually as provided in Code Sections 401(a)(17)(B) and 415(d); provided, however, that the dollar increase in effect on January 1 of any calendar year, if any, is effective for "limitation years" beginning in such calendar year). If the "415 compensation" of a Participant is determined over a period of time that contains fewer than 12 calendar months, then the annual compensation limitation described above shall be adjusted with respect to that Participant by multiplying the annual compensation limitation in effect for the Plan Year by a fraction the numerator of which is the number of full months in the period and the denominator of which is 12; provided, however, that no proration is required for a Participant who is covered under the Plan for fewer than 12 months.

A " **limitation year** " means the Plan Year.

A " **matching contribution** " means any employer contribution allocated to an Eligible Employee's account under any plan of an Employer or a Related Employer solely on account of "elective contributions" made on his behalf or "employee contributions" made by him.

A " **qualified matching contribution** " means any employer contribution allocated to an Eligible Employee's account under any plan of an Employer or a Related Employer solely on account of "elective contributions" made on his behalf or "employee contributions" made by him that is a qualified matching contribution as defined in regulations issued under Code Section 401(k), is nonforfeitable when made, and is distributable only as permitted in regulations issued under Code Section 401(k).

A " **qualified nonelective contribution** " means any employer contribution allocated to an Eligible Employee's account under any plan of an Employer or a Related Employer that the Participant could not elect instead to receive in cash until distributed from the Plan, that is a qualified nonelective contribution as defined in Code Sections 401(k) and 401(m) and regulations issued thereunder, is nonforfeitable when made, and is

distributable (other than for hardships) only as permitted in regulations issued under Code Section 401(k).

The "**test compensation**" of an Eligible Employee or "eligible participant" for any Plan Year means any definition of compensation designated by the Administrator that satisfies the requirements of Code Section 414(s). The Administrator may exclude from "test compensation" amounts earned by an individual during a Plan Year, but while the individual was not an Eligible Employee or "eligible participant" provided such exclusion is applied on a uniform and consistent basis with respect to similarly situated employees.

In no event, however, shall the "test compensation" of an Eligible Employee or "eligible participant" taken into account under the Plan for any Plan Year exceed the limit in effect under Code Section 401(a)(17) (\$250,000 for Plan Years beginning in 2012, subject to adjustment annually as provided in Code Sections 401(a)(17)(B) and 415(d); provided, however, that the dollar increase in effect on January 1 of any calendar year, if any, is effective for Plan Years beginning in such calendar year). If the "test compensation" of an Eligible Employee or "eligible participant" is determined over a period of time that contains fewer than 12 calendar months, then the annual compensation limitation described above shall be adjusted with respect to that Eligible Employee or "eligible participant" by multiplying the annual compensation limitation in effect for the Plan Year by a fraction the numerator of which is the number of full months in the period and the denominator of which is 12; provided, however, that no proration is required for an Eligible Employee or "eligible participant" who is covered under the Plan for less than one full Plan Year if either (i) the individual becomes an Eligible Employee or "eligible participant" part way through the Plan Year and "test compensation" prior to becoming an Eligible Employee or "eligible participant" is excluded or (ii) the formula for allocations is based on "test compensation" for a period of at least 12 months.

The "**testing year**" under the current year testing method means the Plan Year for which the limitations on "contribution percentages" of Highly Compensated Employees are being determined. An Employer that has elected the current year testing method can change its election and elect the prior year testing method for a subsequent Plan Year only if either (1) the Plan has used the current year testing method for each of the preceding 5 Plan Years (or, if fewer, the number of Plan Years the Plan has been in existence) or (2) as a result of a merger or acquisition described in Code Section 410(b)(6)(C)(i), the Employer maintains both a plan using the prior year testing method and a plan using the current year testing method and the change is made within the transition period described in Code Section 410(b)(6)(C)(ii).

7.2 Code Section 402(g) Limit

In no event shall the amount of the 401(k) Contributions, excluding Catch-Up 401(k) Contributions, made on behalf of an Eligible Employee for his taxable year, when

aggregated with any "elective contributions" made on behalf of the Eligible Employee under any other plan of an Employer or a Related Employer for his taxable year, exceed the dollar limit imposed under Code Section 402(g), as in effect on January 1 of the calendar year in which such taxable year begins. In the event that the Administrator determines that the reduction percentage elected by an Eligible Employee will result in his exceeding the Code Section 402(g) limit, the Administrator may adjust the reduction authorization of such Eligible Employee by reducing the percentage of his 401(k) Contributions to such smaller percentage that will result in the Code Section 402(g) limit not being exceeded. If the Administrator determines that the 401(k) Contributions made on behalf of an Eligible Employee would exceed the Code Section 402(g) limit for his taxable year, the 401(k) Contributions for such Participant shall be automatically suspended for the remainder, if any, of such taxable year.

If an Employer notifies the Administrator that the Code Section 402(g) limit has nevertheless been exceeded by an Eligible Employee for his taxable year, the 401(k) Contributions that, when aggregated with "elective contributions" made on behalf of the Eligible Employee under any other plan of an Employer or a Related Employer, would exceed the Code Section 402(g) limit, plus any income and minus any losses attributable thereto, shall be either re-characterized as Catch-Up 401(k) Contributions or distributed to the Eligible Employee no later than the April 15 immediately following such taxable year. If an Eligible Employee has made both Pre-Tax and Roth 401(k) Contributions for the year, the excess shall be deemed to consist first of Pre-Tax 401(k) Contributions made on behalf of the Eligible Employee; provided, however, that if the Eligible Employee is eligible to make Catch-Up Contributions for the year, the excess to be re-characterized as Catch-Up Contributions shall be deemed to consist first of excess Roth 401(k) Contributions.

If excess 401(k) Contributions are distributed to a Participant in accordance with this Section, Matching Contributions that are attributable solely to the distributed 401(k) Contributions, plus any income and minus any losses attributable thereto, shall be forfeited by the Participant no earlier than the date on which distribution of 401(k) Contributions pursuant to this Section occurs and no later than the last day of the Plan Year following the Plan Year for which the Matching Contributions were made.

7.3 Distribution of "Excess Deferrals"

Notwithstanding any other provision of the Plan to the contrary, if a Participant notifies the Administrator in writing (or in any other form acceptable to the Administrator) no later than the March 1 following the close of the Participant's taxable year that "excess deferrals" have been made on his behalf under the Plan for such taxable year, the "excess deferrals", plus any income and minus any losses attributable thereto, shall be distributed to the Participant no later than the April 15 immediately following such taxable year. If the Participant made both Pre-Tax and Roth 401(k) Contributions for the year, the

Participant's notice must also designate whether the "excess deferrals" are Pre-Tax and/or Roth 401(k) Contributions. If the Participant makes no designation, the Administrator shall not distribute "excess deferrals" from the Plan.

If 401(k) Contributions are distributed to a Participant in accordance with this Section, Matching Contributions that are attributable solely to the distributed 401(k) Contributions, plus any income and minus any losses attributable thereto, shall be forfeited by the Participant no earlier than the date on which distribution of 401(k) Contributions pursuant to this Section occurs and no later than the last day of the Plan Year following the Plan Year for which the Matching Contributions were made.

7.4 Limitation on Contributions of Highly Compensated Employees – ACP Test

Notwithstanding any other provision of the Plan to the contrary, the Matching Contributions made with respect to a Plan Year on behalf of "eligible participants" who are Highly Compensated Employees may not result in an average "contribution percentage" for such "eligible participants" that exceeds the greater of:

- (a) a percentage that is equal to 125% of the average "contribution percentage" for all other "eligible participants" for the "testing year"; or
- (b) a percentage that is not more than 200% of the average "contribution percentage" for all other "eligible participants" for the "testing year" and that is not more than 2 percentage points higher than the average "contribution percentage" for all other "eligible participants" for the "testing year",

unless the "excess aggregate contributions", determined as provided in the following Section are distributed as provided in Section 7.5.

If the Plan provides that Employees are eligible to receive Matching Contributions before they have satisfied the minimum age and service requirements under Code Section 410(a)(1)(A) and applies Code Section 410(b)(4)(B) in determining whether the portion of the Plan subject to Code Section 401(m) meets the requirements of Code Section 410(b)(1), the Administrator may apply the limitations described above either:

- (c) by comparing the average "contribution percentage" of all "eligible participants" who are Highly Compensated Employees for the Plan Year to the average "contribution percentage" for the "testing year" of all other "eligible participants" who have satisfied the minimum age and service requirements under Code Section 410(a)(1)(A); or
- (d) separately with respect to "eligible participants" who have not satisfied the minimum age and service requirements under Code Section 410(a)(1)(A) and

"eligible participants" who have satisfied such minimum age and service requirements.

In determining the "contribution percentage" for any "eligible participant" who is a Highly Compensated Employee for the Plan Year, "matching contributions", "employee contributions", "qualified nonelective contributions", and "elective 401(k) contributions" (to the extent that "qualified nonelective contributions" and "elective 401(k) contributions" are taken into account in determining "contribution percentages") made to his accounts under any plan of an Employer or a Related Employer that is not mandatorily disaggregated pursuant to Treasury Regulations Section 1.410(b)-7(c), as modified by Section 1.401(m)-1(b)(4) (without regard to the prohibition on aggregating plans with inconsistent testing methods contained in Section 1.401(m)-1(b)(4)(iii)(B) and the prohibition on aggregating plans with different plan years contained in Section 1.410(b)-7(d)(5)), shall be treated as if all such contributions were made to the Plan; provided, however, that if such a plan has a plan year different from the Plan Year, any such contributions made to the Highly Compensated Employee's accounts under the other plan during the Plan Year shall be treated as if such contributions were made to the Plan.

If one or more plans of an Employer or a Related Employer are aggregated with the Plan for purposes of satisfying the requirements of Code Section 401(a)(4) or 410(b), the "contribution percentages" under the Plan shall be calculated as if the Plan and such one or more other plans were a single plan. Pursuant to Treasury Regulations Section 1.401(m)-1(b)(4)(v), an Employer may elect to calculate "contribution percentages" aggregating ESOP and non-ESOP plans. In addition, an Employer may elect to calculate "contribution percentages" aggregating bargained plans maintained for different bargaining units, provided that such aggregation is done on a reasonable basis and is reasonably consistent from year to year. Plans may be aggregated under this paragraph only if they have the same plan year and utilize the same testing method to satisfy the requirements of Code Section 401(m).

The Administrator shall maintain records sufficient to show that the limitation contained in this Section was not exceeded with respect to any Plan Year and the amount of the "elective 401(k) contributions", "qualified nonelective contributions", and/or "qualified matching contributions" taken into account in determining "contribution percentages" for any Plan Year.

7.5 Determination and Allocation of Excess Aggregate Contributions Among Highly Compensated Employees

Notwithstanding any other provision of the Plan to the contrary, if the ACP test is not satisfied in any Plan Year, the Administrator shall first determine the dollar amount of the excess by reducing the dollar amount of the contributions included in determining the

"contribution percentage" of Highly Compensated Employees in order of their "contribution percentages", as follows:

- (a) The highest "contribution percentage(s)" shall be reduced to the greater of (1) the maximum "contribution percentage" that satisfies the ACP test described in the preceding Section or (2) the next highest "contribution percentage".
- (b) If the ACP test described in the preceding Section is still not satisfied after application of the provisions of paragraph (a), the Administrator shall continue reducing "contribution percentages" of Highly Compensated Employees, continuing with the next highest "contribution percentage", in the manner provided in paragraph (a) until the ACP test described in the preceding Section is satisfied.

The determination of the amount of the "excess aggregate contributions" shall be made after application of Sections 7.2 and 7.3, if applicable.

After determining the dollar amount of the "excess aggregate contributions" that have been made to the Plan, the Administrator shall next allocate such excess among Highly Compensated Employees in order of the dollar amount of their "contribution percentages" as follows:

- (c) The contributions included in the "contribution percentages" of the Highly Compensated Employee(s) with the largest dollar amount of "contribution percentage" shall be reduced by the dollar amount of the excess (with such dollar amount being allocated equally among all such Highly Compensated Employees), but not below the dollar amount of the "contribution percentage" of the Highly Compensated Employee(s) with the next highest dollar amount of "contribution percentage" for the Plan Year.
- (d) If the excess has not been fully allocated after application of the provisions of paragraph (c), the Administrator shall continue reducing the contributions included in the "contribution percentages" of Highly Compensated Employees, continuing with the Highly Compensated Employees with the largest remaining dollar amount of "contribution percentages" for the Plan Year, in the manner provided in paragraph (c) until the entire excess determined above has been allocated.

7.6 Forfeiture or Distribution of "Excess Aggregate Contributions"

"Excess aggregate contributions" allocated to a Highly Compensated Employee pursuant to the preceding Section, plus any income and minus any losses attributable thereto, shall be distributed to the Highly Compensated Employee within 12 months of the close of the Plan Year in which they were made, as hereinafter provided. If such excess amounts are

distributed more than 2 1/2 months after the last day of the Plan Year for which the excess occurred, an excise tax of 10% will be imposed under Code Section 4979 on the Employer maintaining the Plan with respect to such amounts.

Excess amounts shall be distributed from a Highly Compensated Employee's Account in the order prescribed by the Administrator, which order shall be uniform with respect to all Highly Compensated Employees and non-discriminatory.

7.7 Treatment of Forfeited Matching Contributions

Any Matching Contributions that are forfeited during a Plan Year pursuant to the provisions of the preceding Sections of this Article shall be used first to recredit prior forfeited Accounts in accordance with the provisions of Section 14.5 and shall then be applied against the Employers' contribution obligations for the current or subsequent Plan Year.

7.8 Determination of Income or Loss

The income or loss attributable to contributions in excess of a limit described above that are distributed pursuant to this Article shall be determined for the preceding Plan Year under the method otherwise used for allocating income or loss to Participants' Accounts.

Notwithstanding the foregoing, income and loss for the gap period shall not be distributed with respect to contributions in excess of any limit described in the preceding Sections of this Article VII.

7.9 Deemed Satisfaction of the ADP Test

Notwithstanding any other provision of this Article to the contrary, the Plan is intended to satisfy the nondiscrimination requirements applicable to 401(k) Contributions using the safe harbor provisions of Code Section 401(k)(13).

Except as permitted under Treasury Regulations Section 1.401(k)-3, the Plan may not be amended to cease QACA Safe Harbor Matching Contributions and apply the testing requirements described in Treasury Regulations Section 1.401(k)-2.

The Plan shall not be deemed to have satisfied the limitations on 401(k) Contributions of Highly Compensated Employees for any Plan Year unless the ratio of Matching Contributions made with respect to the 401(k) Contributions of each Highly Compensated Employee for the Plan Year is not greater than the ratio of Matching Contributions made with respect to 401(k) Contributions of each non-Highly Compensated Employee who has made 401(k) Contributions for the Plan Year at the same percentage of Compensation for the Plan Year as such Highly Compensated

Employee. For purposes of determining such ratio, "matching contributions", "elective 401(k) contributions", and "employee contributions", if "employee contributions" are matched, made by or on behalf of a Highly Compensated Employee under another qualified defined contribution plan for any period during which the Highly Compensated Employee participated simultaneously under both the Plan and such other plan, shall be aggregated with the Matching Contributions and 401(k) Contributions of such Highly Compensated Employee.

In accordance with Treasury Regulations Section 1.401(k)-1(e)(7), it is impermissible for the Employer to use ADP testing for a Plan Year in which it is intended for the Plan, as provided through its written terms, to be a Code Section 401(k) safe harbor plan and the Employer fails to satisfy the requirements for the safe harbor for the Plan Year.

7.10 Notice Requirements for QACA Safe Harbor Matching Contributions

For each Plan Year in which an Employer makes a QACA Safe Harbor Matching Contribution on behalf of its Eligible Employees, the Employer shall provide such Eligible Employees a notice describing the Eligible Employee's rights and obligations under the Plan. The notice shall include a description of the formula used for determining QACA Safe Harbor Matching Contributions. The notice shall also: (i) describe any other Employer Contributions available under the Plan and the requirements that must be satisfied to receive an allocation of such Employer Contributions; (ii) state the type and amount of Compensation that may be deferred under the Plan as 401(k) Contributions; (iii) indicate how to make a cash or deferred election under the Plan and the periods in which such elections may be made or changed; and (iv) describe the withdrawal and vesting provisions applicable to contributions under the Plan. To the extent permitted under Treasury regulations or other guidance, in lieu of including such descriptions in the notice, the descriptions required by this paragraph may be provided by cross-references to the relevant section(s) of an up-to-date summary plan description or as otherwise permitted under such regulations or other guidance.

The notice shall be written in a manner calculated to be understood by the average Eligible Employee. The Employer shall provide such notice within one of the following periods, whichever is applicable:

- (a) for an Employee who is an Eligible Employee 90 days before the beginning of the Plan Year, within the period beginning 90 days and ending 30 days before the beginning of the Plan Year, or
- (b) for an Employee who becomes an Eligible Employee after that date, within the period beginning 90 days before the date he becomes an Eligible Employee and ending on the date such Employee becomes an Eligible Employee.

Notwithstanding any other provision of the Plan to the contrary, an Eligible Employee shall have a reasonable period (not fewer than 30 days) following receipt of such notice in which to make or amend his election to have his Employer make 401(k) Contributions to the Plan on his behalf.

A Safe Harbor Notice will be provided to all Covered Employees if at any time the Safe Harbor contribution is amended by the Employer during a Plan Year to prospectively reduce or suspend such contribution. The Notice will provide that the reduction or suspension must apply no earlier than the later of the date the Plan amendment reducing or suspending such contribution is adopted or 30 days after the supplemental Notice is provided to Covered Employees. Additionally, for mid-year changes made on and after January 29, 2016, a Notice will be provided to all Covered Employees of any other permissible mid-year change to a Plan's required Safe Harbor Notice content, at least 30 days and not more than 90 days before the effective date of the change. A change made to a Safe Harbor Plan or to a Plan's required Safe Harbor Notice content does not violate the requirements of Regulations Section 1.401(k)-3 and Section 1.401(m)-3 merely because the change is a mid-year change, provided that (i) if it is a mid-year change to the Plan's required Safe Harbor Notice content, the notice and election opportunity considerations are met, and (ii) the mid-year change is not described in the list of prohibited mid-year changes outlined in IRS Notice 2016-16.

7.11 Code Section 415 Limitations on Crediting of Contributions and Forfeitures

Notwithstanding any other provision of the Plan to the contrary, the "annual addition" with respect to a Participant for a "limitation year" shall in no event exceed the lesser of (i) the maximum dollar amount permitted under Code Section 415(c) (1)(A), adjusted as provided in Code Section 415(d) (e.g., \$51,000 for the "limitation year" beginning in 2013) or (ii) 100% of the Participant's "415 compensation" for the "limitation year"; provided, however, that the limit in clause (i) shall be pro-rated for any short "limitation year". The limit in clause (ii) shall not apply to any contribution to an individual medical account, as defined in Code Section 415(l), or to a post-retirement medical benefits account maintained for a key employee which is treated as an "annual addition" under Code Section 419A(d)(2). A Participant's 401(k) Contributions may be re-characterized as Catch-Up 401(k) Contributions and excluded from the Participant's "annual additions" for the "limitation year" to satisfy the preceding limitation.

If the Employer or a Related Employer participates in a multiemployer plan, in determining whether the "annual additions" made on behalf of a Participant to the Plan, when aggregated with "annual additions" made on the Participant's behalf under the multiemployer plan satisfy the above limitation, only "annual additions" made by the Employer (or a Related Employer) to the multiemployer plan shall be aggregated with the "annual additions" under the Plan and "415 compensation" shall include only compensation paid to the Participant by the Employer (or a Related Employer).

If the "annual addition" to the Account of a Participant in any "limitation year" nevertheless exceeds the amount that may be applied for his benefit under the limitations described in clauses (i) and (ii) above, correction may be made in accordance with the Employee Plans Compliance Resolution System, as set forth in Revenue Procedure 2013-12, or any superseding guidance.

7.12 Application of Code Section 415 Limitations Where Participant is Covered Under Other Qualified Defined Contribution Plan

If a Participant is covered by any other qualified defined contribution plan (whether or not terminated) maintained by an Employer or a Related Employer concurrently with the Plan, and if the "annual addition" to be made under the Plan for the "limitation year" when combined with the "annual addition" to be made under such other qualified defined contribution plan(s) would otherwise exceed the amount that may be applied for the Participant's benefit under the limitation contained in the preceding Section, the "annual additions" to be made under the Plan and such other plan(s) shall be reduced on a pro rata basis, to the extent necessary so that the limitation in the preceding Section is satisfied.

If the "annual addition" to the Account of a Participant in any "limitation year" when combined with the "annual addition" made under any other qualified defined contribution plan maintained by an Employer or a Related Employer, nevertheless exceeds the amount that may be applied for the Participant's benefit under the limitation contained in the preceding Section, correction may be made in accordance with the Employee Plans Compliance Resolution System, as set forth in Revenue Procedure 2013-12, or any superseding guidance.

7.13 Scope of Limitations

The Code Section 415 limitations contained in the preceding Sections shall be applicable only with respect to benefits provided pursuant to defined contribution plans and defined benefit plans described in Code Section 415(k). For purposes of applying the Code Section 415 limitations contained in the preceding Sections, the term "Related Employer" shall be adjusted as provided in Code Section 415(h).

ARTICLE VIII TRUST FUNDS AND ACCOUNTS

8.1 General Fund

The Trustee shall maintain a General Fund as required to hold and administer any assets of the Trust that are not allocated among the Investment Funds as provided in the Plan or the Trust Agreement. The General Fund shall be held and administered as a separate common trust fund. The interest of each Participant or Beneficiary under the Plan in the General Fund shall be an undivided interest.

8.2 Selection of Investment Funds

Except as otherwise provided in this Article, the Investment Fiduciary shall determine the number and type of Investment Funds and shall communicate the same and any changes therein in writing to the Administrator and the Trustee. Each Investment Fund shall be held and administered as a separate common trust fund. The interest of each Participant or Beneficiary under the Plan in any Investment Fund shall be an undivided interest.

In addition to the funds selected by the Investment Fiduciary, there shall also be offered a self-directed brokerage Investment Fund and one or more Investment Funds that are invested primarily in equity securities issued by an Employer or a Related Employer that are publicly traded and are "qualifying employer securities" as defined in ERISA Section 407(d)(5).

8.3 Self-Directed Brokerage Investment Fund

Each Participant may invest all or any part of his Account through the self-directed brokerage Investment Fund. Under the self-directed brokerage Investment Fund, the Participant selects the Investment Funds and the underlying investments for such funds. The Investment Fiduciary may limit investments under the self-directed brokerage Investment Fund to those investments available through a particular broker.

A Participant who selects any additional Investment Funds shall communicate the same and any changes therein in writing (or in any other form acceptable to the Administrator and the Trustee) to the Administrator and the Trustee. Each Participant selected Investment Fund shall be held and administered as a separate trust fund. In no event may the assets of any Participant selected Investment Fund be invested in any collectible as that term is defined in Code Section 408(m)(2).

Notwithstanding any other provision of this Section, the Administrator may limit availability of the self-directed brokerage Investment Fund to Participants who have an

Account balance in excess of a uniform, minimum dollar amount determined by the Administrator.

8.4 Loan Investment Fund

If a loan from the Plan to a Participant is approved in accordance with the provisions of Article XII, the Investment Fiduciary shall direct the establishment and maintenance of a loan Investment Fund in the Participant's name. The assets of the loan Investment Fund shall be held as a separate trust fund. A Participant's loan Investment Fund shall be invested in the note(s) reflecting the loan(s) made to the Participant in accordance with the provisions of Article XII. Notwithstanding any other provision of the Plan to the contrary, income received with respect to a Participant's loan Investment Fund shall be allocated and the loan Investment Fund shall be administered as provided in Article XII.

8.5 Income on Trust

Any dividends, interest, distributions, or other income received by the Trustee with respect to any Trust Fund maintained hereunder shall be allocated by the Trustee to the Trust Fund for which the income was received and dividends with respect to Employer Stock shall be re-invested in the Employer Stock Investment Fund.

8.6 Accounts

As of the first date a contribution is made by or on behalf of a Covered Employee there shall be established an Account in his name reflecting his interest in the Trust. Each Account shall be maintained and administered for each Participant and Beneficiary in accordance with the provisions of the Plan. The balance of each Account shall be the balance of the account after all credits and charges thereto, for and as of such date, have been made as provided herein.

A service provider for the Plan may place amounts intended to reduce its compensation for Plan services into a suspense account held under the Plan. The Administrator may either (i) apply amounts held in such account to pay Plan expenses or (ii) allocate such amounts among the Accounts of Participants and Beneficiaries as income.

8.7 Sub-Accounts

A Participant's Account shall be divided into such separate, individual Sub-Accounts as are necessary or appropriate to reflect the Participant's interest in the Trust.

**ARTICLE IX
LIFE INSURANCE CONTRACTS**

9.1 No Life Insurance Contracts

A Participant's Account may not be invested in life insurance contracts on the life of the Participant.

ARTICLE X
DEPOSIT AND INVESTMENT OF CONTRIBUTIONS

10.1 Future Contribution Investment Elections

Each Eligible Employee shall make an investment election in the manner and form prescribed by the Administrator directing the manner in which the contributions made on his behalf shall be invested. An Eligible Employee's investment election shall specify the percentage, in the percentage increments prescribed by the Administrator, of such contributions that shall be allocated to one or more of the Investment Funds with the sum of such percentages equaling 100%; provided however that an Eligible Employee may not elect to allocate more than 25% to the Employer Stock Investment Fund. The investment election by a Participant shall remain in effect until his entire interest under the Plan is distributed or forfeited in accordance with the provisions of the Plan or until he records a change of investment election with the Administrator (or its delegate), in such form as the Administrator shall prescribe. If recorded in accordance with any rules prescribed by the Administrator, a Participant's change of investment election may be implemented effective as of the close of the business day on which the Administrator receives the Participant's instructions or soon as reasonably practicable thereafter.

10.2 Deposit of Contributions

All contributions made on a Participant's behalf shall be deposited in the Trust and allocated among the Investment Funds in accordance with the Participant's currently effective investment election. If no investment election is recorded with the Administrator at the time contributions are to be deposited to a Participant's Account, his contributions shall be allocated among the Investment Funds as directed by the Investment Fiduciary.

10.3 Election to Transfer Between Funds

A Participant may elect to transfer investments from any Investment Fund to any other Investment Fund. The Participant's transfer election shall specify either (i) a percentage, in the percentage increments prescribed by the Administrator (or its delegate), of the amount eligible for transfer, which percentage may not exceed 100%, or (ii) a dollar amount that is to be transferred; provided however that a Participant may not elect to transfer an amount to Employer Stock if 25% or more of their total account balance at the time of such transfer is invested in the Employer Stock Investment Fund. Any transfer election must be recorded with the Administrator (or its delegate), in such form as the Administrator shall prescribe. Subject to any restrictions pertaining to a particular Investment Fund, if recorded in accordance with any rules prescribed by the Administrator (or its delegate), a Participant's transfer election may be implemented

effective as of the close of the business day on which the Administrator receives the Participant's instructions or soon as reasonably practicable thereafter.

Notwithstanding any other provision of this Section to the contrary, the Administrator may prescribe such rules restricting Participants' transfer elections as it deems necessary or appropriate to preclude excessive or abusive trading or market timing.

10.4 404(c) Protection

The Plan is intended to constitute a plan described in ERISA Section 404(c) and regulations issued thereunder. The fiduciaries of the Plan may be relieved of liability for any losses that are the direct and necessary result of investment instructions given by a Participant, his Beneficiary, or an alternate payee under a qualified domestic relations order.

A Participant's directions to the Trustee regarding investment in and transfers to and from the Employer Stock Investment Fund shall be communicated in confidence, to the extent practicable, and shall not be divulged to the Employers or to any officer, director, or employee of the Employers. The Investment Fiduciary shall establish procedures to provide and maintain such confidentiality and shall appoint a fiduciary with the responsibility of overseeing such procedures. An independent fiduciary shall be appointed to the extent required under Department of Labor Regulations Section 2550.404c-1(d)(2)(ii)(E)(4)(ix) to maintain such confidentiality.

10.5 Voting and Tendering Employer Stock

Each Participant who has an interest in the Employer Stock Investment Fund shall have the right to direct the Trustee as to the manner in which the number of shares credited to his Account or, if accounting under the Employer Stock Investment Fund is by units of participation, his proportionate interest in the Employer Stock Investment Fund, is to be voted. Upon receipt of a Participant's direction, the Trustee shall vote the shares representing the Participant's interest in the Employer Stock Investment Fund as directed. Except as otherwise required by law or as otherwise provided in the Trust Agreement, if the Trustee does not receive direction from a Participant regarding how to vote the shares representing his interest in the Employer Stock Investment Fund, the Trustee shall not vote such shares.

In addition, upon commencement of a tender offer for any securities held in the Employer Stock Investment Fund, each Participant who has an interest in the Employer Stock Investment Fund shall have the right to direct the Trustee whether or not to tender all or any portion of the shares credited to his Account or, if accounting under the Employer Stock Investment Fund is by units of participation, all or any portion of his proportionate interest in the Employer Stock Investment Fund. A Participant may change his direction

regarding the tender of shares representing his interest in the Employer Stock Investment Fund at any time prior to the tender offer withdrawal deadline. The Trustee shall tender or not tender shares representing a Participant's interest in the Employer Stock Investment Fund in accordance with the Participant's directions. Except as otherwise required by law, if the Trustee does not receive direction from a Participant regarding whether or not to tender the shares representing a Participant's interest in the Employer Stock Investment Fund, the Trustee shall not tender such shares. The proceeds received by the Trustee with respect to shares of stock tendered by the Trustee in accordance with Participants' directions shall be allocated to the Accounts of those Participants who elected to tender their shares in proportion to their interest in the tendered shares.

All materials provided to other shareholders, including proxy solicitation materials and all tender materials, shall be provided to each Participant with an interest in the Employer Stock Investment Fund.

A Participant's directions to the Trustee hereunder shall be communicated in confidence and shall not be divulged to the Employers or to any officer, director, or employee of the Employers. The Administrator shall establish procedures to provide and maintain such confidentiality and shall appoint a fiduciary with the responsibility of overseeing such procedures. An independent fiduciary shall be appointed to the extent required under Department of Labor Regulations Section 2550.404c-1(d)(2)(ii)(E)(4)(ix) to maintain such confidentiality.

ARTICLE XI CREDITING AND VALUING ACCOUNTS

11.1 Crediting Accounts

All contributions made under the provisions of the Plan shall be credited to Accounts in the Trust Funds by the Trustee, in accordance with procedures established in writing by the Investment Fiduciary, either when received or on the succeeding Valuation Date after valuation of the Trust Fund has been completed for such Valuation Date as provided in Section 11.2, as shall be determined by the Investment Fiduciary.

11.2 Valuing Accounts

Accounts in the Trust Funds shall be valued by the Trustee on the Valuation Date, in accordance with procedures established in writing by the Investment Fiduciary, either in the manner adopted by the Trustee and approved by the Investment Fiduciary or in the manner set forth in Section 11.3 as Plan valuation procedures, as determined by the Investment Fiduciary.

11.3 Plan Valuation Procedures

With respect to the Trust Funds, the Investment Fiduciary may determine that the following valuation procedures shall be applied. As of each Valuation Date hereunder, the portion of any Accounts in a Trust Fund shall be adjusted to reflect any increase or decrease in the value of the Trust Fund for the period of time occurring since the immediately preceding Valuation Date for the Trust Fund (the "valuation period") in the following manner:

- (a) First, the value of the Trust Fund shall be determined by valuing all of the assets of the Trust Fund at fair market value.
- (b) Next, the net increase or decrease in the value of the Trust Fund attributable to net income and all profits and losses, realized and unrealized, during the valuation period shall be determined on the basis of the valuation under paragraph (a) taking into account appropriate adjustments for contributions, loan payments, and transfers to and distributions, withdrawals, loans, and transfers from such Trust Fund during the valuation period.
- (c) Finally, the net increase or decrease in the value of the Trust Fund shall be allocated among Accounts in the Trust Fund in the ratio of the balance of the portion of such Account in the Trust Fund as of the preceding Valuation Date less any distributions, withdrawals, loans, and transfers from such Account balance in

the Trust Fund since the Valuation Date to the aggregate balances of the portions of all Accounts in the Trust Fund similarly adjusted, and each Account in the Trust Fund shall be credited or charged with the amount of its allocated share.

11.4 Unit Accounting Permitted

The Investment Fiduciary may, for administrative purposes, establish unit values for one or more Investment Fund (or any portion thereof) and maintain the accounts setting forth each Participant's interest in such Investment Fund (or any portion thereof) in terms of such units, all in accordance with such rules and procedures as the Investment Fiduciary shall deem to be fair, equitable, and administratively practicable. In the event that unit accounting is thus established for an Investment Fund (or any portion thereof), the value of a Participant's interest in that Investment Fund (or any portion thereof) at any time shall be an amount equal to the then value of a unit in such Investment Fund (or any portion thereof) multiplied by the number of units then credited to the Participant.

11.5 Finality of Determinations

The Trustee shall have exclusive responsibility for determining the value of each Account maintained hereunder. The Trustee's determinations thereof shall be conclusive upon all interested parties.

11.6 Notification

Within a reasonable period of time after the end of each Plan Year, the Investment Fiduciary shall notify each Participant and Beneficiary of the value of his Account and Sub-Accounts as of a Valuation Date during the Plan Year. Such statement may be furnished quarterly, but no less frequently than annually.

ARTICLE XII LOANS

12.1 Application for Loan

A Participant who is a party in interest as defined in ERISA Section 3(14) may make application to the Administrator for a loan from his Account. Notwithstanding the foregoing, a Participant may not receive a loan from that portion of his Account attributable to Qualified Nonelective Contributions.

Loans shall be made to Participants in accordance with written guidelines which are hereby incorporated into and made a part of the Plan. To the extent that such written guidelines comply with the requirements of Code Section 72(p), but are inconsistent with the provisions of this Article, such written guidelines shall be given effect.

12.2 Collateral for Loan

As collateral for any loan granted hereunder, the Participant shall grant to the Plan a security interest in his vested interest under the Plan equal to the amount of the loan; provided, however, that in no event may the security interest exceed 50% of the Participant's vested interest under the Plan determined as of the date as of which the loan is originated in accordance with Plan provisions. In the case of a Participant who is an active employee, the Participant also shall enter into an agreement to repay the loan by payroll withholding.

No loan in excess of 50% of the Participant's vested interest under the Plan shall be made from the Plan.

Loans shall not be made available to Highly Compensated Employees in an amount greater than the amount made available to other employees.

A loan shall not be granted unless the Participant consents to the charging of his Account for unpaid principal and interest amounts in the event the loan is declared to be in default.

12.3 Reduction of Account Upon Distribution

Notwithstanding any other provision of the Plan, the amount of a Participant's Account that is distributable to the Participant or his Beneficiary under Article XIII or XV shall be reduced by the portion of his vested interest that is held by the Plan as security for any loan outstanding to the Participant, provided that the reduction is used to repay the loan. If distribution is made because of the Participant's death prior to the commencement of distribution of his Account and the Participant's vested interest in his Account is payable

to more than one individual as Beneficiary, then the balance of the Participant's vested interest in his Account shall be adjusted by reducing the vested account balance by the amount of the security used to repay the loan, as provided in the preceding sentence, prior to determining the amount of the benefit payable to each such individual.

12.4 Legal Requirements Applicable to Plan Loans

Notwithstanding any other provision of the Plan to the contrary, the following terms and conditions shall apply to any loan made to a Participant under this Article:

- (a) The amount of any loan to a Participant (when added to the outstanding balance of all other loans to the Participant from the Plan or any other plan maintained by an Employer or a Related Employer) shall not exceed the lesser of:
 - (i) \$50,000, reduced by the excess, if any, of the highest outstanding balance of any other loan to the Participant from the Plan or any other plan maintained by an Employer or a Related Employer during the preceding 12-month period over the outstanding balance of such loans on the date a loan is made hereunder; or
 - (ii) 50% of the vested portions of the Participant's Account and his vested interest under all other plans maintained by an Employer or a Related Employer.
- (b) The term of any loan to a Participant shall be no greater than 5 years, except in the case of a loan used to acquire any dwelling unit which within a reasonable period of time is to be used (determined at the time the loan is made) as a principal residence (as defined under Code Section 121) of the Participant.
- (c) Substantially level amortization shall be required over the term of the loan with payments made not less frequently than quarterly. If a loan is made from a Participant's Roth 401(k) Contributions Sub-Account and from his other Sub-Accounts under the Plan, the level amortization requirement shall be met with respect to both his Roth 401(k) Contributions Sub-Account and his other Sub-Accounts. Notwithstanding the foregoing, if so provided in the written guidelines applicable to Plan loans, the amortization schedule may be waived and payments suspended while a Participant is on a leave of absence from employment with an Employer or any Related Employer (for periods in which the Participant does not perform military service as described in paragraph (d) below), provided that all of the following requirements are met:
 - (i) Such leave is either without pay or at a reduced rate of pay that, after withholding for employment and income taxes, is less than the amount required to be paid under the amortization schedule;

- (ii) Payments resume after the earlier of (a) the date such leave of absence ends or (b) the one-year anniversary of the date such leave began;
 - (iii) The period during which payments are suspended does not exceed one year;
 - (iv) Payments resume in an amount not less than the amount required under the original amortization schedule; and
 - (v) The waiver of the amortization schedule does not extend the period of the loan beyond the maximum period permitted under this Article.
- (d) If a Participant is absent from employment with any Employer or any Related Employer for a period during which he performs services in the uniformed services (as defined in chapter 45 of title 38 of the United States Code), whether or not such services constitute qualified military service, the suspension of payments shall not be taken into account for purposes of applying either paragraph (b) or paragraph (c) of this Section provided that all of the following requirements are met:
 - (i) Payments resume upon completion of such military service;
 - (ii) Payments resume in an amount not less than the amount required under the original amortization schedule and continue in such amount until the loan is repaid in full;
 - (iii) Upon resumption, payments are made no less frequently than required under the original amortization schedule and continue under such schedule until the loan is repaid in full; and
 - (iv) The loan is repaid in full, including interest accrued during the period of such military service, no later than the maximum period otherwise permitted under this Article extended by the period of such military service.
- (e) The loan shall be evidenced by a legally enforceable agreement that demonstrates compliance with the provisions of this Section.
- (f) Subject to the requirements of the Servicemembers Civil Relief Act, the interest rate on any loan to a Participant shall be a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances by persons in the business of lending money.

12.5 Administration of Loan Investment Fund

Upon approval of a loan to a Participant, the Administrator shall direct the Trustee to transfer an amount equal to the loan amount from the Investment Funds in which it is invested, as directed by the Administrator, to the loan Investment Fund established in the Participant's name. Any loan approved by the Administrator shall be made to the Participant out of the Participant's loan Investment Fund. All principal and interest paid by the Participant on a loan made under this Article shall be deposited to his Account and shall be allocated upon receipt among the Investment Funds in accordance with the Participant's currently effective investment election. The balance of the Participant's loan Investment Fund shall be decreased by the amount of principal payments and the loan Investment Fund shall be terminated when the loan has been repaid in full.

12.6 Default

If either (i) a Participant fails to make or cause to be made, any payment required under the terms of the loan by the date required to prevent a default under the terms of the loan note, which date shall not be later than the date prescribed under Code Section 72(p) and regulations issued thereunder, unless payment is not made because the Participant is on a leave of absence and the amortization schedule is waived as provided in paragraph (c) or (d) of Section 12.4, or (ii) there is an outstanding principal balance existing on a loan after the last scheduled repayment date (extended as provided in Section 12.4(d), if applicable), the Administrator shall direct the Trustee to declare the loan to be in default, and the entire unpaid balance of such loan, together with accrued interest, shall be immediately due and payable. In any such event, if such balance and interest thereon is not then paid, the Trustee shall charge the Account of the borrower with the amount of such balance and interest as of the earliest date a distribution may be made from the Plan to the borrower without adversely affecting the tax qualification of the Plan or of the cash or deferred arrangement.

12.7 Deemed Distribution Under Code Section 72(p)

If a Participant's loan is in default as provided in Section 12.6, the Participant shall be deemed to have received a taxable distribution in the amount of the outstanding loan balance as required under Code Section 72(p), whether or not distribution may actually be made from the Plan without adversely affecting the tax qualification of the Plan; provided, however, that the taxable portion of such deemed distribution shall be reduced in accordance with the provisions of Code Section 72(e) to the extent the deemed distribution is attributable to the Participant's Roth 401(k) Contributions.

If a Participant is deemed to have received distribution of an outstanding loan balance hereunder, no further loans may be made to such Participant from his Account unless

there is a legally enforceable arrangement among the Participant, the Plan, and the Participant's employer that repayment of such loan shall be made by payroll withholding.

12.8 Treatment of Outstanding Balance of Loan Deemed Distributed Under Code Section 72(p)

The balance of any loan that is deemed to have been distributed to a Participant hereunder shall cease to be an outstanding loan for purposes of Code Section 72(p) and a Participant shall not be treated as having received a taxable distribution when his Account is offset by such outstanding loan balance as provided in Section 12.6. Any interest that accrues on a loan after it is deemed to have been distributed shall not be treated as an additional loan to the Participant and shall not be included in the Participant's taxable income as a deemed distribution. Notwithstanding the foregoing, however, unless a Participant repays such loan, with interest, the amount of such loan, with interest thereon calculated as provided in the original loan note, shall continue to be considered an outstanding loan for purposes of determining the maximum permissible amount of any subsequent loan under Section 12.4(a).

If a Participant elects to make payments on a loan after it is deemed to have been distributed hereunder, such payments shall be treated as "employee contributions", as defined in Section 7.1, to the Plan solely for purposes of determining the taxable portion of the Participant's Account and shall not be treated as "employee contributions" for any other Plan purpose, including application of the limitations on contributions applicable under Code Sections 401(m) and 415.

The provisions of this Section regarding treatment of loans that are deemed distributed shall not apply to loans made prior to January 1, 2002, except to the extent provided under the transition rules in Q & A 22(c)(2) of Section 1.72(p)-I of the Treasury Regulations.

12.9 Special Rules Applicable to Loans

Any loan made hereunder shall be subject to the following rules:

- (a) Minimum Loan Amount: A Participant may not request a loan for less than \$1,000.
- (b) Maximum Number of Outstanding Loans: A Participant may not have more than 2 outstanding loans at any time and only one such loan may be treated as a principal residence loan. A Participant with 2 outstanding loans may not apply for another loan until all but one of the existing loans is repaid in full and may not refinance an existing loan or obtain a third loan for the purpose of paying off an existing loan. The provisions of this paragraph shall not apply to any loans made

prior to the effective date of this amendment and restatement; provided, however, that any such loan shall be taken into account in determining whether a Participant may apply for a new loan hereunder.

- (c) **Maximum Period for Principal Residence Loan:** The term of any loan to a Participant that is used to acquire any dwelling unit which within a reasonable period of time is to be used (determined at the time the loan is made) as a principal residence (as defined under Code Section 121) of the Participant shall be no greater than 20 years.
- (d) **No Roll Over of Loans:** A Participant may not elect to roll over any loan note held pursuant to the provisions of this Article.

12.10 Prior Loans

Notwithstanding any other provision of this Article to the contrary, any loan made under the provisions of the Plan as in effect prior to this amendment and restatement shall be administered in accordance with the provisions of the note reflecting such loan and shall remain outstanding until repaid in accordance with its terms.

ARTICLE XIII WITHDRAWALS WHILE EMPLOYED

13.1 Non-Hardship Withdrawals of Rollover Contributions

A Participant who is employed by an Employer or a Related Employer may elect at any time, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal from his Rollover Contributions Sub-Account. As permitted by Section 4.05(2)(a) of Revenue Procedure 2021-30, Section 305 of the SECURE 2.0 Act, and IRS Notice 2023-43, this provision is retroactively effective back to the 2017 Plan Year.

13.2 Age 59 1/2 Withdrawals

A Participant who is employed by an Employer or a Related Employer and who has attained age 59 1/2 may elect, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal from his full vested Account.

13.3 Withdrawal by Terminally ill Participant

A terminally ill Participant (as defined herein) may elect, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal from his vested interest in any of the following Sub-Accounts:

his Rollover Contributions Sub-Account.

his Prior Nonelective Contributions Sub-Account.

his Prior Matching Contributions Sub-Account.

A Participant shall be deemed to be terminally ill when, by reason of a medically determinable physical condition, the Participant's life expectancy is less than twenty-four (24) months. The Participant's terminally ill condition and probable life expectancy must be certified by a physician acceptable to both the Participant and the Administrator.

13.4 Withdrawal Upon Deemed Severance from Employment Due to Qualified Military Service

Notwithstanding any other provision of the Plan to the contrary, a Participant who is absent from employment because of service with the uniformed services (as described in United States Code, Title 38, Chapter 43) for more than 30 days shall be treated as if he had incurred a severance from employment for purposes of receiving a distribution under Code Section 401(k)(2)(B)(i)(I). A Participant who is deemed to have incurred a

severance from employment hereunder may elect to receive a cash withdrawal from his vested interest in his 401(k) Contributions Sub-Account.

If a Participant receives distribution in accordance with the provisions of this Section and would not otherwise be entitled to receive distribution under the terms of the Plan other than this Section, his 401(k) Contributions and the Participant's "elective contributions" and "employee contributions", as defined in Section 7.1, under all other qualified and non-qualified deferred compensation plans maintained by an Employer or any Related Employer shall be suspended for at least 6 months after his receipt of the withdrawal. However, if the distribution is also a "qualified reservist distribution", the suspension shall not apply.

Any distribution made hereunder shall be subject to the 10% excise tax imposed on early distributions under Code Section 72(t), unless such distribution is also a "qualified reservist distribution". For purposes of this Section, a "qualified reservist distribution" means a distribution to a reservist or national guardsman who is ordered or called to active duty after September 11, 2001, either (1) for an indefinite period or (2) for a period longer than 179 days, provided such distribution is made during the period beginning on the date the Participant is ordered or called to active duty and ending on the date the Participant's active duty period closes.

13.5 Overall Limitations on Non-Hardship Withdrawals

Non-hardship withdrawals made pursuant to this Article shall be subject to the following conditions and limitations:

- (a) A Participant must apply for a non-hardship withdrawal such number of days prior to the date as of which it is to be effective as the Administrator may prescribe.
- (b) Non-hardship withdrawals may be made effective as soon as administratively practicable after the Administrator's approval of the Participant's withdrawal application.

13.6 Hardship Withdrawals

A Participant who is employed by an Employer or a Related Employer and who is determined by the Administrator to have incurred a hardship in accordance with the provisions of this Article may elect, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal from his vested interest in any of the following Sub-Accounts:

his Pre-Tax 401(k) Contributions Sub-Account.

his Roth 401(k) Contributions Sub-Account.

his QACA Safe Harbor Matching Contributions Sub-Account.

his Prior Matching Contributions Sub-Account.

his Prior Nonelective Contributions Sub-Account.

13.7 Hardship Determination

The Administrator shall grant a hardship withdrawal only if the withdrawal is necessary to meet an immediate and heavy financial need of the Participant. An immediate and heavy financial need of the Participant means a financial need on account of:

- (a) expenses previously incurred by or necessary to obtain for the Participant, the Participant's Spouse, or any dependent of the Participant (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof) medical care deductible under Code Section 213(d), determined without regard to whether the expenses exceed any applicable income limit.
- (b) costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant.
- (c) payment of tuition, related educational fees, and room and board expenses for the next 12 months of post-secondary education for the Participant, or the Participant's Spouse, child or other dependent (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2) and (d)(1)(B) thereof).
- (d) payments necessary to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage on the Participant's principal residence.
- (e) payment of funeral or burial expenses for the Participant's deceased parent, Spouse, child or dependent (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2) and (d)(1)(B) thereof).
- (f) expenses for the repair of damage to the Participant's principal residence that would qualify for a casualty loss deduction under Code Section 165 (determined without regard to Code Section 165(h)(5) and whether the loss exceeds any applicable income limit).
- (g) any other financial need determined to be immediate and heavy under rules and regulations issued by the Secretary of the Treasury or his delegate; provided, however, that any such financial need shall constitute an immediate and heavy need under this paragraph (g) no sooner than administratively practicable following the date such rule or regulation is issued.

13.8 Satisfaction of Necessity Requirement for Hardship Withdrawals

A withdrawal shall be deemed to be necessary to satisfy an immediate and heavy financial need of a Participant only if the Participant represents, and the Administrator has no actual knowledge to the contrary, that the need cannot be relieved by any of the following:

- (a) through reimbursement or compensation by insurance or otherwise
- (b) by reasonable liquidation of the Participant's assets, to the extent such liquidation would not itself cause an immediate and heavy financial need
- (c) by cessation of 401(k) Contributions
- (d) by other distributions from plans maintained by an Employer or any Related Employer
- (e) by borrowing from commercial sources on reasonable commercial terms.

To the extent that the Participant's hardship can be partially relieved by any of the sources above, other than borrowing from commercial sources, the Participant must utilize such source before a hardship withdrawal is deemed necessary under the Plan. For purposes of the foregoing, a Participant's resources shall be deemed to include those assets of his Spouse and minor children that are reasonably available to the Participant.

13.9 Conditions and Limitations on Hardship Withdrawals

Hardship withdrawals made pursuant to this Article shall be subject to the following conditions and limitations:

- (a) A Participant must apply for a hardship withdrawal such number of days prior to the date as of which it is to be effective as the Administrator may prescribe.
- (b) Hardship withdrawals may be made effective as soon as administratively practicable after the Administrator's approval of the Participant's withdrawal application.
- (c) The amount of a hardship withdrawal may include any amounts necessary to pay any Federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution.

13.10 Order of Withdrawal from a Participant's Sub-Accounts

Distribution of a withdrawal amount shall be made from a Participant's Sub-Accounts, to the extent necessary, in the order prescribed by the Administrator, which order shall be

uniform with respect to all Participants and non-discriminatory. If the Sub-Account from which a Participant is receiving a withdrawal is invested in more than one Investment Fund, the withdrawal shall be charged against the Investment Funds as directed by the Administrator.

ARTICLE XIV
TERMINATION OF EMPLOYMENT AND SETTLEMENT DATE

14.1 Termination of Employment and Settlement Date

A Participant's Settlement Date shall occur on the date he terminates employment with the Employers and all Related Employers because of death, disability, retirement, or other termination of employment. Notice of a Participant's Settlement Date shall be given by the Administrator to the Trustee.

14.2 Separate Accounting for Non-Vested Amounts

If as of a Participant's Settlement Date the Participant's vested interest in his Employer Contributions Sub-Account is less than 100%, that portion of his Employer Contributions Sub-Account that is not vested shall be accounted for separately from the vested portion and shall be disposed of as provided in the following Section. If prior to such Settlement Date the Participant received a distribution under the Plan and the non-vested portion of his Employer Contributions Sub-Account was not forfeited as provided in the following Section, his vested interest in his Employer Contributions Sub-Account shall be an amount ("X") determined by the following formula:

$$X = P(AB + (R \times D)) - (R \times D)$$

For purposes of the formula:

- P = The Participant's vested interest in his Employer Contributions Sub-Account on the date distribution is to be made.
- AB = The balance of the Participant's Employer Contributions Sub-Account as of the Valuation Date immediately preceding the date distribution is to be made.
- R = The ratio of (i) the balance of the Participant's Employer Contributions Sub-Account as of the Valuation Date immediately preceding the date distribution is to be made to (ii) the balance of the Participant's Employer Contributions Sub-Account after distribution is made.
- D = The amount of all prior distributions from the Participant's Employer Contributions Sub-Account. Amounts deemed to have been distributed to a Participant pursuant to Code Section 72(p), but which have not actually

been offset against the Participant's Account balance shall not be considered distributions hereunder.

14.3 Disposition of Non-Vested Amounts

That portion of a Participant's Employer Contributions Sub-Account that is not vested upon the occurrence of his Settlement Date shall be disposed of as follows:

- (a) If the Participant has no vested interest in his Account upon the occurrence of his Settlement Date or his vested interest in his Account as of the date of distribution does not exceed \$1,000, resulting in the distribution or deemed distribution to the Participant of his entire vested interest in his Account, the non-vested balance in the Participant's Employer Contributions Sub-Account shall be forfeited and his Account closed as of (i) the Participant's Settlement Date, if the Participant has no vested interest in his Account and is therefore deemed to have received distribution on that date, or (ii) the date actual distribution is made to the Participant.
- (b) If the Participant's vested interest in his Account exceeds \$1,000 and the Participant is eligible for and consents in writing to a single sum payment of his vested interest in his Account, the non-vested balance in the Participant's Employer Contributions Sub-Account shall be forfeited and his Account closed as of the date the single sum payment occurs, provided that such distribution is made because of the Participant's Settlement Date. A distribution is deemed to be made because of a Participant's Settlement Date if it occurs prior to the end of the second Plan Year beginning on or after the Participant's Settlement Date.
- (c) If neither paragraph (a) nor paragraph (b) is applicable, the non-vested balance remaining in the Participant's Employer Contributions Sub-Account shall continue to be held in such Sub-Account and shall not be forfeited until the date the Participant incurs 5-consecutive Breaks in Service.

14.4 Treatment of Forfeited Amounts

Whenever the non-vested balance of a Participant's Employer Contributions Sub-Account is forfeited during a Plan Year in accordance with the provisions of the preceding Section, the amount of such forfeiture shall first be used to recredit prior forfeited Accounts in accordance with the provisions of Section 14.5 and shall then be applied against the Employers' contribution obligations for any subsequent Contribution Period.

Any forfeiture that occurs during a Plan Year must offset Employer contributions no later than the close of the following Plan Year.

14.5 Recrediting of Forfeited Amounts

A former Participant who forfeited the non-vested portion of his Employer Contributions Sub-Account in accordance with the provisions of paragraph (a) or (b) of Section 14.3 and who is reemployed by an Employer or a Related Employer shall have such forfeited amounts recredited to an Account in his name, without adjustment for interim gains or losses experienced by the Trust, if:

- (a) he returns to employment with an Employer or a Related Employer before he incurs 5-consecutive Breaks in Service commencing after the date he received, or is deemed to have received, distribution of his vested interest in his Account;
- (b) he resumes employment covered under the Plan before the earlier of (i) the end of the 5-year period beginning on the date he is reemployed or (ii) the date he incurs 5-consecutive Breaks in Service commencing after the date he received, or is deemed to have received, distribution of his vested interest in his Account; and
- (c) if he received actual distribution of his vested interest in his Account, he repays to the Plan the full amount of such distribution before the earlier of (i) the end of the 5-year period beginning on the date he is reemployed or (ii) the date he incurs 5-consecutive Breaks in Service commencing after the date he received distribution of his vested interest in his Account.

Notwithstanding the foregoing, if a reemployed Participant's Vesting Service completed following reemployment is not included in determining his vested interest in his Account attributable to employment prior to his Break in Service, as provided in Section 2.8, the former Participant's forfeited amounts shall not be recredited to his Account.

Funds needed in any Plan Year to recredit the Account of a Participant with the amounts of prior forfeitures in accordance with the preceding sentence shall come first from forfeitures that arise during such Plan Year, and then from Trust income earned in such Plan Year, to the extent that it has not yet been allocated among Participants' Accounts as provided in Article XI, with each Trust Fund being charged with the amount of such income proportionately, unless his Employer chooses to make an additional Employer Contribution, and shall finally be provided by his Employer by way of a separate Employer Contribution.

ARTICLE XV DISTRIBUTIONS

15.1 Distributions to Participants

Subject to the provisions of Section 15.4, a Participant whose Settlement Date occurs shall receive distribution of his vested interest in his Account in the form provided under Article XVI beginning as soon as reasonably practicable following his Settlement Date or the date his application for distribution is filed with the Administrator, if later.

15.2 Partial Distributions to Retired or Terminated Participants

A Participant whose Settlement Date has occurred, but who has not reached his Required Beginning Date may elect to receive distribution of all or any portion of his Account at any time prior to his Required Beginning Date in a cash withdrawal or in any other form provided in Article XVI.

15.3 Distributions to Beneficiaries

Subject to the provisions of Section 15.4, if a Participant dies prior to his Benefit Payment Date, his Beneficiary shall receive distribution of the Participant's vested interest in his Account in the form provided under Article XVI beginning as soon as reasonably practicable following the date the Beneficiary's application for distribution is filed with the Administrator. If distribution is to be made to a Participant's Spouse, it shall be made available within a reasonable period of time after the Participant's death that is no less favorable than the period of time applicable to other distributions.

If a Participant dies after the date distribution of his vested interest in his Account begins under this Article, but before his entire vested interest in his Account is distributed, his Beneficiary shall receive distribution of the remainder of the Participant's vested interest in his Account beginning as soon as reasonably practicable following the Participant's date of death.

15.4 Code Section 401(a)(9) Requirements

The provisions of this Section take precedence over any inconsistent provision of the Plan; provided, however, that the provisions of this Section are not intended to create additional forms of payment that are not otherwise provided under Article XVI.

Except as otherwise provided under a valid election made by a Participant pursuant to Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act, to the extent required under Code Section 401(a)(9), all distributions made from the Plan shall be determined

and made in accordance with the provisions of Code Section 401(a)(9) and the Treasury Regulations issued thereunder, as set forth in this Section.

- (a) A Participant's vested interest in his Account shall be distributed to the Participant no later than the Participant's Required Beginning Date.
- (b) If a Participant dies on or after his Required Beginning Date, but before his vested interest in his Account has been distributed in full, the remainder of the Participant's vested Account balance shall be distributed to the Participant's Beneficiary in a single sum payment as soon as reasonably practicable following the Participant's death.
- (c) If a Participant dies before his Required Beginning Date and before his vested interest in his Account has been distributed in full, the Participant's vested Account balance shall be distributed to the Participant's Beneficiary in a single sum payment no later than the 5th anniversary of the Participant's death; provided, however, that if the Participant's Spouse is his sole "designated beneficiary" with respect to all or any portion of the Participant's vested Account, the Spouse may elect to postpone payment until December 31 of the calendar year in which the Participant would have attained the "applicable age $\frac{1}{2}$ " (as defined in the definition of "Required Beginning Date" in Section 1.1), if later. The Spouse's election to defer payment must be made no later than September 30 of the calendar year that contains the 5th anniversary of the Participant's death.

If the Participant's Spouse is a sole "designated beneficiary" with respect to all or any portion of the Participant's interest and the Spouse dies after the Participant but before distribution to the Spouse is made, the rules described above shall be applied with respect to the interest for which the Spouse was the sole "designated beneficiary," substituting the date of the Spouse's death for the date of the Participant's death. A Participant's Spouse qualifies as the Participant's sole "designated beneficiary" if she is entitled to the Participant's entire vested interest in his Account or his entire vested interest in a segregated portion of the Participant's Account and no other "designated beneficiary" is entitled to any portion of that interest unless the Spouse dies prior to receiving full distribution of that interest.

- (d) For purposes of this Section the following terms have the following meanings:
 - (i) A Participant's " **designated beneficiary** " means the individual who is the Participant's Beneficiary under Article XVII of the Plan and is the designated beneficiary under Code Section 401(a)(9) and Treasury Regulations Section 1.401(a)(9)-4.

15.5 Cash Outs and Participant Consent

Notwithstanding any other provision of the Plan to the contrary, if a Participant's vested interest in his Account does not exceed \$1,000, distribution of such vested interest shall be made to the Participant in a single sum payment or through a direct rollover, as described in Article XVI, as soon as reasonably practicable following his Settlement Date.

If a Participant has no vested interest in his Account on his Settlement Date, he shall be deemed to have received distribution of such vested interest on his Settlement Date.

If a Participant's vested interest in his Account exceeds \$1,000, distribution shall not commence to such Participant prior to his Normal Retirement Date or the date he attains age 62, if later, without the Participant's written consent.

15.6 Required Commencement of Distribution

Unless the Participant elects a later date, distribution of his vested interest in his Account shall commence to the Participant no later than 60 days after the close of the Plan Year in which occurs the latest of (i) the earlier of the Participant's Normal Retirement Date or the Participant's attainment of age 65, (ii) the tenth anniversary of the year in which the Participant commenced participation, or (iii) the Participant's Settlement Date. A Participant who does not make application for his benefit to commence shall be deemed to have elected to postpone distribution hereunder.

15.7 Reemployment of a Participant

If a Participant whose Settlement Date has occurred is reemployed by an Employer or a Related Employer, he shall lose his right to any distribution or further distributions from the Trust arising from his prior Settlement Date and his interest in the Trust shall thereafter be treated in the same manner as that of any other Participant whose Settlement Date has not occurred.

15.8 Restrictions on Alienation

Except as provided in Code Section 401(a)(13) (relating to qualified domestic relations orders), Code Section 401(a)(13)(C) and (D) (relating to offsets ordered or required under a criminal conviction involving the Plan, a civil judgment in connection with a violation or alleged violation of fiduciary responsibilities under ERISA, or a settlement agreement between the Participant and the Department of Labor in connection with a violation or alleged violation of fiduciary responsibilities under ERISA), Treasury Regulations Section 1.401(a)-13(b)(2) (relating to Federal tax levies and judgments), or as otherwise required by law, no benefit under the Plan at any time shall be subject in any manner to

anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have power in any manner to anticipate, transfer, assign (either at law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his benefits under the Plan, or any part thereof, and any attempt to do so shall be void.

15.9 Facility of Payment

If the Administrator finds that any individual to whom an amount is payable hereunder is incapable of attending to his financial affairs because of any mental or physical condition, including the infirmities of advanced age, such amount may, in the discretion of the Administrator, be paid to such individual's court appointed guardian or to another person with a valid power of attorney. The Trustee shall make such payment only upon receipt of written instructions to such effect from the Administrator. Any such payment shall be charged to the Account from which the payment would otherwise have been paid to the individual found incapable of attending to his financial affairs and shall be a complete discharge of any liability therefor under the Plan.

If distribution is to be made to a minor Beneficiary, the Administrator may, in its discretion, pay the amount to a duly qualified guardian or other legal representative, to an adult relative under the applicable state Uniform Gifts to Minors Act, as custodian, or to a trust that has been established for the benefit of the minor. Any such payment shall be charged to the Account from which the payment would otherwise have been paid to the minor and shall be a complete discharge of any liability therefor under the Plan.

15.10 Inability to Locate Payee and Non-Negotiated Checks

If any benefit becomes payable to any person, or to the executor or administrator of any deceased person (the "payee"), and if either (i) the payee does not satisfy the administrative requirements for distribution as of the date distribution is required to be made under the Plan, or (ii) the payee or his executor or administrator does not present himself to the Administrator within a reasonable period after the Administrator mails written notice of his eligibility to receive a distribution hereunder to his last known address and makes such other diligent effort to locate the person as the Administrator determines, such as (1) providing a distribution notice to the lost Participant at his/her last known address by certified mail, (2) checking the records of the Employer or any related plans of the Employer, (3) sending an inquiry to the designated Beneficiary of the missing Participant, or (4) using a commercial locator service, the internet or other general search method, that benefit will be forfeited. However, if the payee later files a claim for that benefit, the benefit will be restored.

If a distribution check has been issued and is outstanding for more than the number of days specified by the Administrator and the Administrator has been unable to locate the payee after diligent efforts have been made to do so, then except as specifically directed by the Administrator, the amount of the check shall be re-deposited to the Plan and forfeited. However, if the payee is subsequently located, the check amount will be restored to an Account established on the payee's behalf, without adjustment for investment gains or losses since the date of issuance.

Any amount forfeited under this Section shall be used first to recredit prior forfeited Accounts in accordance with the provisions of Section 14.5 and shall then be applied against the Employer Contribution obligations for the Plan Year in which the forfeiture occurred or the immediately following Plan Year of the Employers. Forfeitures hereunder shall be allocated in the ratio which an eligible Participant's Compensation for the Plan Year from the Employers bears to the aggregate of such Compensation for all such eligible Participants.

15.11 Distribution Pursuant to Qualified Domestic Relations Orders

Notwithstanding any other provision of the Plan to the contrary, if a qualified domestic relations order so provides, distribution may be made to an alternate payee pursuant to a qualified domestic relations order, as defined in Code Section 414(p), regardless of whether the Participant's Settlement Date has occurred or whether the Participant is otherwise entitled to receive a distribution under the Plan. An alternate payee may name his or her own beneficiary to receive any benefits payable in the event of the alternate payee's death prior to the receipt of all benefits to which the alternate payee was entitled.

ARTICLE XVI FORM OF PAYMENT

16.1 Form of Payment

Distribution shall be made to a Participant, or his Beneficiary, if the Participant has died, in a single sum payment.

16.2 Direct Rollover

Notwithstanding any other provision of the Plan to the contrary, in lieu of receiving distribution in the form of payment provided under this Article, a "qualified distributee" may elect in writing, in accordance with rules prescribed by the Administrator, to have a portion or all of any "eligible rollover distribution" paid directly by the Plan to the "eligible retirement plan" designated by the "qualified distributee". Any such payment by the Plan to another "eligible retirement plan" shall be a direct rollover.

For purposes of this Section, the following terms have the following meanings:

- (a) An "eligible retirement plan" with respect to the Participant, the Participant's Spouse, or the Participant's former Spouse means any of the following: (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), (iii) an annuity plan described in Code Section 403(a) that accepts rollovers, (iv) a qualified plan described in Code Section 401(a) that accepts rollovers, (v) an annuity contract described in Code Section 403(b) that accepts rollovers, (vi) an eligible plan under Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and that agrees to separately account for amounts transferred into such plan from the Plan, or (vii) a Roth IRA, as described in Code Section 408A. Effective for rollovers to other plans made after December 18, 2015, an Eligible Retirement Plan will include a SIMPLE IRA plan that accepts rollovers and such rollover does not include a designated Roth account.

Notwithstanding any other provision of this Section, the following special rules shall apply:

- (i) The portion of any "eligible rollover distribution" consisting of Roth 401(k) Contributions or Roth Rollover Contributions may only be rolled over to another designated Roth account established for the individual under an applicable retirement plan described in Code Section 402A(e)(1)

or to a Roth individual retirement account described in Code Section 408A.

An "eligible retirement plan" with respect to any other "qualified distributee" means either an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) (an "IRA"). Such IRA must be treated as an IRA inherited from the deceased Participant by the "qualified distributee" and must be established in a manner that identifies it as such.

- (b) An "eligible rollover distribution" means any distribution of all or any portion of the balance of a Participant's Account; provided, however, that an eligible rollover distribution does not include the following:
 - (i) any distribution to the extent such distribution is required under Code Section 401(a)(9).
 - (ii) any hardship withdrawal made in accordance with the provisions of Article XIII.
- (c) A "qualified distributee" means a Participant, the Participant's surviving Spouse, the Participant's Spouse or former Spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), or the Participant's non-Spouse Beneficiary who is his designated beneficiary within the meaning of Code Section 401(a)(9)(E).

16.3 Notice Regarding Form of Payment

Within the 150-day period ending 30 days before a Participant's Benefit Payment Date, the Administrator shall provide the Participant with a written explanation of his right to defer distribution until age 62, or such later date as may be provided in the Plan, the consequences to the Participant of electing an immediate distribution of his vested Account balance instead of deferring payment, his right to make a direct rollover, and the form of payment provided under the Plan. Distribution of the Participant's Account may commence fewer than 30 days after such notice is provided to the Participant if (i) the Administrator clearly informs the Participant of his right to consider his election of whether or not to make a direct rollover or to receive a distribution prior to age 62 for a period of at least 30 days following his receipt of the notice and (ii) the Participant, after receiving the notice, affirmatively elects an early distribution.

16.4 Distribution in the Form of Employer Stock

Notwithstanding any other provision of the Plan to the contrary, to the extent that his Account is invested in Employer Stock on the date distribution is to be made to a

Participant, the Participant may elect to receive distribution of such Account in the form of Employer Stock.

16.5 Section 242(b)(2) Elections

Notwithstanding any other provisions of this Article, distribution on behalf of a Participant, including a 5% owner, may be made pursuant to an election under Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act of 1982 and in accordance with all of the following requirements:

- (a) The distribution is one which would not have disqualified the Trust under Code Section 401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984.
- (b) The distribution is in accordance with a method of distribution elected by the Participant whose interest in the Trust is being distributed or, if the Participant is deceased, by a Beneficiary of such Participant.
- (c) Such election was in writing, was signed by the Participant or the Beneficiary, and was made before January 1, 1984.
- (d) The Participant had accrued a benefit under the Plan as of December 31, 1983.
- (e) The method of distribution elected by the Participant or the Beneficiary specifies the time at which distribution will commence, the period over which distribution will be made, and in the case of any distribution upon the Participant's death, the Beneficiaries of the Participant listed in order of priority.

A distribution upon death shall not be made under this Section unless the information in the election contains the required information described above with respect to the distributions to be made upon the death of the Participant. For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Participant or the Beneficiary to whom such distribution is being made will be presumed to have designated the method of distribution under which the distribution is being made, if this method of distribution was specified in writing and the distribution satisfies the requirements in paragraphs (a) and (e) of this Section. If an election is revoked, any subsequent distribution will be in accordance with the other provisions of the Plan. Any changes in the election will be considered to be a revocation of the election. However, the mere substitution or addition of another Beneficiary (one not designated as a Beneficiary in the election), under the election will not be considered to be a revocation of the election, so long as such substitution or addition does not alter the period over which distributions are to be made under the election directly, or indirectly (for example, by altering the relevant measuring life).

ARTICLE XVII BENEFICIARIES

17.1 Designation of Beneficiary

The Beneficiary of a Participant who does not have a Spouse shall be the person or persons designated by such Participant in accordance with rules prescribed by the Administrator. The Beneficiary of a Participant who has a Spouse shall be his Spouse, unless the Participant designates a person or persons other than his Spouse as Beneficiary with the written consent of his Spouse. For purposes of this Section, a Participant shall be treated as not having a Spouse and such Spouse's consent shall not be required if the Participant does not have a Spouse on the Participant's Benefit Payment Date.

If no Beneficiary has been designated pursuant to the provisions of this Section, or if no Beneficiary survives the Participant and he has no surviving Spouse, then the Beneficiary under the Plan shall be the Participant's estate. For purposes of this Section, a Participant's Spouse or other Beneficiary is treated as surviving the Participant if he or she is alive seven days after the Participant's death.

If a Beneficiary dies after becoming entitled to receive a distribution under the Plan but before distribution is made to him in full, then the beneficiary designated by the Beneficiary or, if none, the estate of the deceased Beneficiary, shall be the Beneficiary as to the balance of the distribution.

17.2 Spousal Consent Requirements

Any written consent given by a Participant's Spouse pursuant to this Article must acknowledge the effect of the action taken, must specify any non-Spouse Beneficiary designated by the Participant and that such Beneficiary may not be changed without the Spouse's written consent, and must be witnessed by a Plan representative or a notary public. A Participant's Spouse will be deemed to have given written consent to the Participant's designation of Beneficiary if the Participant establishes to the satisfaction of a Plan representative that such consent cannot be obtained because the Spouse cannot be located or because of other circumstances set forth in Section 401(a)(11) of the Code and regulations issued thereunder. Any written consent given or deemed to have been given by a Participant's Spouse hereunder shall be valid only with respect to the Spouse who signs the consent.

17.3 Revocation of Beneficiary Designation Upon Divorce

Notwithstanding any other provision of this Article XVII to the contrary, if a Participant designates his or her Spouse as Beneficiary under the Plan, such designation shall

automatically become null and void as of the date of any final divorce or similar decree or order unless either (i) the Participant re-designates such former Spouse as his or her Beneficiary after the date of the final decree or order or (ii) such former Spouse is designated as the Participant's Beneficiary under a qualified domestic relations order; provided, however, that such former Spouse shall be the Participant's Beneficiary under this clause (ii) only to the extent required in accordance with the qualified domestic relations order. Notwithstanding the foregoing, distribution of a deceased Participant's account in accordance with his most recent Beneficiary designation filed with the Administrator shall completely discharge the Employer, the Administrator and the Trustee and they shall have no duty to inquire into, or act on any information concerning, whether a Participant's marriage has been dissolved and his Beneficiary designation thereby revoked as to his prior Spouse.

ARTICLE XVIII ADMINISTRATION

18.1 Authority of the Administrator

The Administrator, which shall be the administrator for purposes of ERISA and the plan administrator for purposes of the Code, shall be responsible for the administration of the Plan and, in addition to the powers and authorities expressly conferred upon it in the Plan, shall have all such powers and authorities as may be necessary to carry out the provisions of the Plan, including the power and authority to interpret and construe the provisions of the Plan, to make benefit determinations, and to resolve any disputes which arise under the Plan. The Administrator may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist in carrying out its duties hereunder. The Administrator shall be a "named fiduciary" as that term is defined in ERISA Section 402(a)(2). The Administrator may:

- (a) allocate any of the powers, authority, or responsibilities for the operation and administration of the Plan (other than trustee responsibilities as defined in ERISA Section 405(c)(3)) among named fiduciaries; and
- (b) designate a person or persons other than a named fiduciary to carry out any of such powers, authority, or responsibilities.

18.2 Discretionary Authority

In carrying out its duties under the Plan, including making benefit determinations, interpreting or construing the provisions of the Plan, making factual determinations, and resolving disputes, the Administrator (or any individual to whom authority has been delegated in accordance with Section 18.1) shall have absolute discretionary authority. Any interpretation of Plan provisions and any findings of fact, including eligibility to participate and eligibility for benefits, made by the Administrator (or any named fiduciary to whom the Administrator has allocated authority to make such interpretations and findings of fact) are final and will not be subject to "de novo" review unless shown to be arbitrary and capricious.

18.3 Claims Review Procedure

Except to the extent that the provisions of any collective bargaining agreement provide another method of resolving claims for benefits under the Plan, the provisions of this Section shall control whenever a claim for benefits under the Plan is filed by any person (referred to in this Section as the "claimant") and is denied, in whole or in part. The provisions of this Section shall also control whenever a claimant seeks a remedy under

any provision of ERISA or other applicable law in connection with any error regarding his benefit under the Plan and such claim is denied, in whole or in part.

Benefit claim determinations shall be made based on the applicable provisions of the Plan document and any documents of general application that interpret the Plan provisions and are maintained by the Employer or the Administrator for purposes of making benefit determinations. The Administrator shall take such steps as are necessary to ensure and verify that benefit claim determinations are made in accordance with such documents and that the Plan provisions are being applied consistently with respect to similarly situated Claimants. All notices to Claimants will be written in a manner calculated to be understood by the Claimant.

- (a) *Exhaustion of Remedies.* No civil action for benefits under the Plan will be brought unless and until the Claimant has (1) submitted a timely claim for benefits in accordance with the provisions of this Section; (2) been notified by the Administrator that the claim has been denied; (3) filed a written request for a review of the claim in accordance with the applicable provisions of paragraphs (e) or (f) below; and (4) been notified in writing of an adverse benefit determination on review.
- (b) *Grounds for Judicial Review.* Any civil action will be based solely on the contentions advanced by the Claimant in the administrative review process, and the judicial review will be limited to the Plan document and the record developed during the administrative review process as set forth in this Section.
- (c) *Definition of Disability Benefit.* For purposes of this Section, the term "Disability Benefit" means a benefit that is available under the Plan and that becomes payable upon a determination of a Participant's Disability as determined by the Administrator. The term "Disability Benefit" does not include a benefit that, pursuant to the terms of this Plan, becomes payable upon a determination of a Participant's Disability as determined either by the Social Security Administration or under the Sponsor's long-term disability plan.
- (d) *Written Claims.* Any claim for benefits by the Claimant (or an authorized representative) must be filed in writing with the Administrator; however, the Administrator may permit the filing of a claim for benefits electronically, so long as the Administrator complies with the standards imposed by DOL Regulation Section 2520.104b-1(c)(1)(i), (iii), and (iv).
- (e) *Review of Non-Disability Benefit Claims.* The provisions of this paragraph (e) will apply to any claim by a Claimant for a Plan benefit that is not a Disability Benefit (as defined in paragraph (c) above):

- (i) *Initial Denial.* Whenever the Administrator decides for any reason to deny, in whole or in part, a claim for benefits filed by a Claimant, the Administrator will transmit to the Claimant a written or electronic notice (which electronic notice must comply with the standards imposed by DOL Regulation Section 2520.104b-1(c)(1)(i), (iii), and (iv)) of its decision within 90 days of the date the claim was filed, unless an extension of time is necessary or the Claimant voluntarily agrees to an extension. If special circumstances require an extension, the Administrator will notify the Claimant before the end of the initial review period that additional review time is necessary. The notice for an extension will (A) specify the circumstances requiring a delay and the date that a decision is expected to be made; and (B) describe any additional information needed to resolve any unresolved issues. Unless the Administrator requires additional information from the Claimant to process the claim, the review period cannot be extended beyond an additional 90 days unless the Claimant voluntarily agrees to a longer extension or the Administrator determines that special circumstances require a further extension. If special circumstances require a further extension, the Administrator will notify the Claimant before the end of the extended review period that further additional review time is necessary. The notice will describe the special circumstances requiring a further delay and specify the date a decision is expected to be made. The Administrator cannot extend the review period beyond an additional 90 days unless the Claimant voluntarily agrees to a longer extension. If the Administrator requires additional information from the Claimant to process the claim and a timely notice requesting the additional information is transmitted to the Claimant, the Claimant must provide the additional information by 90 days of the date that the notice is provided, and the review period may be extended accordingly.
- (ii) *Notice of Denial.* The notice of an adverse benefit determination will be written in a manner calculated to be understood by the Claimant and will contain the following information: (A) the specific reason(s) for the denial; (B) reference to the specific Plan provisions on which the denial is based; (C) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; (D) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim; (E) a description of the Plan's review (i.e., appeal) procedures, the time limits applicable to such procedures, and in the event of an adverse review decision, a statement describing any voluntary review procedures and the Claimant's right to obtain copies of such procedures; and (F) a statement that if the Claimant requests a review

of the Administrator's decision and the reviewing fiduciary's decision on review is adverse to the Claimant, there is no further administrative review following such initial review, and that the Claimant then has a right to bring a civil action under ERISA Section 502(a). The notice will also include a statement advising the Claimant that, within 60 days of the date on which he receives such notice, he may obtain review of the decision of the Administrator in accordance with the procedures in subparagraph (3).

- (iii) *Right to Appeal.* Within the 60-day period beginning on the date the Claimant receives notice regarding disposition of his claim, the Claimant or his authorized representative may request that the claim denial be reviewed by the reviewing fiduciary, by filing with the Administrator a written request for such review. The written request for such review will contain the following information: (A) the date on which the Claimant's request was received by the Administrator, provided that the date on which the Claimant's request for review was in fact received by the Administrator will control in the event that the date of the actual filing is later than the date stated by the Claimant pursuant to this paragraph; (B) the specific portions of the denial of his claim which the Claimant requests the reviewing fiduciary to review; (C) a statement by the Claimant setting forth the basis upon which the Claimant believes the reviewing fiduciary should (i) reverse the previous denial by the Administrator of the Claimant's claim for benefits, and (ii) accept the Claimant's claim as made; and (D) any written comments, documents, records, and other information (offered as exhibits) which the Claimant desires the reviewing fiduciary to examine in its consideration of the Claimant's position, without regard to whether such information was submitted or considered in the initial benefit determination.
- (iv) *Review on Appeal.* Except as provided in DOL Regulation Section 2560.503-1(i)(1)(ii), within 60 days of the date determined under clause (A) in subparagraph (3) (or, if special circumstances require an extension, within 120 days of that date if an extension notice is furnished to the Claimant within the initial 60-day period, indicating the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review), the reviewing fiduciary will conduct a full and fair review of the Administrator's decision denying the Claimant's claim for benefits and will render its written decision on review to the Claimant. The review will take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The reviewing fiduciary's decision on review will be

written in a manner calculated to be understood by the Claimant and will contain the following information: (A) the specific reasons for the denial on review; (B) reference to specific Plan provisions on which the denial is based; (C) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim; (D) a statement describing any voluntary review procedures and the Claimant's right to obtain copies thereof; and (E) a statement that the Claimant has a right to bring a civil action under ERISA Section 502(a).

(f) *Review of Disability Benefit Claims.* The provisions of this paragraph (f) will apply to any claim by a Claimant for a Plan benefit that is a Disability Benefit (as defined in paragraph (c) above).

- (i) *Initial Denial.* Whenever the Administrator decides for any reason to deny, in whole or in part, a claim for a Disability Benefit filed by a Claimant, the Administrator will transmit to the Claimant a written or electronic notice (which electronic notice must comply with the standards imposed by DOL Regulation Section 2520.104b-1(c)(1)(i), (iii), and (iv)) of its decision within 45 days of the date the claim was filed, unless an extension of time is necessary or the Claimant voluntarily agrees to an extension. If, prior to the expiration of the initial 45-day period, the Administrator determines that a decision cannot be rendered within that initial 45-day period due to matters beyond the control of the Plan, the Administrator will provide a notice to the Claimant before the end of the 45-day review period that a 30-day extension of time is necessary. If, prior to the end of the first 30-day extension period, the Administrator determines that a decision cannot be rendered within that first 30-day extension period due to matters beyond the control of the Plan, the Administrator will provide a notice to the Claimant before the end of the first 30-day extension period that an additional 30-day extension of time is necessary. Any notice of an extension of time will (A) specify the circumstances requiring the extension of time and the date a decision is expected to be rendered; (B) explain the standards on which entitlement to a Disability Benefit is based; (C) state the unresolved issues that prevent a decision on the claim; and (D) describe any additional information needed to resolve those issues. If the Administrator requires additional information from the Claimant to process the claim for a Disability Benefit and a timely notice requesting the additional information is transmitted to the Claimant, the Claimant must provide the additional information by 45 days of the date that the notice is provided, and the review period may be extended accordingly.

The notice requesting additional information may also serve as notice of a claim denial if the notice clearly states that unless the Claimant provides the requested information within the prescribed time period, the claim will be denied for failure to provide sufficient information. A combined notice must provide both the information described above and the information under Notice of Denial below. If additional information is required from the Claimant, the Administrator has discretion to decide whether to request the information and extend the initial review period as described in this section or, instead, to deny the claim on the basis that there is not sufficient information to proceed.

- (ii) *Notice of Denial.* The notice of an adverse determination for a Disability Benefit will be written in a manner and will contain (A) the specific reasons for the denial of the claim; (B) reference to the specific Plan provisions on which the denial is based; (C) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; (D) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim; (E) either (1) if the claim denial is based on an internal rule, guideline, protocol, or other similar provision, a copy of the specific rule, guideline, protocol, or other similar criterion relied upon, or (2) an affirmative statement that the claim denial is not based on an internal rule, guideline, protocol, or other similar criterion; (F) if the claim denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation is available upon request, free of charge; (G) a discussion of the decision, including an explanation for disagreeing with or not following (1) the views presented by the Claimant, of health care professionals who treated the Claimant and vocational professionals who evaluated the Claimant, (2) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the adverse benefit determination, without regard to whether the advice was relied on in making the determination, and (3) any Disability determinations made by the Social Security Administration; (H) a description of the review (i.e., appeal) procedures, the time limits applicable to such procedures, and in the event of an adverse review decision, a statement describing any voluntary review procedures and the Claimant's right to obtain copies of such procedures; and (I) a statement that if the Claimant requests a review of the Administrator's decision and the reviewing fiduciary's decision on review is adverse to the Claimant,

that there is no further administrative review following such initial review, and that the Claimant then has a right to bring a civil action under ERISA Section 502(a). The notice will also include a statement advising the Claimant that, within 180 days of the date he receives such notice, he may obtain review of the decision of the Administrator in accordance with the procedures in subparagraph (3) below.

- (iii) *Right to Appeal.* Within the 180-day period beginning on the date the Claimant receives notice regarding disposition of his claim, the Claimant or his authorized representative may request that the claim denial be reviewed by the reviewing fiduciary, by filing with the Administrator a written request for such review. The written request for such review will contain the following information: (A) the date on which the Claimant's request was received by the Administrator provided that the date on which the Claimant's request for review was in fact received by the Administrator will control in the event that the date of the actual filing is later than the date stated by the Claimant pursuant to this paragraph; (B) the specific portions of the denial of his claim which the Claimant requests the reviewing fiduciary to review; (C) a statement by the Claimant setting forth the basis upon which the Claimant believes the reviewing fiduciary should (i) reverse the previous denial by the Administrator of the Claimant's claim for benefits, and (ii) accept the Claimant's claim as made; and (D) any written comments, documents, records, and other information (offered as exhibits) which the Claimant desires the reviewing fiduciary to examine in its consideration of Claimant's position, without regard to whether such information was submitted or considered in the initial benefit determination.
- (iv) *Review by Alternate Fiduciary.* Review of a Disability Benefit claim that has been denied in accordance with subparagraphs (1) and (2) above will be conducted by a reviewing fiduciary who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual. The review will not afford deference to the initial adverse benefit determination, but will take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. If the adverse benefit determination was based on a medical judgment, the reviewing fiduciary will consult with an appropriate health care professional who (A) was not consulted on the original adverse benefit determination, (B) is not subordinate to someone who was consulted on the original adverse benefit determination, and (C) has appropriate training and experience in the field of medicine involved in the

medical judgment. The reviewing fiduciary will either (1) provide the Claimant with a list of any medical or vocational experts whose advice was obtained on the original adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination or (2) notify the Claimant that he or she may request, in writing, a list of such experts.

- (v) *Review on Appeal.* Except as provided in DOL Regulation Section 2560.503-1(i)(3)(ii), within 45 days of the date determined under clause (A) in subparagraph (3) (or, if special circumstances require an extension, within 90 days of that date; provided that an extension notice is furnished to the Claimant within the initial 45-day period, which extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review), the reviewing fiduciary will conduct a full and fair review of the Administrator's decision denying the Claimant's claim for benefits and will render its written decision on review to the Claimant. If the reviewing fiduciary anticipates denying the Claimant's appeal, whether in whole or in part, based on new or additional evidence or a new or additional rationale, the reviewing fiduciary must provide the Claimant with (i) the new or additional evidence considered, relied upon, or generated by or at the direction of the Plan, the insurer, the reviewing fiduciary, or any other person making the benefit determination and/or (ii) the new or additional rationale for the determination. The information must be provided free of charge and as soon as possible to provide the Claimant a reasonable opportunity to review the information and submit a response before the reviewing fiduciary is required to render its decision. The review will take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The reviewing fiduciary's decision will be provided in a culturally and linguistically appropriate manner and contain the following information: (A) the specific reason(s) for the denial on review; (B) reference to specific Plan provisions on which the denial is based; (C) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim; (D) either (1) if the claim denial is based on an internal rule, guideline, protocol, or other similar criterion, either the specific rule, guideline, protocol, or other similar criterion or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion is available upon request, free of charge or (2) an affirmative statement that

the claim denial is not based on an internal rule, guideline, protocol, or other similar criterion; (E) if the claim denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation is available upon request, free of charge; (F) a discussion of the decision, including an explanation for disagreeing with or not following (1) the views presented by the Claimant, of health care professionals who treated the Claimant and vocational professionals who evaluated the Claimant; (2) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the adverse benefit determination, without regard to whether the advice was relied on in making the determination; and (3) any Disability determinations made by the Social Security Administration; (G) a statement describing any voluntary review procedures and the Claimant's right to obtain copies of such procedures; and (H) a statement that the Claimant has a right to bring a civil action under ERISA Section 502(a).

18.4 Special Rules Applicable to Claims Related to Investment Errors

Any person alleging that there has been a failure or error in implementing investment directions with respect to a Participant's Account must file a claim with the Administrator on or before the earlier of (a) 60 days (or such other number of days prescribed by the Administrator) from the mailing of a trade confirmation, account statement, or any other document, from which the error can be discovered, or (b) one year from the date of the transaction related to the error. Any claim filed outside of such period shall be limited to the benefit that would have been determined if the claim were timely filed, and therefore any adjustments shall be calculated for such period only.

18.5 Exhaustion of Remedies & Dispute Resolution

No civil action for benefits under the Plan shall be brought unless and until the aggrieved person has (a) submitted a timely claim for benefits in accordance with this Article, (b) been notified by the Administrator that the claim has been denied (or such claim is deemed denied), (c) filed a written request for a review of the claim in accordance with this Article, (d) been notified in writing of an adverse benefit determination on review, and (e) filed the civil action within 1 year of the date he receives a final adverse determination of his claim on review and must be filed in the United States District Court for the Western District of Washington. Any disputes related to this Plan other than a claim for benefits subject to the provisions of this Article XVIII shall be resolved through mutually binding arbitration as outlined in Nordstrom's Dispute Resolution Program, the terms of which are incorporated by reference into this Plan.

18.6 Grounds for Judicial Review

Any civil action by an aggrieved person shall be based solely on the contentions advanced by the aggrieved person in the administrative review process and the judicial review will be limited to the Plan document and the record developed during the administrative review process.

18.7 Qualified Domestic Relations Orders

The Administrator shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Code Section 414(p) and regulations issued thereunder.

18.8 Correction of Erroneous Payments and Overpayments

If payment is made from the Plan to any individual to whom no payment should have been made or the amount paid to an individual exceeds the amount to which such individual is entitled under the Plan, the Plan has an equitable lien on the erroneous payment or the overpayment. The Administrator will correct the erroneous payment or the overpayment in accordance with the requirements of the Employee Plans Compliance Resolution System (EPCRS) program.

18.9 Indemnification

To the extent permitted by applicable law, the Sponsor hereby indemnifies any employee of an Employer who carries out any responsibilities under the Plan, and holds them harmless from the effects, consequences, expenses, attorney fees and damages of their acts or conduct in such capacity, except to the extent that such consequences are the result of their own willful misconduct or breach of good faith. Such indemnification shall be in addition to any other rights such employee may have as a matter of law, or by reason of any insurance or other indemnification.

18.10 Prudent Man Standard of Care

The Plan fiduciaries shall discharge their duties under the Plan solely in the interests of Participants and Beneficiaries and, in accordance with the requirements of ERISA Section 404(a)(1)(B), with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent man acting in a like capacity and familiar with such matters would use in conducting an enterprise of like character with like aims.

18.11 Actions Binding

Subject to the provisions of Section 18.3, any action taken by the Sponsor and/or the Administrator which is authorized, permitted, or required under the Plan shall be final and binding upon the Employers, the Trustee, all persons who have or who claim an interest under the Plan, and all third parties dealing with the Employers or the Trustee.

ARTICLE XIX AMENDMENT AND TERMINATION

19.1 Amendment by the Mass Submitter

Subject to the requirements and limitations set forth in this Article, the Mass Submitter may amend any part of the Basic Plan Document. For purposes of this Plan, the Mass Submitter is Document Agility, Inc.

19.2 Amendment by Plan Sponsor

Subject to the provisions of Section 19.4, the CPCC may at any time and from time to time amend the Plan, either prospectively or retroactively. The Retirement Committee has the authority to approve and adopt non-material, technical, legal compliance, and/or administrative amendments to the Plan and shall notify the CPCC of any amendment adopted under this provision. Subject to the requirements and limitations set forth herein, the Plan can be amended in the following manner without affecting the Plan's status as a Pre-Approved Defined Contribution Plan: (1) changing any optional selections under the Plan, including any effective date of a provision as permitted under the Plan; (2) adding additional language where authorized under the Plan, including language necessary to satisfy Code Section 415 or Code Section 416 due to the required aggregation of multiple plans; (3) changing the addendums to the Plan from time to time without having to re-execute the Plan; (4) adopting any model, sample and/or "good faith" amendments promulgated/suggested by the IRS, for which the IRS has provided guidance that their adoption will not cause the Plan to lose reliance on the Opinion Letter and to be treated as an individually designed plan; (5) adopting any amendments that it deems necessary to resolve qualification failures under any Employee Plans Compliance Resolution System (EPCRS) promulgated by the Internal Revenue Service; (6) adopting an amendment to cure a coverage or nondiscrimination testing failure, as permitted under applicable Regulations; and (7) amending administrative provisions of the Plan relating to investments, plan claim procedures, and Employer contact information provided the amended provisions are not in conflict with any other provision of the Plan and do not cause the Plan to fail to qualify under Code Section 401; (8) amending to adjust for limitations provided under Code Section 415, Section 402(g), Section 401(a)(17) and Section 414(q)(1)(B) to reflect annual cost-of-living increases, other than to add automatic cost-of-living adjustments to the plan; and (9) making interim amendment or discretionary amendment that are related to a change in qualification requirements. Any amendment to the Plan under this Section applies to any Employer that participates under the Plan. The amendment of the Plan from one type of defined contribution plan into another type of defined contribution plan will not result in a partial termination or any other event that would require full vesting of some or all Participants. Any other

amendments to the Plan will result in the Sponsor no longer having reliance on the Opinion Letter, however, in the cases where the Employer is switching from an individually-designed plan or from one Pre-Approved Defined Contribution Plan to another, a list of Code Section 411(d)(6) protected benefits will not be considered an impermissible amendment to the Plan.

19.3 Amendment by Provider

Subject to the requirements and limitations set forth in subparagraphs (a), (b) and (c) below, the Provider may amend any part of the Plan without the consent of the Sponsor without the necessity of re-execution of the Plan. The Provider will provide each Plan Sponsor with a copy of any such amendment either by providing a copy of the amendment, by providing substitute or additional pages, or by providing a restated Plan. For purposes of amendments made by the Provider, the Plan Sponsor can override any such amendment by executing another amendment by the end of the applicable remedial amendment period that applies to such amendment.

- (a) Any Plan amendments adopted by the Provider will amend the Plan on behalf of all adopting Employers (including those Employers who have adopted the Plan prior to such amendment) for changes in the Code, the Regulations, revenue rulings, other statements published by the Internal Revenue Service (including model, sample or other required good faith amendments, but only if their adoption will not cause the Plan to be individually designed), and for corrections of prior approved plans. These amendments will be applied to all Employers who have adopted the Plan.
- (b) The Provider may amend any part of the Plan, however, for purposes of reliance on an Opinion Letter, the Provider will no longer have authority to amend the Plan on behalf of an adopting Employer as of the date (A) the Internal Revenue Service requires the Employer to file Form 5300 as an individually designed plan as a result of an Employer amendment to incorporate a type of plan not allowed in the Pre-Approved Defined Contribution Plan program, as described in section 6.03 of Revenue Procedure 2017-41, or (B) the Internal Revenue Service notifies the Employer, in accordance with section 8.06(3) of Revenue Procedure 2017-41 that the Plan is otherwise considered an individually designed plan due to the nature and extent of the amendments. For the purposes of Provider amendments, the Mass Submitter shall be recognized as the agent of the Provider. If the Provider does not adopt the amendments made by the Mass Submitter, it will no longer be identical to or a minor modifier of the Mass Submitter Plan.
- (c) The Provider will maintain, or have maintained on its behalf, a record of the Employers that have adopted the Plan, and will make reasonable and diligent efforts to ensure that each adopting Employer has actually received and is aware

of all Plan amendments and that each such Employer adopts new documents when necessary. Notwithstanding the foregoing, where this Plan is not provided to the Sponsor directly by the Provider but rather by a third party such as a law firm, an actuarial firm, an insurance company, an accounting firm, or a third party administration firm, the responsibility to make reasonable and diligent efforts to ensure that each adopting Employer has actually received and is aware of all amendments and that each such Employer adopts new documents when necessary will be the responsibility of such third party, and the Provider's responsibility will be limited to making reasonable and diligent efforts to ensure that such third party is aware of all Plan amendments. However, the Provider will have no further obligations under this subparagraph after such third party terminates its business relationship with the Provider, in which case the terms of Section 19.9 will apply.

For purposes of this section, the term "**Mass Submitter**" means a person, firm or organization meeting the requirements of Section 4.04 and Section 10 of Revenue Procedure 2017-41.

For purposes of this section, the term "**Provider**" means any person that (1) has an established place of business in the United States where it is accessible during every business day, and (2) represents to the IRS in its application for an Opinion Letter that it has at least 15 employer-clients, each of which is reasonably expected to adopt the same Pre-Approved Plan of the Provider. By submitting an application for Opinion Letter for a Pre-Approved Plan, the Provider agrees to comply with any requirements imposed by Revenue Procedure 2017-41, as may be amended, with the understanding that failure to comply may result in the loss of eligibility to offer such Pre-Approved Plans and the revocation of Opinion Letters that have been issued to the Provider. The Provider of this Pre-Approved Defined Contribution Plan is defined at Section 1.1.

The term "**Opinion Letter**" means a non-transferrable written statement issued by the Internal Revenue Service (IRS) to a Provider or Mass Submitter as to the qualification in form of a plan under Code Section 401, Section 403(a) or both Section 401 and Section 4975(e)(7). Opinion Letters do not constitute rulings or determinations as to the exempt status of related trusts or custodial accounts under Code Section 501(a) or Title I issues administered by the Department of Labor (DOL). Adopting Employers may generally rely on the Plan's Opinion Letter as evidence that the Plan is qualified under Code Section 401 only to the extent provided in Revenue Procedure 2017-41 and provided such Employer has not amended the Plan other than to choose options provided under the Plan or to make amendments as permitted. The Employer may not rely on the Opinion Letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the Opinion letter issued with respect to the Plan and in Revenue Procedure 2017-41.

The term "**Pre-Approved Defined Contribution Plan**" means a plan, the form of which is the subject of a favorable Opinion Letter from the Internal Revenue Service.

19.4 Limitation on Amendment

No amendment to the Plan shall be effective to the extent that it has the effect of decreasing a Participant's accrued benefit. This includes a Plan amendment that decreases a Participant's accrued benefit, or otherwise places greater restrictions or conditions on a Participant's rights to Code Section 411(d)(6) protected benefits, even if the amendment merely adds a restriction or condition that is permitted under the vesting rules in Code Section 411(a)(3) through (11). Notwithstanding the preceding sentence, a Participant's account balance may be reduced to the extent permitted under Code Section 412(d)(2) or to the extent permitted under Regulations Sections 1.411(d)-3 and 1.411(d)-4. For purposes of this paragraph, a Plan amendment which has the effect of decreasing a Participant's account balance, with respect to benefits attributable to service before the amendment, shall be treated as reducing an accrued benefit. Furthermore, if the vesting schedule of a Plan is amended, in the case of an Employee who is a Participant as of the later of the date such amendment is adopted or the date it becomes effective, the nonforfeitable percentage (determined as of such date) of such Employee's Employer-derived accrued benefit will not be less than the percentage computed under the Plan without regard to such amendment.

No amendment to the Plan shall be effective to eliminate or restrict an optional form of benefit. The preceding sentence shall not apply to a Plan amendment that eliminates or restricts the ability of a Participant to receive payment of his or her account balance under a particular optional form of benefit if the amendment provides a single-sum distribution form that is otherwise identical to the optional form of benefit being eliminated or restricted. For this purpose, a single-sum distribution form is otherwise identical only if the single-sum distribution form is identical in all respects to the eliminated or restricted optional form of benefit (or would be identical except that it provides greater rights to the Participant) except with respect to the timing of payments after commencement.

19.5 Termination

The CPCC reserves the right, by resolution or similar action, to terminate the Plan as to all Employers at any time (the effective date of such termination being hereinafter referred to as the "termination date"). Upon any such termination of the Plan, the following actions shall be taken for the benefit of Participants and Beneficiaries:

- (a) As of the termination date, each Investment Fund shall be valued and all Accounts and Sub-Accounts shall be adjusted in the manner provided in Article XI, with any unallocated contributions or forfeitures being allocated as of the termination date in the manner otherwise provided in the Plan. In determining the net worth of the Trust, there shall be included as a liability such amounts as shall be necessary

to pay all expenses in connection with the termination of the Trust and the liquidation and distribution of the property of the Trust, as well as other expenses, whether or not accrued, and shall include as an asset all accrued income.

- (b) All Accounts shall then be disposed of to or for the benefit of each Participant or Beneficiary in accordance with the provisions of Article XV as if the termination date were his Settlement Date; provided, however, that notwithstanding the provisions of Article XV, if the Plan does not offer an annuity option and if neither his Employer nor a Related Employer establishes or maintains another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7)), the Participant's written consent to the commencement of distribution shall not be required regardless of the value of the vested portions of his Account.
- (c) Notwithstanding the provisions of paragraph (b) of this Section, no distribution shall be made to a Participant of any portion of the balance of his 401(k) Contributions Sub-Account on account of Plan termination (other than a distribution made in accordance with Article XIII or required in accordance with Code Section 401(a)(9)) unless (i) neither his Employer nor a Related Employer establishes or maintains another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7), a tax credit employee stock ownership plan as defined in Code Section 409, a simplified employee pension as defined in Code Section 408(k), a SIMPLE IRA plan as defined in Code Section 408(p), a plan or contract that meets the requirements of Code Section 403(b), or a plan that is described in Code Section 457(b) or (f)) either at the time the Plan is terminated or at any time during the period ending 12 months after distribution of all assets from the Plan; provided, however, that this provision shall not apply if fewer than 2% of the Eligible Employees under the Plan were eligible to participate at any time in such other defined contribution plan during the 24 month period beginning 12 months before the Plan termination, and (ii) the distribution the Participant receives is a "lump sum distribution" as defined in Code Section 402(e)(4), without regard to clauses (I), (II), (III), and (IV) of sub paragraph (D)(i) thereof.

Notwithstanding anything to the contrary contained in the Plan, upon any such Plan termination, the vested interest of each Participant and Beneficiary in his Employer Contributions Sub-Account shall be 100%; and, if there is a partial termination of the Plan, the vested interest of each Participant and Beneficiary who is affected by the partial termination in his Employer Contributions Sub-Account shall be 100%. For purposes of the preceding sentence only, the Plan shall be deemed to terminate automatically if there shall be a complete discontinuance of contributions hereunder by all Employers.

19.6 Inability to Locate Payee on Plan Termination

If distribution of a Participant's Account is to be made to the Participant, his Beneficiary, or an alternate payee under a qualified domestic relations order (a "payee") on account of the termination of the Plan, and such payee does not present himself to the Administrator within a reasonable period after the Administrator sends written notice of his eligibility to receive a distribution hereunder to his last known address and makes such other diligent effort to locate the person as the Administrator determines, distribution of such Account shall be made at the direction of the Administrator through a direct rollover to an individual retirement plan established on behalf of the payee with a provider selected by the Administrator, transfer to another "eligible retirement plan", as defined in the Section of Article XVI entitled "Direct Rollovers", or payment to the Pension Benefit Guaranty Corporation missing participant program.

19.7 Reorganization

The merger, consolidation, or liquidation of any Employer with or into any other Employer or a Related Employer shall not constitute a termination of the Plan as to such Employer.

19.8 Withdrawal of an Employer

An Employer other than the Sponsor may withdraw from the Plan at any time upon notice in writing to the Administrator (the effective date of such withdrawal being hereinafter referred to as the "withdrawal date") and shall thereupon cease to be an Employer for all purposes of the Plan. An Employer shall be deemed automatically to withdraw from the Plan in the event of its complete discontinuance of contributions, or, subject to Section 19.7 and unless the Sponsor otherwise directs, it ceases to be a Related Employer of the Sponsor or any other Employer. Upon the withdrawal of an Employer, the withdrawing Employer shall determine whether a partial termination has occurred with respect to its Employees. In the event that the withdrawing Employer determines a partial termination has occurred, the action specified in Section 19.5 shall be taken as of the withdrawal date, as on a termination of the Plan, but with respect only to Participants who are employed solely by the withdrawing Employer, and who, upon such withdrawal, are neither transferred to nor continued in employment with any other Employer or a Related Employer. The interest of any Participant employed by the withdrawing Employer who is transferred to or continues in employment with any other Employer or a Related Employer, and the interest of any Participant employed solely by an Employer or a Related Employer other than the withdrawing Employer, shall remain unaffected by such withdrawal; no adjustment to his Accounts shall be made by reason of the withdrawal; and he shall continue as a Participant hereunder subject to the remaining provisions of the Plan.

19.9 Loss of Pre-Approved Plan Status

Notwithstanding any provision in this Plan to the contrary, if this Plan is provided to the Plan Sponsor by a third party (e.g., a law firm, an actuarial firm, an insurance company, an accounting firm, a third party administration firm, etc.) rather than by the Provider directly, and (a) such third party subsequently terminates its business relationship with the Provider for any reason, or (b) the Provider subsequently terminates its business relationship with such third party for any reason, or (c) the Plan Sponsor subsequently terminates its business relationship with such third party, then this Plan will no longer be considered a Pre-Approved Defined Contribution Plan, but rather will be considered an individually designed plan, and the Provider will have no further responsibilities or obligations with respect to the Plan or the Plan Sponsor.

ARTICLE XX
ADOPTION BY OTHER ENTITIES

20.1 Adoption by Related Employers

A Related Employer may, with the consent of the Administrator, adopt the Plan and become an Employer hereunder by causing an appropriate written instrument evidencing such adoption to be executed in accordance with the requirements of its organizational authority. Any such instrument shall specify the effective date of the adoption.

20.2 Effective Plan Provisions

An Employer who adopts the Plan shall be bound by the provisions of the Plan in effect at the time of the adoption and as subsequently in effect because of any amendment to the Plan.

ARTICLE XXI
MISCELLANEOUS PROVISIONS

21.1 No Commitment as to Employment

Nothing contained herein shall be construed as a commitment or agreement upon the part of any person to continue his employment with an Employer or Related Employer, or as a commitment on the part of any Employer or Related Employer to continue the employment, compensation, or benefits of any person for any period.

21.2 Benefits

Nothing in the Plan nor the Trust Agreement shall be construed to confer any right or claim upon any person, firm, or corporation other than the Employers, the Trustee, Participants, and Beneficiaries.

21.3 No Guarantees

The Employers, the Administrator, and the Trustee do not guarantee the Trust from loss or depreciation, nor do they guarantee the payment of any amount which may become due to any person hereunder.

21.4 Expenses

The expenses of operation and administration of the Plan, including the expenses of the Administrator, shall be paid from the Trust, unless the Sponsor elects to make payment. To the extent paid from the Trust, administrative expenses shall be allocated among Participants' Accounts.

Notwithstanding the foregoing, the costs incident to the management of the assets of an Investment Fund or to the purchase or sale of securities held in an Investment Fund shall be allocable to Accounts invested in such Investment Fund and administrative expenses that are incurred directly with respect to an individual Participant's Account will be allocated to that Account.

21.5 Precedent

Except as otherwise specifically provided, no action taken in accordance with the Plan shall be construed or relied upon as a precedent for similar action under similar circumstances.

21.6 Duty to Furnish Information

The Employers, the Administrator, and the Trustee shall furnish to any of the others any documents, reports, returns, statements, or other information that the other reasonably deems necessary to perform its duties hereunder or otherwise imposed by law.

21.7 Merger, Consolidation, or Transfer of Plan Assets

The Plan shall not be merged or consolidated with any other plan, nor shall any of its assets or liabilities be transferred to another plan, unless, immediately after such merger, consolidation, or transfer of assets or liabilities, each Participant in the Plan would receive a benefit under the Plan which is at least equal to the benefit he would have received immediately prior to such merger, consolidation, or transfer of assets or liabilities (assuming in each instance that the Plan had then terminated).

21.8 Condition on Employer Contributions

Notwithstanding anything to the contrary contained in the Plan or the Trust Agreement, any contribution of an Employer hereunder is conditioned upon the continued qualification of the Plan under Code Section 401(a), the exempt status of the Trust under Code Section 501(a), and the deductibility of the contribution under Code Section 404. Except as otherwise provided in this Section and Section 21.9, however, in no event shall any portion of the property of the Trust ever revert to or otherwise inure to the benefit of an Employer or any Related Employer.

21.9 Return of Contributions to an Employer

Notwithstanding any other provision of the Plan or the Trust Agreement to the contrary, in the event any contribution of an Employer made hereunder:

- (a) is made under a mistake of fact, or
- (b) is disallowed as a deduction under Code Section 404,

such contribution, reduced for any losses experienced by the Trust Fund, may be returned to the Employer within one year after the payment of the contribution or the disallowance of the deduction to the extent disallowed, whichever is applicable. If the contribution is returned because of a mistake of fact, the amount returned will be reduced for any losses experienced by the Trust Fund. In the event the Plan does not initially qualify under Code Section 401(a), any contribution of an Employer made hereunder may be returned to the Employer within one year of the date of denial of the initial qualification of the Plan, but only if an application for determination was made within the period of time prescribed under ERISA Section 403(c)(2)(B).

21.10 Validity of Plan

The validity of the Plan shall be determined, and the Plan shall be construed and interpreted in accordance with the laws of the state of Washington, except as preempted by applicable Federal law. The invalidity or illegality of any provision of the Plan shall not affect the legality or validity of any other part thereof.

21.11 Trust Agreement

The Trust Agreement and the Trust maintained thereunder shall be deemed to be a part of the Plan as if fully set forth herein and the provisions of the Trust Agreement are hereby incorporated by reference into the Plan.

21.12 Parties Bound

The Plan shall be binding upon the Employers, all Participants and Beneficiaries hereunder, and, as the case may be, the heirs, executors, administrators, successors, and assigns of each of them.

21.13 Application of Certain Plan Provisions

For purposes of the general administrative provisions and limitations of the Plan, a Participant's Beneficiary or alternate payee under a qualified domestic relations order shall be treated as any other person entitled to receive benefits under the Plan. Upon any termination of the Plan, any such Beneficiary or alternate payee under a qualified domestic relations order who has an interest under the Plan at the time of such termination, which does not cease by reason thereof, shall be deemed to be a Participant for all purposes of the Plan. A Participant's Beneficiary, if the Participant has died, or alternate payee under a qualified domestic relations order shall be treated as a Participant for purposes of directing investments as provided in Article X.

21.14 Merged Plans

In the event another defined contribution plan (the "merged plan") is merged into and made a part of the Plan, each Employee who was eligible to participate in the "merged plan" immediately prior to the merger shall become an Eligible Employee on the date of the merger. In no event shall a Participant's vested interest in his Sub-Account attributable to amounts transferred to the Plan from the "merged plan" (his "transferee Sub-Account") on and after the merger be less than his vested interest in his account under the "merged plan" immediately prior to the merger. Notwithstanding any other provision of the Plan to the contrary, a Participant's service credited for eligibility and vesting purposes under the "merged plan" as of the merger, if any, shall be included as Eligibility and Vesting Service under the Plan to the extent Eligibility and Vesting Service are credited under the Plan. Special provisions applicable to a Participant's

"transferee Sub-Account", if any, shall be specifically reflected in the Plan or in an Addendum to the Plan.

21.15 Transferred Funds

If funds from another qualified plan are transferred or merged into the Plan, such funds shall be held and administered in accordance with any restrictions applicable to them under such other plan to the extent required by law and shall be accounted for separately to the extent necessary to accomplish the foregoing.

21.16 Veterans Reemployment Rights

Notwithstanding any other provision of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u). Any contributions required to be made in accordance with this Section shall be contributed to the Plan within the time period prescribed under applicable regulations or other guidance. Any Matching Contributions required to be made because of 401(k) Contributions made by a Participant in accordance with the provisions of Code Section 414(u), shall be contributed to the Plan as soon as administratively practicable after the date on which the Participant's contributions are paid to the Plan. The Administrator shall notify the Trustee of any Participant with respect to whom additional contributions are made because of qualified military service. In addition, any Matching Contributions required to be made because of 401(k) Contributions made by a Participant in accordance with the provisions of Code Section 414(u), shall not be included in applying the limitations on Matching Contributions described in Article VII.

An Employee who is absent from employment because of qualified military service shall be treated as on furlough or leave solely for purposes of complying with the requirements of Code Section 414(u). Otherwise, such an Employee shall be treated as having terminated employment with the Employer if and to the extent provided under the Employer's standard policy governing absences because of military service.

If a Participant who is absent from employment as a Covered Employee because of military service dies while performing qualified military service (as defined in Code Section 414(u)), the Participant shall be treated as having returned to employment as a Covered Employee on the day immediately preceding his death for purposes of determining the Participant's vested interest in his Account and his Beneficiary's eligibility for a death benefit under the Plan. Notwithstanding the foregoing, such a Participant shall not be entitled to additional contributions with respect to his period of military leave.

21.17 Delivery of Cash Amounts

To the extent that the Plan requires the Employers to deliver cash amounts to the Trustee, such delivery may be made through any means acceptable to the Trustee, including wire transfer.

21.18 Written Communications

Any communication among the Employers, the Administrator, and the Trustee that is stipulated under the Plan to be made in writing may be made in any medium that is acceptable to the receiving party and permitted under applicable law.

21.19 Direct Transfer of Contributions

Any Employee, including an Employee who has not yet satisfied any age and/or service requirements to become an Eligible Employee under the Plan, may, with the approval of the Administrator, have Transfer Contributions made to the Plan on his behalf by causing assets to be directly transferred by the trustee of another qualified retirement plan to the Trustee of the Plan.

Amounts contributed to the Plan through a direct rollover shall not constitute Transfer Contributions.

Transfer Contributions made on behalf of an Employee shall be deposited in the Trust and credited to a Transfer Contributions Sub-Account established in the Employee's name. Such Sub-Account shall share in the allocation of earnings, losses, and expenses of the Trust Fund(s) in which it is invested but shall not share in allocations of Employer Contributions.

In the event a Transfer Contribution is made on behalf of an Employee who has not yet satisfied the requirements to become an Eligible Employee under the Plan, such Transfer Contributions Sub-Account shall represent the Employee's sole interest in the Plan until he becomes an Eligible Employee.

21.20 Plan Correction Procedures

The Employer shall take such action as it deems necessary to correct any Plan failure, including, but not limited to, omission of an Eligible Employee, inclusion of an ineligible Employee, operational failures, documentation failures (such as a failure to timely amend), failures affecting Plan qualification, etc. as required by the Employee Plans Compliance Resolution System, as set forth in Revenue Procedure 2016-51, or any superseding guidance ("EPCRS").

In the event of a fiduciary breach or a prohibited transaction, correction shall be made in accordance with the requirements of ERISA and the Code.

**ARTICLE XXII
TOP-HEAVY PROVISIONS**

22.1 Definitions

For purposes of this Article, the following terms shall have the following meanings:

The "**compensation**" of an employee means his "415 compensation" as defined in Section 7.1.

The "**determination date**" with respect to any Plan Year means the last day of the preceding Plan Year, except that the "determination date" with respect to the first Plan Year of the Plan, shall mean the last day of such Plan Year.

A "**key employee**" means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the "determination date" was an officer of an Employer or a Related Employer having annual "compensation" greater than \$165,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2012), a 5% owner of an Employer or a Related Employer, or a 1% owner of an Employer or a Related Employer having annual "compensation" of more than \$150,000.

A "**non-key employee**" means any Employee who is not a "key employee".

A "**permissive aggregation group**" means those plans included in each Employer's "required aggregation group" together with any other plan or plans of the Employer or any Related Employer, so long as the entire group of plans would continue to meet the requirements of Code Sections 401(a)(4) and 410.

A "**required aggregation group**" means the group of tax-qualified plans maintained by an Employer or a Related Employer consisting of each plan in which a "key employee" participates or participated at any time during the Plan Year containing the "determination date" or any of the 4 preceding Plan Years (regardless of whether the plan has terminated) and each other plan that enables a plan in which a "key employee" participates to meet the requirements of Code Section 401(a)(4) or Code Section 410.

A "**top-heavy group**" with respect to a particular Plan Year means a "required" or "permissive aggregation group" if the sum, as of the "determination date", of the present value of the cumulative accrued benefits for "key employees" under all defined benefit plans included in such group and the aggregate of the account balances of "key

employees" under all defined contribution plans included in such group exceeds 60% of a similar sum determined for all employees covered by the plans included in such group.

A " **top-heavy plan** " with respect to a particular Plan Year means (i) in the case of a defined contribution plan (including any simplified employee pension plan), a plan for which, as of the "determination date", the aggregate of the accounts (within the meaning of Code Section 416(g) and the regulations and rulings thereunder) of "key employees" exceeds 60% of the aggregate of the accounts of all participants under the plan, with the accounts valued as of the relevant valuation date and increased for any distribution of an account balance made during the one-year period ending on the "determination date" (5-year period ending on the "determination date" if distribution is made for any reason other than severance from employment, death, or disability), (ii) in the case of a defined benefit plan, a plan for which, as of the "determination date", the present value of the cumulative accrued benefits payable under the plan (within the meaning of Code Section 416(g) and the regulations and rulings thereunder) to "key employees" exceeds 60% of the present value of the cumulative accrued benefits under the plan for all employees, with the present value of accrued benefits for employees (other than "key employees") to be determined under the accrual method uniformly used under all plans maintained by an Employer or, if no such method exists, under the slowest accrual method permitted under the fractional accrual rate of Code Section 411(b)(1)(C) and including the present value of any part of any accrued benefits distributed during the one-year period ending on the "determination date" (5-year period ending on the "determination date" if distribution is made for any reason other than severance from employment, death, or disability), and (iii) any plan (including any simplified employee pension plan) included in a "required aggregation group" that is a "top-heavy group". For purposes of this paragraph, the accounts and accrued benefits of any employee who has not performed services for an Employer or a Related Employer during the one-year period ending on the "determination date" shall be disregarded. For purposes of this paragraph, the present value of cumulative accrued benefits under a defined benefit plan for purposes of top-heavy determinations shall be calculated using the actuarial assumptions otherwise employed under such plan, except that the same actuarial assumptions shall be used for all plans within a "required" or "permissive aggregation group". A Participant's interest in the Plan attributable to any Rollover Contributions, except Rollover Contributions made from a plan maintained by an Employer or a Related Employer, shall not be considered in determining whether the Plan is a "top-heavy plan". Notwithstanding the foregoing, if a plan is included in a "required" or "permissive aggregation group" that is not a "top-heavy group", such plan shall not be a "top-heavy plan".

The " **valuation date** " with respect to any "determination date" means the most recent Valuation Date occurring within the 12-month period ending on the "determination date".

22.2 Applicability

Notwithstanding any other provision of the Plan to the contrary, the provisions of this Article shall be applicable during any Plan Year in which the Plan is determined to be a "top-heavy plan" as hereinafter defined, unless no amounts are allocated to any Eligible Employee's Account for the Plan Year, other than 401(k) Contributions that satisfy non-discrimination requirements using the safe harbor method described in Treasury Regulations Section 1.401(k)-3 and QACA Safe Harbor Matching Contributions.

22.3 Minimum Employer Contribution

If the Plan is determined to be a "top-heavy plan" for a Plan Year, the Employer Contributions allocated to the Account of each "non-key employee" who is an Eligible Employee and who is employed by an Employer or a Related Employer on the last day of such top-heavy Plan Year shall be no less than the lesser of (i) 3% of his "compensation" or (ii) the largest percentage of "compensation" that is allocated as an Employer Contribution and/or 401(k) Contribution for such Plan Year to the Account of any "key employee"; except that, in the event the Plan is part of a "required aggregation group", and the Plan enables a defined benefit plan included in such group to meet the requirements of Code Section 401(a)(4) or 410, the minimum allocation of Employer Contributions to each such "non-key employee" shall be 3% of the "compensation" of such "non key employee". Any minimum allocation to a "non-key employee" required by this Section shall be made without regard to any social security contribution made on behalf of the "non-key employee", his number of hours of service, his level of "compensation", or whether he declined to make elective or mandatory contributions.

Employer Contributions allocated to a Participant's Account in accordance with this Section shall be considered "annual additions" under Article VII for the "limitation year" for which they are made and shall be separately accounted for. Employer Contributions allocated to a Participant's Account shall be allocated upon receipt among the Investment Funds in accordance with the Participant's currently effective investment election.

22.4 Exclusion of Collectively-Bargained Employees

Notwithstanding any other provision of this Article, Employees who are covered by an agreement that the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and one or more employers shall not be entitled to a minimum allocation or accelerated vesting under this Article, unless otherwise provided in the collective bargaining agreement.

* * *

The adopting Employer may rely on an Opinion Letter issued by the Internal Revenue Service as evidence that the plan is qualified under Code Section 401(a) only to the extent provided in Revenue Procedure 2017-41. The Employer may not rely on the Opinion Letter in certain other circumstances or with respect to certain qualification requirements that are specified in the Opinion Letter issued with respect to this Basic Plan Document #16 and in Revenue Procedure 2017-41. The appropriateness of the adoption of this Plan, its qualification with the IRS, and the tax and employee benefit consequences are the responsibility of the Employer and its tax and legal advisors. Failure to properly complete and execute this Plan may result in disqualification. In order to have reliance in such circumstances, application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service. Questions regarding adoption of this Plan, the intended meaning of any plan provisions, or the effect of the Opinion Letter issued by the Internal Revenue Service with respect to this Basic Plan Document #16 may be addressed to the Provider or agent designated for such purpose.

EXECUTED AT Seattle, Washington, this **23rd** day of **August**, 2024.

NORDSTROM, INC.

/s/ Lisa Price

By: Lisa Price

Title: Chief Human Resources
Officer

NORDSTROM
DEFERRED COMPENSATION PLAN
2024 Restatement
As Adopted on August 20, 2024

NORDSTROM
DEFERRED COMPENSATION PLAN
(2024 Restatement)

TABLE OF CONTENTS

ARTICLE I	1
1.1	<u>Title</u> 1
1.2	<u>Purpose</u> 1
1.3	<u>Effective Date</u> 1
ARTICLE II	1
2.1	<u>Eligible Employee</u> 1
2.2	<u>Entry Date</u> 1
2.3	<u>When Participation Begins</u> 2
2.4	<u>Suspension of Participation</u> 2
2.5	<u>When Participation Ends</u> 2
ARTICLE III	3
3.1	<u>Deferral Elections</u> 3
3.2	<u>Amount of Deferral</u> 4
3.3	<u>Company Contribution Allocations</u> 5
3.4	<u>Deferral of Separation Payments Prohibited</u> 8
3.5	<u>Requirement for Deferral Agreement</u> 8
3.6	<u>Applicability of Deferral Agreement</u> 8
ARTICLE IV	9
4.1	<u>Account</u> 9
4.2	<u>Time of Crediting Accounts</u> 9
4.3	<u>Participant Deemed Investments</u> 10
4.4	<u>Investments by the Company</u> 10
4.5	<u>Limited Effect of Allocation</u> 10
4.6	<u>Report of Account</u> 10
ARTICLE V	11
5.1	<u>Ownership Rights in Account</u> 11
5.2	<u>Rights in Plan are Unfunded and Unsecured</u> 11
5.3	<u>No Transfer of Interest in Plan Allowed</u> 11
5.4	<u>Plan Binding Upon Parties</u> 12
5.5	<u>Application of Clawback Policy</u> 12
ARTICLE VI	12
6.1	<u>Separation Distributions</u> 12
6.2	<u>In-Service Distributions</u> 13
6.3	<u>Pre-Retirement Separation</u> 14
6.4	<u>Payment Commencement Date</u> 15

6.5	<u>Delayed Payment Date</u>	15
6.6	<u>Changing the Time or Form of Distribution</u>	15
6.7	<u>Cash and Stock Distributions</u>	16
6.8	<u>Postponement of Non-Deductible Distributions</u>	16
6.9	<u>Acceleration of Payment</u>	18
6.10	<u>Post-Distribution Allocations</u>	18
ARTICLE VII 18		
7.1	<u>Designation of Beneficiary</u>	18
7.2	<u>Married Participants</u>	18
7.3	<u>Deemed Beneficiary</u>	18
7.4	<u>Surviving Beneficiary</u>	18
7.5	<u>Distribution of Account Balance at Death</u>	19
7.6	<u>Determination of Beneficiary</u>	19
7.7	<u>Payments to Minor or Incapacitated Beneficiaries</u>	19
ARTICLE VIII 19		
8.1	<u>Plan Administrator</u>	19
8.2	<u>Powers and Authority of the Plan Administrator</u>	19
8.3	<u>Delegation of Powers and Authority</u>	19
8.4	<u>Reliance on Opinions</u>	20
8.5	<u>Information</u>	20
8.6	<u>Indemnification</u>	20
ARTICLE IX 20		
9.1	<u>Submission of Claim</u>	20
9.2	<u>Denial of Claim</u>	20
9.3	<u>Review of Denied Claim</u>	20
9.4	<u>Decision upon Review of Denied Claim</u>	21
ARTICLE X 21		
ARTICLE XI 21		
11.1	<u>No Employment Contract</u>	21
11.2	<u>Dispute Resolution</u>	21
11.3	<u>Employee Cooperation</u>	22
11.4	<u>Illegality and Invalidity</u>	22
11.5	<u>Required Notice</u>	22
11.6	<u>Interest of Participant's Spouse</u>	22
11.7	<u>Tax Liabilities from Plan</u>	22
11.8	<u>Benefits Nonexclusive</u>	22
11.9	<u>Discharge of Company Obligation</u>	22
11.10	<u>Costs of Enforcement</u>	23
11.11	<u>Gender and Case</u>	23
11.12	<u>Titles and Headings</u>	23
11.13	<u>Applicable Law</u>	23

ARTICLE I

TITLE, PURPOSE AND EFFECTIVE DATE

1.1 Title . This plan shall be known as the Nordstrom Deferred Compensation Plan, and any reference in this instrument to the “Plan” or “DCP” shall include the plan as described herein and as amended from time to time.

1.2 Purpose . The Plan is intended to constitute an unfunded plan maintained primarily for the purpose of providing an opportunity for deferred compensation for a select group of management or highly compensated employees, within the meaning of Section 201(2), 301(a)(3) and 401(a)(4) of the Employee Retirement Income Security Act of 1974 (“ERISA”), of Nordstrom, Inc., a Washington corporation, (the “Company”) and its United States subsidiaries and affiliates.

1.3 Effective Date . The Plan was originally effective as of January 1, 1994. The Plan was previously amended to comply with Section 409A of the Code. Amounts deferred and vested prior to January 1, 2005 (and investment gains and losses attributable to such amounts) are governed by the 2003 Restatement and any amendments to the 2003 Restatement. Amounts initially deferred and vested after December 31, 2004 and before January 1, 2008 were subject to the provisions of the 2007 Restatement, except to the extent modified by transition rules separately documented by the Company. The Plan was also amended and restated with the 2014 Restatement, 2017 Restatement, 2019 Restatement and 2022 Restatement. This 2024 Restatement is effective August 20, 2024.

ARTICLE II

ELIGIBILITY

2.1 Eligible Employee . An “Eligible Employee” means, for any Plan Year, any employee of the Company or a U.S. subsidiary or affiliate who is (a) expressly selected by the Plan Administrator, in its sole discretion, to participate in the Plan, and (b) a member of a select group of management or highly compensated employees, within the meaning of Section 201(2), 301(a)(3) and 401(a)(4) of ERISA. In lieu of expressly selecting Eligible Employees for Plan participation, the Plan Administrator may establish eligibility criteria (consistent with the requirements of this Section) providing for participation of all employees who satisfy such criteria. The Plan Administrator may at any time, in its sole discretion, change the eligibility criteria for Eligible Employees, or determine that one or more Participants will cease to be an Eligible Employee. Subject to the provisions of the Plan, all Eligible Employees will be eligible to defer compensation and receive benefits at the time and in the manner provided hereunder.

2.2 Entry Date . An Eligible Employee shall be eligible to participate in the Plan as follows:

(a) Eligible Employees who are first hired during a Plan Year shall be eligible to participate in the Plan on March 1, June 1 or September 1 following the date he or she first becomes an Eligible Employee.

(b) All other Eligible Employees shall be eligible to participate in the Plan on January 1 of the year following the year in which he or she became an Eligible Employee.

2.3 When Participation Begins . An Eligible Employee becomes a "Participant" in the Plan for the Plan Year when he or she elects to defer a portion of Eligible Compensation during the applicable Election Period pursuant to the terms of the Plan and Article III. The "Election Period" is either the Annual Election Period or, for newly hired and Eligible Employees, the Initial Election Period, determined as follows:

(a) Annual Election Period . "Annual Election Period" means the period designated each year during which Eligible Employees submit their elections to defer compensation. The Plan Administrator has discretion to establish the Annual Election Period and may establish different Annual Election Periods for different types of compensation, provided that annual elections must become irrevocable not later than the time specified under Code Section 409A. A Participant's deferral election with respect to Base Compensation and Bonus Compensation at an Annual Election Period must become irrevocable not later than December 31 of the year preceding the year in which the Participant performs services generating the Base Compensation and the Bonus Compensation.

(b) Initial Election Period . The Initial Election Period for any employee who first becomes an employee and Eligible Employee during the Plan Year is the period of thirty (30) days that begins on his or her Entry Date under 2.2. An Eligible Employee's election relates only to compensation paid for services to be performed subsequent to the election and applies only to Base Compensation. Deferral of Bonus Compensation can be elected only during an Annual Election Period.

2.4 Suspension of Participation . If a Participant receives an unscheduled in-service distribution (with penalty) under the 2003 Restatement of this Plan, the Participant's eligibility to defer under this Plan shall continue for the remainder of the Plan Year in which the unscheduled in-service distribution is received, but shall be suspended for the next two Plan Years.

2.5 When Participation Ends . An individual remains a Participant as long as he or she has an Account balance that has not yet been entirely distributed. If, prior to a Participant's Termination Date, a Participant has ceased to be a member of a select group of management or highly compensated employees of the Company within the meaning of Sections 201(2), 301(a)(3) and 401(a)(4) of ERISA, such Participant's deferral elections shall continue for the remainder of the Plan Year to which the deferral elections relate. However, the Participant shall become ineligible to defer compensation under the Plan effective with the next Plan Year, and the Participant shall not re-establish eligibility to defer compensation until such time as he or she once again becomes a member of a select

group of management or highly compensated employees and meets the other eligibility requirements set forth in the Plan. The Participant's Account will be distributed at the time and in the form specified by the terms of the Plan and the Participant's elections.

ARTICLE III
DEFERRAL OF COMPENSATION

3.1 Deferral Elections . Upon becoming eligible to be a Participant under Section 2.2, and for any Plan Year thereafter (subject to Sections 2.4 and 2.5), an Eligible Employee who wishes to defer compensation under this Plan must properly execute a Deferral Agreement on or before the last day of the applicable Election Period.

(a) Deferral Agreement. As used in this Plan, the term "Deferral Agreement" means the form prescribed by the Plan Administrator, by which the Participant:

- (1) indicates and agrees to defer a portion of the Participant's Eligible Compensation for any Plan Year; and
- (2) specifies the time and form of payment for amounts deferred for the Plan Year.

For this purpose, an Eligible Employee will be considered to have properly executed a Deferral Agreement when he or she has enrolled via an online system, or completed, signed and returned the appropriate form of Deferral Agreement to the Plan Administrator, each in a manner approved by the Plan Administrator.

(b) Eligible Compensation . For purposes of this Plan, the following items of a Participant's remuneration shall be considered "Eligible Compensation":

(1) Base Compensation . A Participant's Base Compensation, which means a Participant's base salary scheduled to be paid in the normal course through the Company's regular payroll cycles (including amounts, if any, characterized by the Company as International Premium Pay). Deferrals to this Plan are calculated and deducted before any deferrals under the 401(k) Plan, the Company's cafeteria plan under Code Section 125, and the Company's transportation fringe benefits plan under Code Section 132(f).

(2) Bonus Compensation . A Participant's Bonus Compensation paid under the Company's broad-based and/or executive management bonus plan(s), whether paid in cash or stock and whether paid annually, semi-annually or on any other basis. A Participant's Bonus Compensation shall not include any special or one-time bonuses, including, but not limited to, hiring bonuses or retention bonuses.

(3) Performance Share Units . A Participant's Performance Share Units as defined in and governed by the Company's equity incentive plan.

(4) Restricted Stock Units . A Participant's Restricted Stock Units as defined in and governed by the Company's equity incentive plan.

Performance Share Units and Restricted Stock Units granted on or after January 1, 2025 are not considered "Eligible Compensation" and may not be deferred. Therefore, all provisions of this Plan related to Performance Share Units and Restricted Stock Units only apply to deferrals of these units granted prior to January 1, 2025.

3.2 Amount of Deferral . A Participant may, for any Plan Year, irrevocably elect to have the following amounts of Eligible Compensation deferred and credited to the Participant's Account in accordance with the terms and conditions of the Plan:

(a) Base Compensation . All or a portion of the Participant's Base Compensation expressed as a percentage of up to eighty percent (80%) of the Eligible Employee's Base Compensation.

(b) Bonus Compensation . For Participants electing deferrals during an Annual Election Period under 2.3(a), all or a portion of the Participant's Bonus Compensation that is attributable to services to be performed beginning in the Plan Year immediately following the Annual Election Period. Employees who become newly Eligible Employees and who elect to enroll during an Initial Election Period under 2.3(b) may not defer Bonus Compensation payable for the Plan Year during which their enrollment occurs.

(c) Performance Share Units . All or a portion of a Participant's unvested Performance Share Units awarded by the Company, provided that:

(1) The Company makes a deferral opportunity available by including deferral provisions within the "Performance Share Unit Agreement" underlying the award of Performance Share Units;

(2) The Performance Share Units are scheduled to vest based on the Participant's achievement of individual or organizational performance criteria that are established within the first 90 days of a performance cycle that will last at least 12 months;

(3) The deferral election is made at a time when at least six (6) months remain in the performance cycle;

(4) The Participant provides services continuously for the period from the first day of the performance cycle (or if later, the date the performance criteria are established) through the date that the deferral election is made; and

(5) The deferral election is made before the amount of the Performance Share Units that will vest is readily ascertainable.

(d) Restricted Stock Units . All or a portion of a Participant's unvested Restricted Stock Units awarded by the Company, provided that:

(1) With respect to an award of Restricted Stock Units that is scheduled to vest based on the Participant's achievement of individual or organizational performance criteria:

(A) The Company makes a deferral opportunity available by including deferral provisions within the "Restricted Stock Unit Agreement" underlying the award of Restricted Stock Units;

(B) The applicable individual or organizational performance criteria are established within the first 90 days of a performance cycle that will last at least 12 months;

(C) The deferral election is made at a time when at least six (6) months remain in the applicable award's performance cycle;

(D) The Participant provides services continuously for the period from the first day of the performance cycle (or if later, the date the performance criteria are established) through the date that the deferral election is made; and

(E) The deferral election is made before the amount of the Restricted Stock Units that will vest under the applicable award is readily ascertainable.

(2) With respect to an award of Restricted Stock Units that are scheduled to vest based solely on the lapse of time:

(A) The Company makes a deferral opportunity available by including deferral provisions within the "Restricted Stock Unit Agreement" underlying the award of Restricted Stock Units; and

(B) The deferral election must be made by the end of the Plan Year immediately preceding the Plan Year in which the award of Restricted Stock Units is initially granted.

3.3 Company Contribution Allocations . The following Company contributions are permitted under the Plan:

(a) Make-up Contribution . Each Plan Year, the Company shall allocate to each Participant's Account an amount, if any, equal to such Participant's lost share of matching contributions under the 401(k) Plan ("Make-Up Contribution"). For purposes

of this allocation, a Participant's "lost share" of matching contributions is the amount of contributions not allocated to Participant's 401(k) Plan account because of the reduction in the Participant's compensation (as defined under the Participant's 401(k) Plan) by reason of deferrals under this Plan.

The time and form of payment of Make-up Contributions shall be determined by the Participant's elections with respect to time and form applicable for the Plan Year preceding the Plan Year in which the Make-up Contribution is credited to the Participant's Account. For example, the time and form of payment of Make-up Contributions credited in early 2025 with respect to Participant's compensation deferred in the 2024 Plan Year shall be determined by the Participant's elections with respect to time and form applicable for the 2024 Plan Year. If no such election exists, then the time and form of payment of the Participant's Make-up Contribution for such Plan Year shall be as a single lump sum payment made at Participant's Separation.

Make-up Contributions for a Plan Year are calculated based on the Participant's annualized 401(k) Plan matching contribution rate for such Plan Year.

Example: Assume that for the 2024 Plan Year, Participant A participates in the Nordstrom 401(k) Plan and contributes 7% of their eligible compensation to the 401(k) Plan and \$30,000 to the DCP. Participant A's 401(k) eligible compensation would have been \$200,000 but it is reduced by the amount deferred to the DCP making it \$170,000. Had Participant A not elected to defer \$30,000 to the DCP, his aggregate 401(k) contributions would have been \$14,000 (7% of \$200,000) and his 401(k) company match would have been \$8,000* (4% of \$200,000). However, since the DCP deferral reduces his 401(k) Plan eligible compensation to \$170,000, his actual employee contribution to the 401(k) Plan was \$11,900 (7% of \$170,000) and his 401(k) Plan company match was \$6,800 (4% of \$170,000). Consequently, Participant A is entitled to a DCP make-up contribution of \$1,200 (\$8,000 - \$6,800).

*Example assumes a 401(k) deferral rate of 7% was in effect for each pay period during the year.

All Make-up Contributions shall become immediately one-hundred percent (100%) vested.

For the avoidance of doubt, to receive a Make-up Contribution with respect to a given Plan Year, the Participant must have made a deferral under this Plan for such Plan Year.

(b) Company Discretionary Contributions . In addition to any Company contributions made in accordance with 3.3(a), the Plan Administrator may, in its sole

discretion, make discretionary contributions to the Accounts of one or more Participants at such times, in such amounts, and vested in such manner, as the Plan Administrator may determine. Such discretionary contributions shall be credited to the applicable Participant's Deemed Investment Sub-Account. The Plan Administrator must designate the time and form of distribution at the time that the discretionary contributions are allocated to the Participant's Account.

(c) Restoration Contributions . The Company shall allocate to certain Participants' Accounts a Restoration Contribution, which shall be based on each Participant's Excess Compensation (defined below).

A Participant's "Excess Compensation" for Restoration Contribution allocation purposes means the excess of a Participant's Unlimited 401(k) Plan Compensation (defined below) over the Participant's actual 401(k) Plan Compensation for that Plan Year. Moreover, "Excess Compensation" shall exclude performance-based or other incentive compensation received by a Participant that both: (i) relates to the economic performance of an entity other than Company; and (ii) was adopted as part of, in recognition of, or in concert with, the merger, acquisition or change in control of such entity.

A Participant's "Unlimited 401(k) Plan Compensation" for Restoration Contribution allocation purposes means Participant's 401(k) Plan Compensation for a Plan Year determined without regard to the 401(a)(17) Limit (defined below) plus the amount deferred by Participant into this Plan during that Plan Year. The 401(a)(17) Limit for a Plan Year means the compensation limitation under Code section 401(a)(17) in effect for such Plan Year. For the Plan Year beginning January 1, 2024, the 401(a)(17) Limit is \$345,000 and is thereafter indexed for inflation.

Example 1: Assume that for the 2024 Plan Year, Participant A is also a participant in the Nordstrom 401(k) Plan. During the 2024 Plan Year, Participant A's 401(k) Plan Compensation was \$345,000 and Participant A deferred \$20,000 into this Plan. The 401(a)(17) Limitation in effect for the 2024 Plan Year was \$345,000. Participant A's 2024 401(k) Plan eligible compensation determined without regard to the 401(a)(17) Limit was \$375,000. Consequently, Participant A's Unlimited 401(k) Plan Compensation for the 2024 Plan Year was \$395,000 (\$375,000 plus \$20,000). Participant A's Excess Compensation was \$50,000 (\$395,000 less Participant's \$345,000 401(k) Plan Compensation).

The Restoration Contribution allocable with respect to a Participant's Excess Compensation shall be the lesser of:

(1) the maximum matching contribution amount that could be generated by applying the Participant's annualized 401(k) Plan matching

contribution rate for such Plan Year to the Participant's Excess Compensation, if any; and

(2) the amount actually deferred by Participant into this Plan for such Plan Year, if any.

Example 2: Same facts as in Example 1. Assume further that per the matching formula under the 401(k) Plan, the Participant received aggregate matching contributions under the 401(k) Plan for the 2024 Plan Year equal to 3.5% of the Participant's 401(k) Plan Compensation. From Example 1, Participant A's Excess Compensation for the 2024 Plan Year was \$50,000. Applying the Participant's 401(k) Plan matching contribution rate to Participant A's Excess Compensation, the maximum match generated by the Excess Compensation would be \$1,750 (i.e., 3.5% of \$50,000). Accordingly, the Restoration Contribution allocable to Participant A under this Plan with respect to the 2024 Plan Year would be \$1,750 (the lesser of (i) the maximum matching contribution generated by Participant A's Excess Compensation and (ii) Participant A's \$20,000 Plan deferral.)

The time and form of payment of Restoration Contributions shall be determined by the Participant's elections with respect to time and form of payment applicable for the Plan Year preceding the Plan Year in which the Restoration Contribution is credited to the Participant's Account. For example, the time and form of payment of Restoration Contributions credited in early 2024 with respect to Participant's Excess Compensation earned in the 2023 Plan Year shall be determined on the Participant's elections with respect to time and form of payment applicable for the 2023 Plan Year. If no such election exists, then the time and form of payment of the Participant's Restoration Contribution for such Plan Year shall be as a single lump sum payment made at Participant's Separation. Restoration Contributions will be immediately one-hundred percent (100%) vested.

A Participant is ineligible to receive a Make-up Contribution and/or a Restoration Contribution for any Plan Year in which such Participant is a participant in the SERP, unless the Plan Administrator determines otherwise.

For the avoidance of doubt, to receive a Restoration Contribution with respect to a given Plan Year, the Participant must have made a deferral under this Plan for such Plan Year.

3.4 Deferral of Separation Payments Prohibited. A Participant may not defer any amounts paid to the Participant that are designated as separation payments. A "separation payment" is any amount paid to an employee as a result of termination of employment with the Company; provided, however, that nothing in this Section 3.4 shall prevent the

Company from negotiating a separation agreement, the provisions of which include a Company Discretionary Contribution under Section 3.3(b).

3.5 Requirement for Deferral Agreement . A Participant who has not timely submitted a valid Deferral Agreement may not defer any Eligible Compensation (or receive the corresponding Company Make-up Contribution or Restoration Contribution allocation under 3.3) for the applicable Plan Year under the Plan.

3.6 Applicability of Deferral Agreement .

(a) General Rule . Except as provided in this Section 3.6, a Deferral Agreement shall be irrevocable and remain 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 receives a distribution due to an unforeseeable financial emergency, as described in Section 6.2(a)(1).

(2) Disability . A Deferral Agreement shall be canceled if a Participant becomes Disabled. For purposes of this section, "Disabled" means that a Participant is determined to be eligible for benefits under the Company's long-term disability plan then in effect or is determined to be disabled by the Social Security Administration; provided that, to the extent required to comply with Code Section 409A, "Disabled" shall have the meaning provided in Code Section 409A.

(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.

ARTICLE IV

DEFERRAL ACCOUNT AND CREDITING

4.1 Account . A Participant's "Account" is the account established on the books of the Company as a record of each Participant's Plan balance. An Account may include one or more sub-accounts to reflect amounts credited to a Participant under the various terms of the Plan. As of the effective date of this Restatement, Accounts under the Plan include the following sub-accounts:

(a) Deemed Investment Sub-Account . A Deemed Investment Sub-Account, reflecting the Participant's account balance resulting from the deferral of Eligible

Compensation (other than Performance Share Units, Restricted Stock Units or other stock-based compensation), Company contribution allocations under Section 3.3, and the Participant's deemed investment of such amounts under Section 4.3. The balance in such sub-account shall be expressed as a dollar amount.

(b) Common Stock Unit Sub-Account . A Common Stock Unit Sub-Account reflecting the number of Performance Share Units, Restricted Stock Units, or other stock-based compensation in which the Participant is vested and which the Participant has deferred under the Plan. The balance in such sub-account shall be expressed in units, with each unit representing the value of one share of the Company's Common Stock.

4.2 Time of Crediting Accounts . Amounts deferred by a Participant under the Plan shall be credited to the Participant's Account as soon as administratively practicable after the date deferred amounts would otherwise have been received (or beneficially received in the case of Company contributions) by the Participant. Company contribution allocations made on behalf of a Participant under the Plan for a Plan Year shall be credited to the Participant's Account on the date determined by the Plan Administrator but no later than the end of the Plan Year following the Plan Year to which such contributions relate. Earnings (as defined in 4.3(a)) shall begin to be credited to a Participant's Account on the date determined by the Plan Administrator, but no later than the month following the month in which the contributions to which those Earnings relate were credited to the Account in accordance with the preceding sentences. Earnings are based on the performance of the investment options selected by Participants in accordance with Section 4.3.

4.3 Participant Deemed Investments . Each Participant may, from time to time, select from the various indices provided by the Plan Administrator in which his or her Account will be deemed invested; provided, however, that the Plan Administrator is under no obligation to acquire or provide any of the investments designated by the Participant.

(a) Deemed Investment Sub-Account Valuation . A Participant's Deemed Investment Sub-Account shall be credited or debited from time to time with additional amounts equal to the appreciation (or loss) such accounts would have experienced had they actually been invested in the specified fund indices at the relevant times ("Earnings"). This crediting and debiting will take into account the date that a Participant's Account transactions (such as deferrals, contributions, distributions and transfers among funds) are actually reflected by the Plan's record-keeping system.

(b) Common Stock Unit Sub-Account Valuation . The number of units in a Participant's Common Stock Unit Sub-Account shall be appropriately adjusted periodically to reflect any dividend, split, split-up or any combination or exchange, however accomplished, with respect to the shares of the Company's Common Stock represented by such units.

4.4 Investments by the Company . In order to provide funds to satisfy its obligations under the Plan, the Company may, but shall not be required to, keep cash or invest and

reinvest in mutual funds, stocks, bonds, securities or any other assets as may be reasonably selected by the Company in its discretion. Such investments may, but need not, follow the investment indices chosen by the Participants. If the Company elects to purchase an insurance policy or policies insuring the life of the Participant to allow the Company to recover the cost of providing the benefits hereunder:

(1) The Participant shall, as a condition to continued participation in the Plan, sign any papers and undergo any medical examinations or tests that may be necessary or required for such purpose; and

(2) The Participant, Participant's Beneficiary, and any other person claiming through the Participant shall not have or acquire any rights whatsoever in such policy or policies or in the proceeds of the policies.

4.5 Limited Effect of Allocation . The fact that any allocation shall be made and credited to an Account shall not vest in a Participant any right, title or interest in or to any assets of the Company, or in any right to payment, except at the time(s) and upon the conditions elsewhere set forth in the Plan.

4.6 Report of Account . A Participant shall be provided information regarding Participant's Account balance within a reasonable time after requesting such information from the Plan Administrator. Each Participant shall be furnished with statements on a periodic basis, no less frequently than annually.

ARTICLE V

RIGHTS OF PARTICIPANT IN PLAN

5.1 Ownership Rights in Account . Subject to the restrictions provided in this Article and in Section 3.2(c), each Participant shall at all times have a vested right to the value of such Participant's Account.

5.2 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 to payment 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 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 subject to the claims of its general creditors in the event of the Company's insolvency.

5.3 No Transfer of Interest in Plan Allowed . Except as permitted by applicable law, no sale, transfer, alienation, assignment, pledge, collateralization or attachment of any benefits under the Plan shall be valid or recognized by the Company. The Participant, the Participant's spouse and a designated Beneficiary shall not have any power to

hypothecate, mortgage, commute, modify or otherwise encumber in advance any of the benefits payable under the Plan. Said benefits shall not be subject to seizure for the payment of any debts, judgments, alimony, maintenance owed by the Participant or a Beneficiary, or be transferable by operation of law in the event of bankruptcy, insolvency, or otherwise. Notwithstanding the foregoing, the Company may, in its sole discretion, follow the terms of any court order issued in connection with any domestic relations proceeding including but not limited to marital dissolution or child support.

5.4 Plan Binding Upon Parties . The Plan shall be binding upon the Company, its assigns, and any successor company that acquires substantially all of its assets and business through merger, acquisition or consolidation; and upon all Participants and any Participant's Beneficiaries, assigns, heirs, executors and administrators.

5.5 Application of Clawback Policy . In the event the Company is required to recoup compensation from a Participant under the Company's clawback policy, and to the extent that any amount in a Participant's Account is attributable to contributions based on compensation that is subject to recovery under the Clawback Policy, to the extent permitted under Section 409A of the Code, such amount (adjusted for investment gains and losses) shall be removed from the Participant's Account and shall be permanently and irrevocably forfeited. The provisions of this section for removal of amounts from a Participant's Account shall also apply to the Beneficiary of a Participant after the Participant's death.

ARTICLE VI

DISTRIBUTIONS

6.1 Separation Distributions .

(a) Separation Events . A Participant may elect in a Deferral Agreement to receive a distribution of his or her Account at Separation. A Participant's "Separation" shall mean the Participant's Termination Date.

(b) Separation Distribution Forms . Distribution of a Participant's Account balance shall be made according to the distribution options specified in the Participant's Deferral Agreement(s). Portions of Accounts subject to installment payment shall continue to be valued as provided in Section 4.3 until distributed. The distribution options available to a Participant are:

(1) single lump sum payment; or

(2) installment payments for a period of five (5), ten (10) or fifteen (15) years. The amount of lump sum payments under this subsection (b) shall be determined as of the last day of the month in which the Participant's Termination Date occurs.

(c) Lump Sum in Lieu of Installments. If the Participant's Account balance as of his or her Separation is equal to or less than \$10,000, the Benefits Department (or its successor) may order the distribution of the Participant's entire Account in a single lump sum rather than in installments, provided that the lump sum payment results in the termination and liquidation of the Participant's entire interest under this Plan and all other plans or arrangements that must be aggregated with this Plan under the rules set forth under Code Section 409A. The Participant may not exercise any discretion to convert an installment election into a lump sum under this provision.

(d) Amount and Timing of Installment Payments. The first installment shall be paid on the Payment Commencement Date as defined in 6.4. Subsequent installments shall be paid annually in January of each succeeding year. The amount of each installment shall be determined by multiplying the Participant's account balance as of the end of the month in which the scheduled distribution date occurs (as determined under Section 6.2(b) for In-Service Distributions or upon Separation for all other distributions) by a fraction, the numerator of which is one (1) and the denominator of which is (N minus P), where N is the total number of annual installments and P is the number of annual installments previously paid to the Participant. For example, if the form of payment is five annual installments, the first annual distribution is the account balance divided by 5 (5 minus 0), the second annual distribution is the account balance divided by 4 (5 minus 1), the third annual distribution is the account balance divided by 3 (5 minus 2), the fourth annual distribution is the account balance divided by 2 (5 minus 3), and the fifth annual distribution is the entire remaining account balance (5 minus 4).

6.2 In-Service Distributions. While a Participant is employed by the Company, a subsidiary or affiliate, the Participant may receive in-service Plan distributions as provided in this Section 6.2.

(a) Unforeseeable Financial Emergency. At the request of a Participant, the Plan Administrator may, in its sole discretion, pay all or part of the value of the Participant's Account in the event of an unforeseeable financial emergency.

(1) Financial Emergency. In this context, an "unforeseeable financial emergency" is defined as a severe financial hardship resulting from one of the following:

(A) illness or accident of the Participant, the Participant's spouse or dependent (as defined in Code Section 152(a)), or the Participant's designated Beneficiary;

(B) loss of the Participant's property due to casualty; or

(C) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

(2) Amount . The amount of an accelerated distribution shall be limited to an amount necessary to relieve such emergency, which may include amounts necessary to pay any federal, state, and local taxes or penalties reasonably anticipated to result from the distribution. Amounts available to the Participant due to the cancellation of the Participant's deferral election for the remainder of the Plan Year must be taken into account in determining the amount necessary to satisfy the emergency need. If the Participant's entire Account balance is distributed pursuant to this Section 6.2(a), the amount of the distribution shall be determined as of the end of the month preceding the distribution date.

(3) Effect of Other Financial Resources . A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be alleviated by reimbursement or compensation from insurance, liquidation of other assets (provided that the liquidation would not itself cause a severe hardship), or the cancellation of deferrals for the remainder of the Plan Year under the Plan.

(b) Scheduled Distributions . During any Election Period, a Participant may, in connection with his or her election to defer compensation, specify a withdrawal date for all or part of his or her compensation deferred pursuant to the election made during the Election Period. A Participant's scheduled distribution election must specify a distribution date that occurs after the Participant's deferrals that are subject to the election have been in the Plan for at least two complete Plan Years (for example, deferrals elected during the 2025 Annual Election Period can first be scheduled for distribution in 2028). The Participant must elect the calendar year and the month (either January or June) of the scheduled distribution. The amount payable to a Participant in connection with a scheduled distribution shall in all cases be a specified dollar amount or a specified percentage of the Participant's Account balance for the Plan Year to which the Deferral Agreement applies. If a distribution event occurs with respect to a Participant before the scheduled distribution date, the Plan provisions applicable to the distribution event will take precedence over the Participant's scheduled distribution election. The amount of the distribution under this subsection (b) shall be determined as of the last day of the month before the scheduled distribution.

6.3 Pre-Retirement Separation . For Plan Years commencing prior to January 1, 2014, and for the portion of a Participant's Account that is attributable to elective deferrals and Company contributions credited to the Account for Plan Years ending through December 31, 2013, if a Participant's Termination Date occurs prior to his or her Early Retirement Date, Normal Retirement Date, or Deferred Retirement Date (a "Pre-Retirement Separation"), the time and form of payment elections in the Participant's Deferral Agreements shall be disregarded and, in lieu of those elections, the Participant shall receive the value of his or her Account in a single lump sum payment on the Payment Commencement Date set forth in Section 6.4(b) and the amount of the distribution shall be determined as of the last day of the month in which the Participant's Termination Date

occurs. Commencing on and after January 1, 2014, the provisions of this Section 6.3 shall not apply to the portion of a Participant's Account that is attributable to deferrals and Company contributions made with respect to Plan Years commencing January 1, 2014 and thereafter, including Earnings thereon; instead, this portion of a Participant's Account shall at all times be distributable as provided in Section 6.1(b) (subject to 6.1(c)).

6.4 Payment Commencement Date . Distributions will begin to be paid on the following dates, subject to the delay for Specified Employees set forth in 6.5.

(a) Scheduled Distribution . During the calendar month (January or June) and year specified by the Participant in his or her deferral election.

(b) Separation Distributions . Within 90 days of Separation, provided that the Participant does not have the right to designate the taxable year of payment.

(c) Unforeseeable Financial Emergency . Within 90 days after the Plan Administrator approves the distribution, provided that the Participant does not have the right to designate the taxable year of payment.

6.5 Delayed Payment Date . If a distribution is made to a Specified Employee following his or her Separation, the first payment may not be made earlier than six months after the Specified Employee's Payment Commencement Date. If the form of distributions is installments, any installments that would have been paid in the absence of this six-month delay will be accrued and paid at the end of the six-month period. Any installments that are due after the six-month period expires will be paid as if they were not subject to this provision. A "Specified Employee" means as of any date, a "specified employee" as defined in Code Section 409A (as determined under the Company's procedure for determining specified employees on such date). This delayed payment date rule does not apply to scheduled in-service distributions, financial emergency distributions, or distributions due to the Participant's death.

6.6 Changing the Time or Form of Distribution . The time and form of payment elected in a Participant's Deferral Agreements cannot be changed by the Participant after the last day of an Election Period except as provided in this section. A Participant may change his or her form of Retirement distribution under 6.1(b) or the timing of a scheduled in-service distribution under 6.2(b), provided that:

(a) For a scheduled in-service or Separation distribution, his or her change is filed with the Plan Administrator no later than the last day of the Plan Year that ends at least 12 months before the Payment Commencement Date;

(b) His or her change cannot take effect earlier than twelve months after the change is requested; and

(c) The first payment under the newly elected form of payment cannot be made sooner than five years after the Payment Commencement Date for the form of payment that the Participant has elected to change.

The Payment Commencement Date for a series of installment payments is treated as the date on which the first of such installment payments would be made under the terms of this Plan. Where the Payment Commencement Date is stated as a period of time (e.g., a 90-day period following a distribution event), the Payment Commencement Date for purposes of this section is the first day of such period.

6.7 Cash and Stock Distributions . Distributions of a Participant's Deemed Investment Sub-Account Account shall be made in cash only. Distributions of a Participant's Common Stock Unit Sub-Account shall be made in Common Stock of the Company, which such Common Stock shall be paid from, and shall count against, the share reserve of a Company equity incentive plan that has been approved by shareholders in accordance with the rules of the applicable stock exchange.

6.8 Postponement of Non-Deductible Distributions .

(a) When Applicable . If the Plan Administrator determines in good faith prior to a Change in Control that there is a reasonable likelihood that any compensation paid to a Participant for a taxable year of the Company would not be deductible by the Company solely by reason of the limitation under Code section 162(m), then to the extent deemed necessary by the Company to ensure that the entire amount of any distribution to the Participant pursuant to this Plan prior to the Change in Control is deductible, the Company may defer all or any portion of the distribution. After a Change in Control, the Company shall not have discretion to postpone payments under this provision, and all payments will be made on the dates provided in the Plan.

(b) Administration of Deferred Distributions . Any distributions deferred pursuant to this limitation shall continue to be credited with interest or earnings pursuant to the terms hereof. Where a payment to a Participant is delayed under this provision, all other payments to that same Participant that could be delayed under this provision must also be delayed. The amounts so deferred and interest thereon shall be distributed to the Participant or his or her Beneficiary (in the event of a death benefit required hereunder) at the earliest possible date, as determined by the Plan Administrator in good faith, on which the deductibility of compensation paid or payable to the Participant for the taxable year of the Company during which the distribution is made will not be limited by Code section 162(m), or if earlier, the effective date of a Change in Control.

(c) "Change in Control" Defined . For purposes of this Plan, Change in Control means the first of the following (1), (2), or (3) to occur.

(1) Change in Ownership of Stock . Any person, entity or group of persons purchases or acquires, within the meaning of section 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor

provisions, beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of Company stock that, together with stock already held by such person, entity, or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company.

(2) Change in Effective Control . Either of the following occurs, representing a change in effective control of the Company:

(A) Voting Power . Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by the person or group) ownership of Company stock constituting 30% or more of the total voting power of Company stock; or

(B) Board Composition . A majority of the members of the Company's Board of Directors is replaced during any period of 12 consecutive months by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board of Directors prior to the date of the appointment or election.

(3) Change in Ownership of Assets . Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) Company assets that have a total gross fair market value equal to or greater than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. Gross value means the value of the assets determined without regard to any liabilities associated with such assets. However, a Change in Control does not occur to the extent that ownership of assets is transferred to:

(A) a Company shareholder (immediately before the asset transfer) in exchange for or with respect to his or her Company stock;

(B) an entity, 50% or more of the total value or voting power of which is owned directly or indirectly by the Company;

(C) a person, or more than one person acting as a group, that owns directly or indirectly 50% or more of the total value or voting power of the Company;

(D) an entity, at least 50% of the total value or voting power of which is owned directly or indirectly by a person described in (C).

(4) Interpretation . These provisions shall be interpreted and applied in a manner that is consistent with Department of Treasury regulations under Section 409A of the Code.

6.9 Acceleration of Payment . Generally, neither the Plan Administrator nor any Participant may accelerate the timing of any payment under the Plan, except as specifically set forth in this Plan document. However, the Plan Administrator may accelerate distribution of any payment to the extent such acceleration is specifically permitted under the final regulations under Code Section 409A. Such accelerations include, but are not limited to, a distribution to permit a Participant to pay taxes on amounts deferred under this Plan, including any taxes that may be imposed under Code Section 409A, and distribution pursuant to a domestic relations order (as defined in Section 414(p)(1)(B) of the Code).

6.10 Post-Distribution Allocations . If a Participant's Account is credited after the Participant has received a full distribution of his or her Account, the remaining balance in the Account shall be paid to the Participant in a lump sum as soon as administratively practical.

ARTICLE VII

DEATH BENEFITS

7.1 Designation of Beneficiary . A Participant shall designate a Beneficiary to receive death benefits under the Plan by completing the beneficiary designation form specified by the Plan Administrator. A Participant shall have the right to change the Beneficiary by submitting a form designating the Participant's change of Beneficiary in accordance with procedures established by the Plan Administrator.

7.2 Married Participants . If a Participant is married, his or her legal spouse shall be the designated Beneficiary, unless the spouse consents in writing to designation of a different Beneficiary on a form acceptable to the Plan Administrator.

7.3 Deemed Beneficiary . For Participants who die on or after January 1, 2011, if a valid beneficiary designation has not been made, or if the designated beneficiary has predeceased the Participant, then the Participant will be deemed to have designated the following as his or her surviving beneficiaries and contingent beneficiaries with priority in the order named below:

(a) first, to the Participant's surviving spouse, as defined under federal law, or the Participant's "registered domestic partner", as that term is defined for benefit coverage purposes under the Nordstrom Welfare Benefit Plan; or

(b) if the Participant does not have a surviving spouse or registered domestic partner, to his or her estate.

7.4 Surviving Beneficiary . For purposes of determining the appropriate named or deemed beneficiary or contingent beneficiary, an individual is considered to survive the Participant if that individual is alive seven (7) days after the date of the Participant's death.

7.5 Distribution of Account Balance at Death . Upon a Participant's death, the portion of a Participant's Account that is attributable to deferrals and Company contributions made with respect to Plan Years commencing January 1, 2014 and later, including Earnings thereon, shall be distributed in a lump sum within 90 days of the date of death provided however that distributions of the portion of a Participant's Account that is attributable to deferrals and Company contributions made with respect to Plan Years ending prior to January 1, 2014 shall be governed by the Plan provisions in effect when such amounts were deferred. By way of example, if the Participant dies prior to "Retirement" (as that term is defined in a previous version of this Plan document) while an employee of the Company and such Participant's death is not attributable to suicide committed within two years after becoming a Participant, such Beneficiary shall receive an amount equal to twice the Participant's actual deferrals under Section 3.2 that have been credited to the Participant's Account as of December 31, 2007 (exclusive of any earnings thereon). Compensation deferred after December 31, 2007 shall not be taken into account in calculating this pre-retirement death benefit.

7.6 Determination of Beneficiary . If there is any doubt as to the proper Beneficiary to receive payments hereunder, the Plan Administrator shall have the right to direct the Company to withhold such payments until the matter is resolved. However, as provided in Section 11.9, any payment made by the Company, in good faith and in accordance with the Plan and the directions of the Plan Administrator shall fully discharge the Company from all further obligations with respect to that payment.

7.7 Payments to Minor or Incapacitated Beneficiaries . In making distributions from the Plan to or for the benefit of any minor or incapacitated Beneficiary, the Plan Administrator may direct the Company to make such distribution to a legal or natural guardian of such Beneficiary, or to any adult with whom the minor or incompetent temporarily or permanently resides. The receipt by such guardian or other adult shall be a complete discharge of liability to the Company. The Company shall not have any responsibility to see to the proper application of any payments so made.

ARTICLE VIII

ADMINISTRATION OF THE PLAN

8.1 Plan Administrator . The Compensation, People and Culture Committee of the Company's Board of Directors, or its successor, is the "Plan Administrator".

8.2 Powers and Authority of the Plan Administrator . The Plan Administrator shall have the authority and responsibility and all powers necessary to carry out the provisions of the Plan and to control and manage the operation and administration of the Plan. The Plan Administrator has discretionary authority to construe and interpret the provisions of the Plan and to grant or deny benefits under the Plan.

8.3 Delegation of Powers and Authority . The Plan Administrator may, but is not obligated to, delegate to any person, employee, department, committee, or third party

service provider all or any portion of its duties and responsibilities as Plan Administrator. To the extent the Plan Administrator delegates fiduciary duties and obligations, such delegation shall be done in writing (including a written action delegating authority or a written services agreement).

8.4 Reliance on Opinions . Each person or entity authorized to act under this 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.

8.5 Information . The Company shall supply full and timely information 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 may be necessary for the effective administration of the Plan.

8.6 Indemnification . To the extent permitted by applicable law, the Company hereby indemnifies any Company employee who carries out any responsibilities under the Plan, and holds them harmless from the effects, consequences, expenses, attorney fees and damages of their acts or conduct in such capacity, except to the extent that such consequences are the result of their own willful misconduct or breach of good faith. Such indemnification shall be in addition to any other rights such employee may have as a matter of law, or by reason of any insurance or other indemnification.

ARTICLE IX

CLAIMS PROCEDURE

9.1 Submission of Claim . A claim for benefits is required to be made in writing by the Participant, or a person claiming through the Participant ("Claiming Party") and must be mailed to the Plan Administrator. The Plan Administrator shall review and make a determination with respect to such claim.

9.2 Denial of Claim . If a claim for payment of benefits is denied in full or in part, the Plan Administrator shall provide a written notice to the Claiming Party within ninety days after receipt of the claim 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 Plan Administrator does not take any action within the aforesaid ninety day period.

9.3 Review of Denied Claim . If the Claiming Party desires a review of a denied claim, the Claiming Party shall notify the Plan Administrator in writing within sixty 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 pertinent documents, may submit any written issues and comments, and may request an extension of time for such written submission of issues and comments.

9.4 Decision upon Review of Denied Claim . The decision on the review of the denied claim shall be rendered by the Plan Administrator within sixty days after receipt of the request for review. The Plan Administrator may extend this period for up to sixty additional days with advance notice to the Claiming Party, an explanation of why the extension is necessary, and an estimated date of 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 X

AMENDMENT AND TERMINATION

The Compensation, People and Culture Committee of the Company's Board of Directors, or its successor, ("CPCC") has the authority to amend or terminate the Plan at any time for any reason. Such amendment or termination may modify or eliminate any benefit hereunder, provided that no such amendment or termination shall in any way reduce the vested portion of the affected Participants' or Beneficiaries' Accounts. To be effective, an amendment must be in writing. Oral amendments or modifications to the Plan, and any written amendments that are not signed by an authorized person, are not valid or binding on the Company or any other person. Upon termination of the Plan, distribution of Participant Accounts may be accelerated, but only if the accelerated distribution would not result in additional tax to the Participant under Code Section 409A. The Retirement Committee has the authority to approve and adopt non-material, technical, legal compliance and/or administrative amendments to the Plan. The Retirement Committee shall notify the CPCC of any amendment adopted under this provision.

ARTICLE XI

MISCELLANEOUS

11.1 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 employee. Nothing in this Plan shall be deemed to give an employee the right to be retained in the service of the Company, its subsidiaries or affiliates or to interfere with any right of the Company, its subsidiaries or affiliates to discipline or discharge the employee at any time, with or without cause, with or without notice.

11.2 Dispute Resolution . Any disputes related to this Plan other than a claim for benefits subject to the provisions of Article IX shall be resolved through mutually binding arbitration as outlined in Nordstrom's Dispute Resolution Program, the terms of which are incorporated by reference into this Plan. Any legal action related to a claim for benefits must be initiated within one (1) year after the Plan Administrator has issued its final decision on review and must be filed in Washington state court or in the United States District Court for the Western District of Washington.

11.3 Employee Cooperation . As a condition to participation in the Plan, an Eligible Employee must cooperate with the Company and the Plan Administrator by furnishing any and all information reasonably requested by any of the Company, its subsidiaries or affiliates, and take such other actions as may be requested to facilitate Plan administration and the payment of benefits hereunder.

11.4 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.

11.5 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, or in such other manner as the Company determines is appropriate. If notice is to be given to the Company or Plan Administrator, such notice shall be addressed to Nordstrom, Inc. c/o Benefits Department, at 1600 Seventh Avenue, Ste. 2500 Seattle, Washington 98101. If notice is to be given to a Participant, such notice shall be addressed to the last known address, either geographic or electronic, in the Company's Human Resources records. Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered or sent by mail (either physical or electronic), to the last known address of the Participant. Any party may, from time to time, change the address to which notices shall be mailed by giving written notice of such new address.

11.6 Interest of Participant's Spouse . The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.

11.7 Tax Liabilities from Plan . If all or any portion of a Participant's benefit under this Plan generates a tax liability to the Participant, including a liability under Code Section 409A, prior to the time that the Participant is entitled to a distribution from the Plan, the Plan Administrator may, in its discretion, instruct the Company to distribute immediately available funds to the Participant in an amount necessary to satisfy such tax liability.

11.8 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 and its subsidiaries and affiliates. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

11.9 Discharge of Company Obligation . The payment of benefits under the Plan to a Participant or Beneficiary shall fully and completely discharge the Company from all further obligations under this Plan with respect to a Participant, and that Participant's Deferral Agreement shall terminate upon such full payment of benefits.

11.10 Costs of Enforcement . If any action at law or in equity is necessary by the Plan Administrator or the Company to enforce the terms of the Plan, the Plan Administrator 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.

11.11 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.

11.12 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.

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

11.14 Additional Definitions :

(a) "Code" means the Internal Revenue Code of 1986, as amended.

(b) "Deferred Retirement Date" means a Termination Date that occurs after a Participant's Normal Retirement Date.

(c) "Early Retirement Date" means the Participant's Termination Date on or after the date the Participant has both attained age 53 and has completed at least ten (10) Years of Service with the Company. Notwithstanding the foregoing, the 2007 Restatement of this Plan, and not this Restatement, shall apply to determine Early Retirement for those Participants designated as a 1999 Plan Executive under the Company's Supplemental Executive Retirement Plan ("SERP") and for those Participants who, as of August 19, 2003, had attained at least age fifty and had attained at least 10 Years of Service.

(d) "401(k) Plan" means, with respect to a Participant, any Company-sponsored, tax-qualified individual account retirement plan in which the Participant is eligible and which is subject to the requirements of ERISA, whether or not that plan provides for elective deferrals under Code section 401(k). As of August 16, 2022, the definition of 401(k) Plan includes the following Company-sponsored plans: Nordstrom 401(k) Plan.

(e) "401(k) Plan Compensation" means "Compensation" as defined under the 401(k) Plan.

(f) "Normal Retirement Date" means a Participant's 58th birthday; provided, however, that the Normal Retirement Date for a Participant who was designated in 2003 as a Transition Plan Executive under the SERP shall be age 55.

(g) "Plan Year" means the calendar year.

(h) "Termination Date" means the termination of a Participant's employment with the Company, and each of its subsidiaries and affiliates, whether or not the subsidiary or affiliate participates in this Plan. A termination of employment is deemed to have occurred for purposes of this Plan on the date when the Participant and the Company reasonably anticipate that the level of bona fide services to be provided by the Participant will be permanently reduced to 49 percent or less of the average level of bona fide services provided in the immediately preceding period of 36 consecutive months. If the Participant is on a paid leave of absence, the Participant is treated as providing services at a level equal to the level of services that the Participant would have been required to perform to earn the amount of compensation paid during the paid leave of absence. If the Participant is on an unpaid leave of absence, the employment relationship is presumed to terminate on the earlier of (A) the date the Participant loses his or her statutory or contractual right to re-employment (but not sooner than six months after the unpaid leave of absence began) or (B) the date that there is no longer a reasonable expectation that the Participant will return to perform services for the Company.

(i) "Years of Service" means consecutive full years (i.e., 12 months), based on service from the Participant's most recent date of hire.

NORDSTROM
DIRECTORS DEFERRED COMPENSATION PLAN
2024 Restatement
As Adopted on August 20, 2024

TABLE OF CONTENTS

Page

1.1	<u>Title</u>	1	
1.2	<u>Purpose</u>	1	
1.3	<u>Effective Date</u>	1	
	ARTICLE II	1	
2.1	<u>Participation</u>	1	
2.2	<u>Time of Eligibility</u>	1	
	ARTICLE III DEFERRAL OF COMPENSATION	1	
3.1	<u>Deferral Elections</u>	1	
3.2	<u>Amount of Deferral</u>	3	
3.3	<u>Effect of Election to Defer Equity Compensation</u>	3	
3.4	<u>Requirement for Deferral Agreement</u>	3	
3.5	<u>Applicability of Deferral Agreement</u>	3	
3.6	<u>Suspension of Participation</u>	3	
	ARTICLE IV RESERVED	4	
	ARTICLE V BOOKKEEPING ACCOUNT AND CREDITING	4	
5.1	<u>Bookkeeping Account</u>	4	
5.2	<u>Time of Crediting Accounts</u>	4	
5.3	<u>Participant Deemed Investments</u>	5	
5.4	<u>Investments by the Company</u>	5	
5.5	<u>Limited Effect of Allocation</u>	5	
5.6	<u>Report of Account</u>	5	
	ARTICLE VI RIGHTS OF PARTICIPANT IN PLAN	6	
6.1	<u>Ownership Rights in Bookkeeping Account</u>	6	
6.2	<u>Rights in Plan are Unfunded and Unsecured</u>	6	
6.3	<u>No Transfer of Interest in Plan Allowed</u>	6	
6.4	<u>Plan Binding Upon Parties</u>	6	
	ARTICLE VII DISTRIBUTIONS	6	
7.1	<u>Acceleration of Payment</u>	6	
7.2	<u>In-Service Distributions</u>	7	
7.3	<u>Distributions Following Separation for Post 2013 Deferrals</u>	8	
7.4	<u>Distributions upon Separation</u>	8	
7.5	<u>Cash and Stock Distributions</u>	9	
	ARTICLE VIII DEATH BENEFITS	9	
8.1	<u>Designation of Beneficiary</u>	9	
8.2	<u>Deemed Beneficiary</u>	9	
8.3	<u>Surviving Beneficiary</u>	10	
8.4	<u>Distribution of Bookkeeping Account Balance at Death</u>	10	
8.5	<u>Determination of Beneficiary</u>	10	
8.6	<u>Payments to Minor or Incapacitated Beneficiaries</u>	10	
	ARTICLE IX ADMINISTRATION OF THE PLAN	10	
9.1	<u>Plan Administrator</u>	10	

9.2	<u>Powers and Authority of the Plan Administrator</u>	10
9.3	<u>Delegation of Powers and Authority</u>	11
9.4	<u>Reliance on Opinions</u>	11
9.5	<u>Information</u>	11
9.6	<u>Indemnification</u>	11
	ARTICLE X CLAIMS PROCEDURE	11
10.1	<u>Submission of Claim</u>	11
10.2	<u>Denial of Claim</u>	11
10.3	<u>Review of Denied Claim</u>	11
10.4	<u>Decision Upon Review of Denied Claim</u>	12
	ARTICLE XI AMENDMENT AND TERMINATION	12
	ARTICLE XII MISCELLANEOUS	12
12.1	<u>No Employment Contract</u>	12
12.2	<u>Dispute Resolution</u>	12
12.3	<u>Cooperation</u>	12
12.4	<u>Illegality and Invalidity</u>	12
12.5	<u>Required Notice</u>	13
12.6	<u>Interest of Participant's Spouse</u>	13
12.7	<u>Tax Liabilities from Plan</u>	13
12.8	<u>Benefits Nonexclusive</u>	13
12.9	<u>Discharge of Company Obligation</u>	13
12.10	<u>Costs of Enforcement</u>	13
12.11	<u>Gender and Case</u>	13
12.12	<u>Titles and Headings</u>	14
12.13	<u>Applicable Law</u>	14

ARTICLE I
TITLE, PURPOSE AND EFFECTIVE DATE

1.1 Title . This plan shall be known as the Nordstrom Directors Deferred Compensation Plan, and any reference in this instrument to the Plan shall include the plan as described herein and as amended from time to time.

1.2 Purpose . The Plan is intended to constitute an unfunded plan maintained primarily for providing an opportunity for deferred compensation for non-employee members of the Board of Directors ("Board") of Nordstrom, Inc., a Washington corporation ("Company"). Because the Plan does not cover any employees of the Company, it is exempt from the Employee Retirement Income Security Act of 1974, as amended.

1.3 Effective Date . The Plan was originally effective as of January 1, 1994. The Plan was previously restated to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Code"). Amounts deferred and vested prior to January 1, 2005 (and investment gains and losses attributable to such amounts) are governed by the 2002 Restatement and any amendments to the 2002 Restatement. Amounts initially deferred and vested after December 31, 2004 and before January 1, 2008 were subject to the provisions of the 2007 Restatement, except to the extent modified by transition rules separately documented by the Company. The Plan was amended and restated with the 2017 Restatement. This 2024 Restatement is effective August 20, 2024.

ARTICLE II
ELIGIBILITY

2.1 Participation . A Board member becomes a Participant in the Plan when he or she elects to defer a portion of his or her director's fees pursuant to the terms of the Plan and Article III. A Board member remains a Participant as long as he or she has a Bookkeeping Account as defined in Article V that has not yet been entirely distributed.

2.2 Time of Eligibility . A Board member shall be eligible to participate in the Plan upon becoming a Board member. Subject to the provisions of the Plan, all Board members will be eligible to defer compensation and receive benefits at the time and in the manner provided hereunder.

ARTICLE III
DEFERRAL OF COMPENSATION

3.1 Deferral Elections . A Board member wishing to defer Eligible Compensation must properly execute a Deferral Agreement in accordance with procedures established by the Plan Administrator on or before the applicable Election Date.

(a) Deferral Agreement . As used in this Plan, the term Deferral Agreement means the written or electronic form prescribed by the Plan Administrator which indicates the portion of the Participant's director's fees he or she elects to defer for any

Plan Year and the time and form of payment of the deferred amounts. For purposes of the Plan, "Plan Year" means the calendar year.

(b) Election Date . The Election Date is the date by which a Participant must submit a valid Deferral Agreement to the Company, determined as follows:

(1) Plan Year Open Enrollment . Except as provided in Section 3.1(b)(2), the Election Date is the date specified by the Plan Administrator, which may not be later than December 31 of the year preceding the year in which the Participant performs the services that generate the director's fees.

(2) New Participants . The Election Date for any Board member who first becomes a Board member on or after January 1 and before the May Board meeting is thirty (30) days after the date the Participant first becomes a Board member, provided that the Election Date must be before the May Board meeting. A Board member who becomes a Board member at or after the May Board meeting must wait until the Plan Year Open Enrollment in order to elect to participate in the Plan.

(c) Eligible Compensation . For purposes of this Plan, the following items of a Participant's remuneration shall be considered Eligible Compensation:

(1) Cash Fees .

(A) Plan Year Open Enrollment . A Participant may defer director's fees payable in cash that are attributable to services performed in the year following the Plan Year containing the Election Date.

(B) New Participant Enrollment . A Participant who becomes a Board member on or after January 1 and before the May Board meeting of a given year may elect to defer his or her director's fees payable in cash for services to be performed at and after the May Board meeting. A Participant who becomes a Board member at or after the May Board meeting may defer director's fees payable in cash only during a subsequent Plan Year Open Enrollment. The intent of this provision is to restrict application of the deferral election to compensation paid for services that will be performed after the date of the election, to comply with Treasury Regulation § 1.409A-2(a)(7).

(2) Equity Compensation . "Equity Compensation" means restricted stock or restricted stock units granted under the Company's equity incentive plan as follows:

(A) Plan Year Open Enrollment . A Participant may defer director's fees payable in the form of Equity Compensation that are

attributable to services performed in the year following the Plan Year containing the Election Date.

(B) New Participant Enrollment . A Participant who becomes a Board member on or after January 1 and before the May Board meeting of a given year may elect to defer his or her director's fees payable in the form of Equity Compensation for services to be performed at and after the May Board meeting. A Participant who becomes a Board member at or after the May Board meeting may defer director's fees payable in the form of Equity Compensation only during a subsequent Plan Year Open Enrollment. The intent of this provision is to restrict application of the deferral election to compensation paid for services that will be performed after the date of the election, to comply with Treasury Regulation § 1.409A-2(a)(7).

3.2 Amount of Deferral . A Participant may, for any Plan Year, irrevocably elect to have the following amounts of Eligible Compensation, if any, deferred and credited to the Participant's Bookkeeping Account in accordance with the terms and conditions of the Plan:

(a) Cash Fees . All or a portion of the Participant's cash director's fees; and

(b) Equity Compensation . All or a portion of the Participant's restricted stock or settlement of restricted stock units in a future year.

3.3 Effect of Election to Defer Equity Compensation . At the time of deferral, a Participant must elect the time and form of payment of Equity Compensation. Once the deferral election becomes irrevocable as of an Election Date, the time and form of payment of Equity Compensation subject to that election shall be governed solely by the election under this Plan and shall not be governed by the time and form of payment provisions under the equity incentive plan.

3.4 Requirement for Deferral Agreement . A Participant who has not timely submitted a valid Deferral Agreement may not defer any Eligible Compensation for the applicable Plan Year under the Plan.

3.5 Applicability of Deferral Agreement . A Deferral Agreement remains in effect for the Plan Year to which it applies, except that the Deferral Agreement shall automatically be cancelled for the remainder of any Plan Year in which a Participant's request for an unforeseeable financial emergency is approved. A Participant must file a new Deferral Agreement for each Plan Year. The terms of any Deferral Agreement may, but need not be, similar to the terms of any prior Deferral Agreement.

3.6 Suspension of Participation . If a Participant receives an unscheduled in-service distribution (with penalty) under the 2002 restatement of this Plan, the Participant's eligibility to

defer under this Plan shall continue for the remainder of the Plan Year in which the unscheduled in-service distribution is received, but shall be suspended for the next two Plan Years.

ARTICLE IV
RESERVED

ARTICLE V
BOOKKEEPING ACCOUNT AND CREDITING

5.1 Bookkeeping Account . A Bookkeeping Account is the account established on the books of the Company as a record of each Participant's Plan balance. A Bookkeeping Account may include one or more sub-accounts to reflect amounts credited to a Participant under the various terms of the Plan. As of the effective date of this Restatement, a Participant's Bookkeeping Account consists of the following sub-accounts:

(a) Deemed Investment Sub-Account : A Deemed Investment Sub-Account, expressed as a dollar amount, reflecting the Participant's account balance resulting from the following:

- (1) Deferred cash director's fees;
- (2) Cash paid as the result of settlement of stock units under the Company's equity incentive plan deferred pursuant to Article III or dividends issued in the form of cash under the Company's equity incentive plan; and
- (3) The Participant's deemed investment of such amounts under Section 5.3.

(b) Company Shares Sub-Account . A Company Shares Sub-Account, expressed in units (each unit representing one share of Company common stock) in which the Participant is vested resulting from restricted stock or the settlement in stock of restricted stock unit awards under the Company's equity incentive plan or dividends issued in the form of stock or stock units under the Company's equity incentive plan.

5.2 Time of Crediting Accounts . Amounts deferred by a Participant under the Plan shall be credited to the Participant's Bookkeeping Account as soon as administratively practicable after the date deferred amounts would otherwise have been received (or beneficially received in the case of Company contributions) by the Participant. "Earnings" as defined in 5.3(a) shall begin to be credited to a Participant's Bookkeeping Account on the date determined by the Plan Administrator, but no later than the month following the month in which the deferrals to which those Earnings relate were credited to the Bookkeeping Account in accordance with the preceding sentence. Earnings are based on the performance of the investment options selected by Participants in accordance with Section 5.3.

5.3 Participant Deemed Investments . Each Participant may, from time to time, select from the various indices provided by the Plan Administrator in which his or her Deemed Investment Sub-Account will be deemed invested; provided, however, that the Plan Administrator is under no obligation to acquire or provide any of the investments designated by the Participant.

(a) Deemed Investment Sub-Account . A Participant's Deemed Investment Sub-Account shall be credited or debited with additional amounts equal to the appreciation (or loss) such accounts would have experienced had they actually been invested in the specified fund indices at the relevant times ("Earnings").

(b) Company Shares . The number of units in a Participant's Company Shares Sub-Account shall be appropriately adjusted periodically to reflect any dividend (if applicable), split, split-up or any combination or exchange, however accomplished, with respect to the shares of the Company's common stock represented by such units.

5.4 Investments by the Company . In order to provide funds to satisfy its obligations under the Plan, the Company may, but shall not be required to, keep cash or invest and reinvest in mutual funds, stocks, bonds securities or any other assets as may be reasonably selected by the Company. Such investments may, but need not, follow the investment indices chosen by the Participants. If the Company elects to purchase an insurance policy or policies insuring the life of the Participant to allow the Company to recover the cost of providing the benefits hereunder:

(a) The Participant shall, as a condition to continued participation in the Plan, sign any papers and undergo any medical examinations or tests that may be necessary or required for such purpose; and

(b) The Participant, Participant's Beneficiary, and any other person claiming through the Participant shall not have or acquire any rights whatsoever in such policy or policies or in the proceeds of the policies.

5.5 Limited Effect of Allocation . The fact that any allocation shall be made and credited to a Bookkeeping Account shall not vest in a Participant any right, title or interest in or to any assets of the Company, or in any right to payment, except at the time(s) and upon the conditions elsewhere set forth in the Plan.

5.6 Report of Account . A Participant shall be provided information regarding the Participant's Bookkeeping Account balance within a reasonable time after requesting such information from the Plan Administrator. Each Participant shall be furnished with statements on a periodic basis, no less frequently than annually.

ARTICLE VI
RIGHTS OF PARTICIPANT IN PLAN

6.1 Ownership Rights in Bookkeeping Account. Subject to the restrictions provided in this Article or stated in awards of Equity Compensation, each Participant shall at all times have a fully vested interest in the value of the Participant's Bookkeeping Account.

6.2 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 to payment 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 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.

6.3 No Transfer of Interest in Plan Allowed . Except as permitted by applicable law, no sale, transfer, alienation, assignment, pledge, collateralization or attachment of any benefits under the Plan shall be valid or recognized by the Company. Neither the Participant, Participant's spouse or a designated Beneficiary shall have any power to hypothecate, mortgage, commute, modify or otherwise encumber in advance of any of the benefits payable hereunder. Said benefits shall not be subject to seizure for the payment of any debts, judgments, alimony, maintenance owed by the Participant or a Beneficiary, or be transferable by operation of law in the event of bankruptcy, insolvency, or otherwise. Notwithstanding the foregoing, the Company may follow the terms of any court order issued in connection with any domestic relations proceeding including but not limited to marital dissolution or child support.

6.4 Plan Binding Upon Parties . The Plan shall be binding upon the Company, its assigns, and any successor company that acquires substantially all of its assets and business through merger, acquisition or consolidation; and upon all Participants and any Participant's Beneficiaries, assigns, heirs, executors and administrators.

ARTICLE VII
DISTRIBUTIONS

7.1 Acceleration of Payment . Generally, neither the Company nor any Participant may accelerate the timing of any payment under the Plan, except as specifically set forth in this Plan document. However, the Plan Administrator may direct that a distribution of any payment be accelerated to the extent such acceleration is specifically permitted under Code Section 409A. Such accelerations include, but are not limited to, a distribution to permit a Participant to pay taxes on amounts deferred under this Plan, including any taxes that may be imposed under Code Section 409A, and distributions pursuant to a domestic relations order (as defined in Section 414(p)(1)(B) of the Code).

7.2 In-Service Distributions . While a Participant is a Board member, the Participant may receive Plan distributions as provided in this Section 7.2.

(a) Unforeseeable Financial Emergency . At the request of a Participant before his or her service with the Company terminates, the Plan Administrator may, in its sole discretion, pay all or part of the value of the Participant's Bookkeeping Account in the event of an unforeseeable financial emergency beyond the requesting party's control. Such hardship distributions may be allowed only as follows:

(1) Financial Emergency . An unforeseeable financial emergency is defined as a severe financial hardship resulting from (A) an illness or accident of the Participant, his or her spouse, his or her tax dependent (as defined in Code Section 152(a)), or his or her Beneficiary, (B) the loss of a Participant's or Beneficiary's property due to casualty, or (C) other similar extraordinary, unforeseeable and unforeseen circumstances arising as a result of events beyond the control of the requesting party.

(2) Amount . The amount of an accelerated distribution shall be limited to an amount necessary to relieve such emergency, which may include an amount necessary to pay tax liabilities reasonably anticipated to result from the distribution. A distribution on account of unforeseeable financial emergency may not be made to the extent that such emergency is or may be alleviated by reimbursement or compensation from insurance or liquidation of the Participant's other assets (provided that the liquidation would not itself cause a severe hardship). If the Participant's entire Bookkeeping Account balance is distributed pursuant to this Section 7.2(a), the amount of the distribution shall be determined as of the end of the month preceding the distribution date.

(3) Effect on Deferral Agreement . A Participant's Deferral Agreement shall be automatically canceled for the remainder of the Plan Year in which the unforeseeable financial emergency distribution is made.

(b) Scheduled Distributions . Prior to Separation, a Participant may elect, in a Deferral Agreement, to receive a specified percentage of the Participant's deferrals for a Plan Year in a specified later Plan Year while the Participant continues to be a Board member. For purposes of this Plan, the term "Separation" means the date on which the Participant ceases to be a Board member. The scheduled distribution must designate a Plan Year that begins after the deferred amounts have been credited to this Plan for at least two full Plan Years (e.g., an election in December 2024 could provide for a scheduled distribution no sooner than the Plan Year beginning January 1, 2028). The Participant must elect the calendar year and the month (either January or June) of the scheduled distribution. The amount payable to a Participant in connection with a scheduled distribution shall in all cases be a specified dollar amount or a specified percentage of the Participant's Bookkeeping Account balance for the Plan Year to which the Deferral Agreement applies. A Participant may change the time of a scheduled

distribution by submitting a change request by the last day of the Plan Year that ends at least 12 months before the scheduled distribution date and postponing the scheduled distribution for a period of at least five years. If the Participant's Separation occurs prior to a scheduled distribution date, then the Plan's provisions (and the Participant's elections, if applicable) for distributions following Separation shall supersede the Participant's scheduled distribution elections. The amount of the distribution under this subsection (b) shall be determined as of the last day of the month before the scheduled distribution.

(c) Distributions Pursuant to Domestic Relations Order . The Plan Administrator may accelerate lump sum payment of a Participant's account in the case of a valid domestic relations order that provides for distribution of all or a portion of a Participant's Bookkeeping Account.

7.3 Distributions Following Separation for Post 2013 Deferrals . The portion of a Participant's Bookkeeping Account that is attributable to deferrals made with respect to Plan Years commencing January 1, 2014 and later, including Earnings thereon, shall at all times be distributable as provided in Section 7.4. Distributions of the portion of a Participant's Bookkeeping Account that is attributable to deferrals made with respect to previous Plan Years shall be governed by the Plan provisions in effect prior to this Restatement.

7.4 Distributions upon Separation .

(a) Form of Payment . Except as otherwise provided in Sections 7.2, 7.3 or 7.4(b), upon Separation, distribution of a Participant's Bookkeeping Account balance shall be made in accordance with the distribution options specified in the Participant's Deferral Agreement to which the distribution relates. The distribution options available to a Participant are: (i) lump sum payment; or (ii) installments over five (5), ten (10) or fifteen (15) years.

(b) Lump Sum in lieu of Installments . If the Participant's Bookkeeping Account balance as of his or her Separation is equal to or less than \$10,000, the Company may distribute the Participant's entire Bookkeeping Account in a single lump sum rather than in installments, provided that the lump sum payment results in the termination and liquidation of the Participant's entire interest under this Plan and all other plans or arrangements that must be aggregated with this Plan under the rules set forth under Code Section 409A. The Participant may not exercise any discretion to convert an installment election into a lump sum under this provision.

(c) Time of Payment . The distribution (or in the case of installments, the first installment payment) shall be paid within 90 days after the Participant's Separation, provided that the Participant does not have the right to designate the taxable year of payment. Subsequent installments, if applicable, shall be paid in January of each succeeding Plan Year.

(d) Amount of Payment . If the form of distribution is a lump sum, the value of the entire vested Bookkeeping Account shall be distributed in one payment. If the form of

distribution is installments, the amount of each installment payment shall be determined by multiplying the Participant's vested Bookkeeping Account balance as of the end of the month in which the scheduled distribution date occurs (as determined under Section 7.2(b) for In-Service Distributions or upon Separation for all other distributions) by a fraction, the numerator of which is one (1) and the denominator of which is (N minus P), where N is total number of annual installments and P is the number of annual installments previously paid to the Participant. For example, if the form of payment is five annual installments, the first annual distribution is the account balance divided by 5 (5 minus 0), the second annual distribution is the account balance divided by 4 (5 minus 1), the third annual distribution is the account balance divided by 3 (5 minus 2), the fourth annual distribution is the account balance divided by 2 (5 minus 3), and the fifth annual distribution is the entire remaining account balance (5 minus 4). Bookkeeping Accounts subject to installment payment shall continue to be valued as provided in Section 5.3 until fully distributed.

(e) Change in Time or Form of Distribution. A Participant may change the form of distribution by submitting a change request by the last day of the calendar year that ends at least 12 months before his or her Separation date, provided that his or her change cannot take effect earlier than twelve months after the change is requested. In addition, the Participant must agree to postpone the distribution for a period of at least five (5) years from the date that the amount would otherwise have been payable. In the case of installment payments, the five (5) year period of postponement is measured from the date that the first payment in the series of installments would have been paid.

7.5 Cash and Stock Distributions. Distributions of a Participant's Deemed Investment Sub-Account shall be made in cash only. Distributions of a Participant's Company Shares Sub-Account shall be made in Common Stock of the Company, which Common Stock shall be paid from, and shall count against, the share reserve of a Company equity incentive plan that has been approved by shareholders in accordance with the rules of the applicable stock exchange.

ARTICLE VIII DEATH BENEFITS

8.1 Designation of Beneficiary. A Participant shall designate a Beneficiary to receive death benefits under the Plan by completing the beneficiary designation form specified by the Plan Administrator. A Participant shall have the right to change the Beneficiary by submitting a form designating the Participant's change of Beneficiary in accordance with procedures established by the Plan Administrator.

8.2 Deemed Beneficiary. If a Participant is married, his or her legal spouse shall be deemed the designated Beneficiary, unless the spouse consents in writing to designation of a different Beneficiary on a form acceptable to the Plan Administrator. If no designation has been made, or if the deemed or designated Beneficiary has predeceased the Participant, then the Participant will be deemed to have designated the following as his or her surviving beneficiaries and contingent beneficiaries with priority in the order named below:

(1) first, to the Participant's surviving spouse, as defined under federal law, or the Participant's "registered domestic partner" as that term is defined for benefit coverage purposes under the Nordstrom Welfare Benefit Plan; or

(2) if the Participant does not have a surviving spouse or registered domestic partner, to his or her estate.

8.3 Surviving Beneficiary . For purposes of determining the appropriate named or deemed beneficiary or contingent beneficiary, an individual is considered to survive the Participant if that individual is alive seven (7) days after the date of the Participant's death.

8.4 Distribution of Bookkeeping Account Balance at Death . Upon a Participant's death, a Participant's Bookkeeping Account shall paid in a lump sum within 90 days of the date of death provided however that where payments of the Participant's Bookkeeping Account commenced prior to the Participant's death, the Participant's Beneficiary shall receive the Participant's remaining Bookkeeping Account Balance in a manner consistent with the Participant's distribution election under Section 7.4(a).

8.5 Determination of Beneficiary . If there is any doubt as to the proper Beneficiary to receive payments hereunder, the Plan Administrator shall have the right to direct the Company to withhold such payments until the matter is resolved. However, as provided in Section 12.9, any payment made by the Company, in good faith and in accordance with the Plan and the directions of the Plan Administrator shall fully discharge the Company from all further obligations with respect to that payment.

8.6 Payments to Minor or Incapacitated Beneficiaries . In distributing property hereunder to or for the benefit of any minor or incapacitated Beneficiary, the Plan Administrator may direct the Company to make such distribution to a legal or natural guardian of such Beneficiary, or to any adult with whom the minor or incompetent temporarily or permanently resides. The receipt by such guardian or other adult shall be a complete discharge of liability to the Company. The Company shall not have any responsibility to see to the proper application of any payments so made.

ARTICLE IX ADMINISTRATION OF THE PLAN

9.1 Plan Administrator . The Corporate Governance and Nominating Committee of the Board or its successor ("CGNC") is the "Plan Administrator".

9 . 2 Powers and Authority of the Plan Administrator . The Plan Administrator shall have the authority and responsibility and all powers necessary to carry out the provisions of the Plan and to control and manage the operation and administration of the Plan. The Plan Administrator has discretionary authority to construe and interpret the provisions of the Plan and to grant or deny benefits under the Plan.

9.3 Delegation of Powers and Authority . The Plan Administrator may, but is not obligated to, delegate to any person, employee, department, committee, or third party service provider all or any portion of its duties and responsibilities as Plan Administrator. To the extent the Plan Administrator delegates fiduciary duties and obligations, such delegation shall be done in writing (including a written action delegating authority or a written services agreement).

9.4 Reliance on Opinions . Each person or entity authorized to act under this 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.

9.5 Information . The Company shall supply full and timely information as may be necessary for the effective administration of the Plan.

9.6 Indemnification . To the extent permitted by applicable law, the Company hereby indemnifies any Company employee who carries out any responsibilities under the Plan, and holds them harmless from the effects, consequences, expenses, attorney fees and damages of their acts or conduct in such capacity, except to the extent that such consequences are the result of their own willful misconduct or breach of good faith. Such indemnification shall be in addition to any other rights such employee may have as a matter of law, or by reason of any insurance or other indemnification.

ARTICLE X CLAIMS PROCEDURE

10.1 Submission of Claim . A claim for benefits is required to be made in writing by the Participant, or any person claiming through the Participant ("Claiming Party") and must be mailed to the Plan Administrator. The Plan Administrator shall review and make a determination with respect to such claim.

10.2 Denial of Claim . If a claim for payment of benefits is denied in full or in part, the Plan Administrator 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 Plan Administrator does not take any action within the aforesaid ninety (90) day period.

10.3 Review of Denied Claim . If the Claiming Party desires Plan Administrator review of a denied claim, the Claiming Party shall notify the Plan Administrator 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 relevant documents, may submit any written issues and comments, and may request an extension of time for such written submission of issues and comments.

10.4 Decision Upon Review of Denied Claim. The decision on the review of the denied claim shall be rendered by the Plan Administrator within sixty (60) days after receipt of the request for review (or within 120 days if special circumstances exist). 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 XI AMENDMENT AND TERMINATION

The CGNC may amend or terminate the Plan at any time for any reason. Such amendment or termination may modify or eliminate any benefit hereunder, provided that no such amendment or termination shall in any way reduce the vested portion of the affected Participants' or Beneficiaries' Bookkeeping Accounts. To be effective, an amendment must be in writing and must be signed by a person who has amendment authority under the terms of the Plan. Oral amendments or modifications to the Plan, and any written amendments that are not signed by an authorized person, are not valid or binding on the Company or any other person. Upon termination of the Plan, distribution of Participant Bookkeeping Accounts may be accelerated, but only if the accelerated distribution would not result in additional tax to the Participant under Code Section 409A. The Retirement Committee has the authority to approve and adopt non-material, technical, legal compliance and/or administrative amendments to the Plan. The Retirement Committee shall notify the CGNC of any amendment adopted under this provision.

ARTICLE XII MISCELLANEOUS

12.1 No Employment Contract. The terms and conditions of the Plan shall not be deemed to constitute a contract of employment between the Company and any Board member. Nothing in this Plan shall be deemed to give any Board member 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 Board member at any time.

12.2 Dispute Resolution. Any legal action related to a claim for benefits must be initiated within one (1) year after the Plan Administrator has issued its final decision on review and must be filed in Washington state court or the United States District Court for the Western District of Washington.

12.3 Cooperation. A Board member 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.

12.4 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.

12.5 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, or in such manner as the Company determines is appropriate. If notice is to be given to the Company or the Plan Administrator such notice shall be addressed to Nordstrom, Inc. c/o Benefits Department, at 1600 Seventh Avenue, Ste. 2500, Seattle, Washington 98101. If notice is to be given to a Participant, such notice shall be addressed to the last known address on the Company's records. Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant. Any party may, from time to time, change the address to which notices shall be mailed by giving written notice of such new address.

12.6 Interest of Participant's Spouse . The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.

12.7 Tax Liabilities from Plan . If all or any portion of a Participant's benefit under this Plan generates a state or federal income tax liability (including a liability under Code Section 409A) to the Participant prior to receipt, the Plan Administrator may instruct the Company to distribute to the Participant immediately available funds in an amount equal to that Participant's federal, state and local tax liability associated with such taxation, which liability shall be measured by using that Participant'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 VII and VIII hereof.

12.8 Benefits Nonexclusive . The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to the Participant under any other plan or program for directors 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.

12.9 Discharge of Company Obligation . The payment of benefits under the Plan to a Participant or Beneficiary shall fully and completely discharge the Company, its Board of Directors, and the Plan Administrator from all further obligations under this Plan with respect to a Participant, and that Participant's Deferral Agreement shall terminate upon such full payment of benefits.

12.10 Costs of Enforcement . If any action at law or in equity is necessary by the Plan Administrator or the Company to enforce the terms of the Plan, the Plan Administrator 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.

12.11 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.

12.12 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.

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

NORDSTROM, INC. EXECUTIVE SEVERANCE PLAN

(As Adopted on August 21, 2024)

I. INTRODUCTION.

A. Purpose. The purpose of the Nordstrom, Inc. Executive Severance Plan ("the Plan") is to provide employees of Nordstrom, Inc. ("the Company") and its subsidiaries and affiliates who qualify as Eligible Employees under this Plan with severance benefits upon their termination of employment. The Plan does not apply to any employment terminations other than those expressly described below.

The Plan was originally effective as of December 31, 2019. It is hereby amended and restated effective August 21, 2024.

B. Plan Administration .

1. Plan Administrator . The Company's senior executive responsible for Human Resources ("CHRO") is the "Plan Administrator".
2. Powers and Authority of the Plan Administrator . The Plan Administrator shall have the authority and responsibility and all powers necessary to carry out the provisions of the Plan and to control and manage the operation and administration of the Plan. The Plan Administrator has discretionary authority to construe and interpret the provisions of the Plan and to grant or deny benefits under the Plan.
3. Delegation of Powers and Authority . The Plan Administrator may, but is not obligated to, delegate to any person, employee, department, committee or third party service provider all or any portion of its duties and responsibilities as Plan Administrator. To the extent the Plan Administrator delegates fiduciary duties and obligations, such delegation shall be done in writing (including a written action delegating authority or a written services agreement).

II. ELIGIBLE EMPLOYEES.

With the exception of Erik Nordstrom and Peter Nordstrom, each individual designated by the Company or a subsidiary or affiliate as a Section 16 executive or reporting person for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, as of the Benefits Determination Date (each, a "Section 16 Officer"), who (i) is not employed under a written contract of definite or indefinite duration, (ii) is not eligible to receive benefits under any other severance program or arrangement established or provided by the Company or a subsidiary or affiliate and (iii) has executed the applicable non-competition, non-solicitation and/or confidentiality agreements in the forms and within the timeframes required by the Company or a subsidiary or affiliate, shall be an "Eligible Employee".

III. ELIGIBILITY FOR BENEFITS.

A. To be eligible for benefits under this Plan, an Eligible Employee must either be involuntarily terminated from employment or be deemed to be involuntarily terminated per paragraph 3 below and must properly and timely execute a release of all claims ("Release") without any alteration, addition or deletion.

1. Form of Release . The form and content of the Release will be determined by the Plan Administrator. Such Release shall be effective according to its terms.
2. Timing of Release . The Eligible Employee will have a period of 21 days (or such longer period as required by applicable law) to review and sign the Release and return it to the Plan Administrator. For any period required by law after the Eligible Employee signs the Release, the Eligible Employee may revoke it, and it shall not be effective or enforceable until the revocation period expires. The filing of a claim under the Plan's claim procedure (Article IX), shall toll any time requirement for signing and returning the Release until the claims procedure has been exhausted. If the Eligible Employee fails to sign and return the Release to the Company within the time and in the manner described herein, he or she will no longer be eligible for this Plan. For purposes of this paragraph, a Release is

considered "returned" to the Company if it arrives within 5 days of the end of the period of time specified herein; provided that the Plan Administrator may extend the deadline for returning the Release if there is clear and convincing evidence that the Eligible Employee cannot return the Release within the specified time because of illness, incapacity or other extraordinary circumstances.

3. Deemed Involuntarily Termination . An Eligible Employee will be deemed to be involuntarily terminated if the Eligible Employee terminates employment following a material diminution (at least 50%) of the Eligible Employee's duties and responsibilities (without the Eligible Employee's consent), provided that (i) the Eligible Employee must provide written notice to the Plan Administrator of the occurrence of the foregoing event within 30 days after the occurrence of such event, (ii) the Company or a subsidiary or affiliate shall have a period of 30 days to cure such event or condition after receipt of written notice of such event from the Eligible Employee, and (iii) the Eligible Employee must terminate employment within 30 days following the expiration of the foregoing 30-day cure period.

B. An Eligible Employee will not be entitled to receive benefits under the Plan if, before the scheduled date of the Eligible Employee's employment termination, the Eligible Employee:

1. Is terminated for cause. If an Eligible Employee is terminated for "cause" or is found by the Compensation, People and Culture Committee of the Company's Board of Directors, or its successor ("CPCC") at any time to have engaged in any acts as would have constituted "cause" for termination, the Eligible Employee shall immediately forfeit any and all rights to benefits under this Plan. For purposes of this Plan, "cause" shall mean (a) the Eligible Employee's conviction of, or plea of guilty or no contest to, (i) any felony (or its international equivalent) or (ii) any other crime that results, or could reasonably be expected to result, in material harm to the business or reputation of the Company or any subsidiary or affiliate, (b) an act of personal dishonesty or disloyalty in the course of fulfilling the Eligible Employee's duties to the Company or any subsidiary or affiliate, or an act of fraud or misappropriation, embezzlement, or misuse of funds or property belonging to the Company or any subsidiary or affiliate, (c) the Eligible Employee's deliberate and continued failure to perform substantially such Eligible Employee's material duties to the Company or any subsidiary or affiliate, (d) a material violation of the written policies of the Company or any subsidiary or affiliate, including but not limited to those relating to sexual harassment or the disclosure or misuse of confidential information, or those set forth in the manuals or statements of policy of the Company or any subsidiary and affiliate, (e) the Eligible Employee's engagement in willful misconduct in connection with his or her employment or services with the Company or any subsidiary or affiliate, which results, or could reasonably be expected to result, in material harm to the business or reputation of the Company or any subsidiary or affiliate, or (f) breach of any restrictive covenants applicable to the Eligible Employee as a result of any agreement with the Company or any subsidiary or affiliate or any policy or plan maintained by the Company or any subsidiary or affiliate. The CPCC shall have the sole discretion to determine whether the Eligible Employee has engaged in any acts that would constitute "cause" for termination.
2. Fails to abide by such terms and conditions as the Plan Administrator has established as a condition for participation in, or payment of benefits from, the Plan, provided such terms and conditions have been set forth in any eligibility notice provided to the employee.
3. Dies or becomes disabled, unless the Plan Administrator exercises its discretionary authority to pay benefits under the Plan to an Eligible Employee who becomes disabled prior to his or her termination date. For this purpose, an Eligible Employee will be considered Disabled under this Plan where such Eligible Employee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.
4. Has voluntarily resigned from the Company and its subsidiaries and affiliates (other than as provided in Section III.A.3.).
5. Has accepted an offer under any early retirement incentive plan, program, policy or arrangement sponsored by the Company or a subsidiary or affiliate.
6. If the Eligible Employee is employed by or through a divested business group (including a store, facility, department or division), has been offered employment by the purchaser of a divested business group in the same or an equivalent position, regardless of whether such offer is part of the agreement between the Company or a subsidiary or affiliate and the purchaser of that business.

IV. PLAN BENEFITS.

A. Cash Severance Benefit . An Eligible Employee will receive the Cash Severance Benefit amount specified in the Schedule of Benefits. Cash Severance Benefits will be calculated using the Eligible Employee's "Monthly Pay".

1. Payments . Cash Severance Benefits under the Plan will be paid as a lump-sum payment within 30 days after the later of: (i) the date the Company receives a properly executed and timely Release or (ii) the expiration of any revocation period provided for in the Release.

2. Monthly Pay . "Monthly Pay" means an Eligible Employee's "Annual Salary" divided by twelve (12).

a. "Annual Salary" means an Eligible Employee's annual base salary at the rate in effect on the "Benefits Determination Date". "Annual Salary" shall exclude bonuses, equity compensation (such as stock options, performance share units, restricted stock, or other forms of equity-based compensation), and other supplemental pay or allowances provided by the Company or a subsidiary or affiliate to the Eligible Employee. If the Eligible Employee is notified of their eligibility while on an approved leave of absence, Monthly Pay will be calculated using the Eligible Employee's annual base salary rate in effect during the pay period immediately preceding their leave of absence, if higher than the rate of pay in effect on the Benefits Determination Date. For purposes of clarity, any change to the annual base salary rate for an Eligible Employee who temporarily continues in the same or another position at the request of the Company or a subsidiary or affiliate for a limited period of time following his or her originally scheduled termination date shall not be considered for purposes of determining Annual Salary.

b. "Benefits Determination Date" means the date that an Eligible Employee is notified of their involuntary termination, unless the CHRO establishes an alternative Benefits Determination Date in writing.

3. Withholding . The Company will withhold applicable federal, state and local taxes and other deductions from any and all payments made under the Plan.

4. Offsets . To the extent permitted by Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), an Eligible Employee's Cash Severance Benefits under this Plan will be reduced, dollar for dollar, by the following amounts, if applicable:

a. WARN . All amounts paid to the Eligible Employee in lieu of any required notice under the Worker Adjustment and Retraining Notification Act ("WARN") or its state or local law equivalents;

b. SERP . The Eligible Employee's gross monthly benefit under the Supplemental Executive Retirement Plan ("SERP"), calculated prior to any reduction under the SERP for Company contributions to its 401(k) plan and deferred compensation plan, multiplied by the total number of months covered by the Severance Period (as defined in Paragraph IV.D.1, below);

c. Amounts Due to the Company . Any indebtedness of the Eligible Employee to the Company or a subsidiary or affiliate, where the indebtedness arose out of the employment relationship between the Eligible Employee and the Company or a subsidiary or affiliate. Examples of indebtedness include, but are not limited to: (i) any relocation benefits received by the Eligible Employee that are subject to repayment under the terms of any policy and/or agreement, and (ii) any signing, retention or other bonus paid to the Eligible Employee that is subject to repayment under the terms of any policy and/or agreement.

d. Amounts Paid Under State or Local Law . All severance amounts paid to the Eligible Employee under any federal, state, or local laws that provide for payment to employees at separation of employment.

B. Medical/Dental Premium Assistance Benefit . Upon termination from the Company or a subsidiary or affiliate, an Eligible Employee shall have such rights to continue coverage under any medical and/or dental benefit options sponsored by the Company or a subsidiary or affiliate as is provided by Code Section 4980B(f) and Section 602 of ERISA ("COBRA"). In addition to the Cash Severance Benefit, an Eligible Employee will receive a "Medical/Dental Premium Assistance Benefit". "Medical/Dental Premium Assistance Benefit" is an amount equal to (i) the applicable COBRA premium rate for the

Eligible Employee's (and his or her enrolled dependents') medical and/or dental benefit coverage in effect at the Benefits Determination Date for the time period specified in the Schedule of Benefits, reduced by (ii) the Eligible Employee's active Plan contribution rate for such coverage as of the Benefits Determination Date. This payment shall be paid at the same time as the payment of the Cash Severance Benefits and will be subject to applicable tax withholding. The Company's payment under this paragraph shall be based on the medical and/or dental coverage and the corresponding employer and employee contribution rates as of the Benefits Determination Date. Eligible Employees who are not covered under any medical and/or dental benefit options as of the Benefits Determination Date will not be entitled to benefits under this paragraph. If the Eligible Employee is notified of their eligibility while on an approved leave of absence, the employee's health plan eligibility will be determined as of the pay period immediately preceding their approved leave of absence. Additionally, Eligible Employees who are eligible to participate in the Company's Retiree Medical Plan will not be entitled to benefits under this paragraph. If the Eligible Employee is eligible for and elects COBRA coverage, he or she shall be required to pay the entire COBRA premium for any period of coverage elected. Nothing in this Plan shall be construed as extending an Eligible Employee's (or his or her dependents') maximum period of coverage provided under COBRA or other applicable continuation coverage law.

C. Outplacement Assistance . Outplacement assistance will be provided to Eligible Employees for the length of time provided in the Schedule of Benefits. The outplacement assistance offered under this Plan will be provided by a provider chosen by the Company, and the Company will directly pay the outplacement provider for the benefit offered under this Plan. Unless otherwise approved by the CHRO, Eligible Employees will not be eligible to commence outplacement assistance until the Company receives the signed Release and, if the Eligible Employee does not initiate the commencement of such services within 90 days following the effective date of the signed Release, he or she will be deemed to have declined such services. Eligible Employees who do not elect to utilize or timely commence the use of outplacement services will not receive any payment in lieu of the services.

D. Subsequent Re-employment .

1. Re-employment During Severance Period . If an Eligible Employee satisfies all of the conditions for eligibility and participation set forth in the Plan, except that he or she accepts an offer of employment with the Company or a subsidiary or affiliate prior to the end of the period used to calculate the amount of his or her Cash Severance Benefit per the Schedule of Benefits (the "Severance Period"), the Eligible Employee will cease to receive any additional benefits under the Plan that he or she had not already received and except in the case of temporary short-term reemployment anticipated to be of a duration of no more than five (5) consecutive weeks, he or she will be required to repay the prorated portion of any Cash Severance Benefits received with respect to the remaining portion of their Severance Period during which they remain actively at work for the Company or a subsidiary or affiliate. Such repayment will occur prior to the Eligible Employee's reemployment date or, if otherwise agreed to by the Company, within a reasonable time after his or her reemployment.
2. Reemployment After Severance Period . Employees who are subsequently re-employed by the Company or a subsidiary or affiliate after the Severance Period (defined in Paragraph IV.D.1) will not be required to repay any Cash Severance Benefits.
3. New Hire Date . In the event of an employee's reemployment with the Company or a subsidiary or affiliate, such reemployed employee's service date will not be restored for the purpose of this Plan.

E. 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 an Eligible Employee's retirement;
 - b. The total amount of payments under this Plan cannot exceed the equivalent of twice the Eligible Employee's annual compensation during the year immediately preceding his or her termination of employment; and
 - c. All payments to the Eligible Employee under the Plan are completed within 24 months after his or her 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 Medical/Dental Premium Assistance .

(i) Exempt Payments . Cash Severance and Medical/Dental Premium Assistance Benefits are exempt from Code Section 409A to the extent that (i) they qualify as a "short-term deferral" under Code Section 409A, or (ii) they satisfy both of the following conditions:

(a) Amount . The payments do not exceed two times the lesser of (A) the Eligible Employee's annualized compensation based on his or her annual rate of pay for services performed during the calendar year preceding the calendar year in which the Eligible Employee terminates employment, or (B) the maximum amount that can be taken into account under a qualified retirement plan pursuant to Code Section 401(a)(17) for the year in which the Eligible Employee terminates employment.

(b) Duration . The payments are completed by the last day of the second calendar year following the calendar year in which the Eligible Employee terminates employment.

(ii) Non-Exempt Payment . To the extent required to comply with Section 409A of the Code, the following rules apply:

(a) Time and Form of Payment—General Rule . The amount will be paid in the form of a single lump sum within 90 days after the Eligible Employee's termination of employment, provided that the Eligible Employee may not designate the taxable year of payment.

(b) Delay for Specified Employees . If the Eligible Employee is a "Specified Employee," then the amount will be paid in a single lump sum (without interest) during the seventh month after the Eligible Employee's termination of employment. "Specified Employee" means, as of any date, a "specified employee" as defined in Code Section 409A (as determined under the Company's procedure for determining specified employees on the relevant date).

(c) Release Timing . If the period during which an Eligible Employee may deliver the Release required hereunder spans two calendar years, the payment of the Eligible Employee's severance benefits shall occur on the later of (i) the first regularly scheduled payroll date that occurs on or after January 1 of the second calendar year, or (ii) the first regularly scheduled payroll date following the date the Release becomes effective.

b. Outplacement Assistance . Outplacement Assistance will not be provided for periods beyond the last day of the second calendar year following the calendar year in which the Eligible Employee'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 Eligible Employee's termination date occurred.

F. Detrimental Activity . In the event the CPCC determines, in its discretion, that an Eligible Employee committed any act or omission during his or her employment with the Company or its subsidiaries and affiliates that would have constituted grounds for "cause" while he or she was employed by the Company or its subsidiaries or affiliates, and becomes aware of such act or omission during the one-year period following the termination of the Eligible Employee's employment, then to the fullest extent permitted by applicable law, if and to the extent directed by the CPCC in its discretion, the Eligible Employee shall: (i) immediately forfeit the remaining payments and benefits, if any, due to him or her under the Plan, and (ii) immediately upon written demand repay to the Company the Cash Severance Benefits and Medical/Dental Assistance Benefits, if any, paid to him or her prior to the date that the Eligible Employee receives the written demand, less twenty-five thousand dollars (\$25,000) which the Eligible Employee acknowledges is valid consideration for signing any non-competition, non-solicitation agreement and/or confidentiality agreement.

V. PAYMENTS TO AND FROM THE PLAN.

The benefits under the Plan will be paid from the general assets of the Company, and all employees eligible for benefits under the Plan will be no more than unsecured general creditors of the Company. Nothing contained in the Plan will be deemed to create a trust of any kind for the benefit of the employees, or to create any fiduciary relationship between the Company and the employees with respect to any assets of the Company. The Company is under no obligation to fund the benefits provided herein prior to payment, although it may do so if it chooses. Any assets which the Company chooses to use for advance funding will nevertheless constitute assets of the Company and will not cause this to be a funded plan within the meaning of any section of ERISA.

VI. AMENDMENT AND TERMINATION.

The CPCC 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 Employee who became entitled to such benefits prior to such amendment or termination. The CHRO has the authority to approve non-material, technical, legal compliance, and/or administrative amendments to the Plan. The CHRO shall notify the CPCC of any amendment adopted under this provision. Notwithstanding the preceding, no amendment or termination of the Plan that reduces benefits under the Plan (including the removal of a Section 16 Officer as an Eligible Employee) shall become effective until a date that is 12 months following the date such amendment, termination or removal is adopted.

VII. NON-ALIENATION OF BENEFITS.

Except to the extent specifically provided by the Company, no benefit under the Plan will be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, levy, execution or charge, and any attempt to do so will be void.

VIII. LEGAL CONSTRUCTION.

This Plan will be construed in accordance with ERISA and, to the extent not preempted by ERISA, with the laws of the State of Washington. In the event that any provision of this Plan shall be finally deemed to be unenforceable, such provision shall be deemed to be severable from this Plan, but every other provision of this Plan shall remain in full force and effect.

IX. CLAIMS, INQUIRIES AND APPEALS.

A. Benefit Claims and Inquiries.

All benefit claims, and all inquiries concerning the Plan or present or future rights to benefits under the Plan, must be submitted in writing and mailed to the Plan Administrator. The Plan Administrator shall review and make a determination with respect to such claim.

B. Denial of Claims.

In the event that any benefit claim is denied in whole or in part, the Plan Administrator will notify the claimant in writing of such denial and of the right to review thereof. Such written notice will set forth, specific reasons for such denial, specific references to the Plan provision on which such denial is based, a description of any information or material necessary to perfect the claim, an explanation of why such material is necessary and an explanation of the Plan's review procedure. Such written notice will be given to the claimant within ninety (90) days after the Plan Administrator receives the claim, unless special circumstances require an extension of time of up to ninety (90) additional days. If such an extension is required, written notice of the extension will be furnished to the claimant prior to the termination of the initial 90-day period. If written notice of denial of the claim for benefits is not furnished within the time specified in this herein, the application will be deemed denied, and the claimant will be permitted to appeal such denial in accordance with the review procedure set forth below.

C. Appeal: Requests for a Review .

Any person whose claim for benefits is denied (or is deemed denied) in whole or in part, or such person's duly authorized representative, may appeal from such denial by submitting a request for a review of the claim within sixty (60) days after receiving written notice of such denial from the Plan Administrator (or, in the case of a deemed denial, within sixty (60) days after the application is deemed denied). The claimant or his or her representative will be given an opportunity to review pertinent documents that are not privileged in preparing a request for a review. A request for review must be in writing and must be mailed to the Plan Administrator. A request for review must set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the claimant deems pertinent. The applicant may be required to submit such additional facts, documents or other material as may be deemed necessary or appropriate and claimant may be required to provide such additional information at claimant's own expense.

D. Decision on Review .

The CPCC will review the claim on appeal and make a determination within sixty (60) days after receipt of the request for review unless special circumstances require an extension of time, up to an additional sixty (60) days, for processing the request. If such an extension for review is required, written notice of the extension will be furnished to the claimant within the initial 60-day period. The CPCC will give prompt, written notice of its decision to the claimant. In the event that the CPCC confirms the denial of the benefits in whole or in part, such notice will set forth the specific references to the Plan provisions on which the decision is based. If written notice of the CPCC's decision is not given within the time prescribed in this paragraph, the application will be deemed denied on review.

E. Exhaustion of Remedies .

No legal action for benefits under the Plan may be brought unless and until the claimant (i) has submitted a written benefit claim in accordance with the Plan, (ii) has been notified by the Plan Administrator that the application is denied, (iii) has filed a written request for a review of the benefit claim in accordance with the Plan, and (iv) has been notified in writing that the CPCC has affirmed the denial of benefits; provided that legal action may be brought after the Plan Administrator or CPCC, as applicable, has failed to take any action on the claim within the time prescribed herein.

F. Dispute Resolution .

Any disputes related to this Plan other than a claim for benefits subject to the provisions of this Article IX shall be resolved through mutually binding arbitration as outlined in Nordstrom's Dispute Resolution Program, the terms of which are incorporated by reference into this Plan. Any legal action related to a claim for benefits must be initiated within one (1) year after the CPCC has issued its final decision on review and must be filed in Washington state court or the United States District Court for the Western District of Washington.

X. REQUIRED NOTICES.

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, CPCC or Plan Administrator, such notice shall be addressed to Nordstrom, Inc. c/o Compensation Department, at 1600 Seventh Avenue, Ste. 2500, Seattle, Washington 98101. If notice is to be given to an employee, such notice shall be hand-delivered to the employee or may be mailed to the last known address of the employee 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.

XI. PLAN YEAR.

The plan year for the Plan is the calendar year.

XII. EMPLOYMENT STATUS.

The terms and conditions of the Plan shall not be deemed to constitute a contract of employment between the Company or a subsidiary or affiliate and an Eligible Employee. Nothing in this Plan shall be deemed to give an employee the right to be retained in the service of the Company or a subsidiary or affiliate or to interfere with any right of the Company or a subsidiary or affiliate to discipline or discharge an employee at any time, with or without cause or with or without notice.

XIII. INDEMNIFICATION

To the extent permitted by applicable law, the Company hereby indemnifies any Company employee who carries out any responsibilities under the Plan, and holds them harmless from the effects, consequences, expenses, attorney fees and damages of their acts or conduct in such capacity, except to the extent that such consequences are the result of their own willful misconduct or breach of good faith. Such indemnification shall be in addition to any other rights such employee may have as a matter of law, or by reason of any insurance or other indemnification.

Nordstrom Executive Severance Plan
Schedule of Benefits
Effective August 21, 2024

	Cash Severance Benefit	Period for Determining Medical/Dental Premium Assistance Benefit	Outplacement Services
Section 16 Officers on the Executive Team	24 months of Monthly Pay	12 months	6 months
Section 16 Officers not on the Executive Team	18 months of Monthly Pay	12 months	6 months

NORDSTROM, INC.

NORDSTROM RETIREE HEALTH PLAN
(Plan No. 503)

Providing

Group Health Plan Benefits

August 21, 2024 Restatement

NORDSTROM RETIREE HEALTH PLAN
(August 21, 2024 Restatement)

TABLE OF CONTENTS

<u>Article</u>	<u>Page</u>
I LEGAL STATUS; PLAN STRUCTURE	1
II GENERAL DEFINITIONS	2
III PARTICIPATION AND BENEFITS	4
IV PLAN FUNDING	7
V PLAN ADMINISTRATION	8
VI HIPAA PRIVACY AND SECURITY	15
VII PLAN AMENDMENT AND TERMINATION	18
VIII MISCELLANEOUS	19

ADDENDUM: PLAN BENEFIT SCHEDULE

NORDSTROM RETIREE HEALTH PLAN

(August 21, 2024 Restatement)

Effective August 21, 2024, Nordstrom, Inc. (the "Company") hereby amends and restates the Nordstrom Retiree Health Plan (the "Plan"), under which the Plan's various existing group health benefits, plans and programs are formally consolidated.

ARTICLE I

LEGAL STATUS: PLAN STRUCTURE

- 1.1 LEGAL STATUS . The Plan provides various group health benefits (the "Plan Benefits") to Eligible Retirees (as defined in Article II) and their eligible dependents and therefore is an employee welfare benefit plan under ERISA (as defined in Article II).
- 1.2 EFFECTIVE DATE . The initial effective date of the Plan is March 1, 2009. The effective date of this Plan restatement is August 21, 2024 except as otherwise specified.
- 1.3 PLAN STRUCTURE . The Plan is governed by the plan document, which consists of this document (including the Addendum) and the terms of the Governing Instruments (as defined in Article II), which are incorporated by reference into this document. Each of the Governing Instruments is listed in the Addendum. In the event of a conflict between this document and any Governing Instrument, the Plan Administrator (as defined in Article II) shall have full discretion to resolve any conflict, shall resolve the conflict and its determination shall be conclusive and binding on all interested parties.
- 1.4 RELATION TO OTHER COVERAGE . Coverage under the Plan is offered to certain eligible former Employees in addition to the COBRA continuation coverage otherwise offered under the Nordstrom, Inc. Welfare Benefit Plan (the "Active Employee Plan"). With regard to any former Employee who elects coverage under the Plan either instead of COBRA continuation coverage or prior to the end of the maximum COBRA continuation period, the Plan is considered "alternative coverage", as described in Treasury Regulation Section 54.4980B-7.

ARTICLE II
GENERAL DEFINITIONS

- 2.1 Affiliated Employer : An employer which is related to the Company under Section 414(b) or (c) of the Code.
- 2.2 Code : Internal Revenue Code of 1986, as amended, and applicable regulations or guidance issued and in effect thereunder. Any reference to a section of the Code shall include such section and any comparable section or sections of any future legislation that amends, supplements or supersedes such section.
- 2.3 Company : Nordstrom, Inc. or its successor entity.
- 2.4 COBRA : Consolidated Omnibus Budget Reconciliation Act of 1985 and applicable regulations issued and in effect thereunder. Any reference to a section of COBRA shall include such section and any comparable section or sections in any future legislation that amends, supplements or supersedes such section.
- 2.5 Covered Person : A Participant or any eligible dependent who is enrolled in and/or participates in a Plan Benefit.
- 2.6 CPPCC : The Compensation, People and Culture Committee of the Board of Directors of Nordstrom, Inc. or its successor committee.
- 2.7 Eligible Retiree : A former Employee who meets the eligibility requirements for a Plan Benefit, as described in the applicable Governing Instrument or otherwise determined by the Plan Sponsor or Participating Employer.
- 2.8 Employee . A common law employee of an Employer who is classified as an employee by the Employer in books and records of such Employer. Notwithstanding the foregoing, the term "Employee" shall not include the following:
- (a) Any individual with respect to whom an Employer does not withhold income or employment taxes and file a Form W-2 (or any replacement Form) with the Internal Revenue Service because such individual has executed a contract, letter of agreement, or other document acknowledging such individual's status as an independent contractor who is not entitled to benefits under the Plan or is otherwise not classified by an Employer as a common law employee, even if such individual is later adjudicated to be a common law employee of an Employer, unless and until the Employer extends coverage to such individual.
 - (b) Any individual considered to be a leased employee under Section 414(n) of the Code.
 - (c) Any individual classified by the Plan Sponsor as an employee of any entity that is not an Affiliated Employer.
 - (d) Any individual who is not paid through a Participating Employer's payroll system and does not receive a W-2 from the Participating Employer.
- 2.9 Employer : A Participating Employer or a current or former Affiliated Employer that at one time employed individuals who, by virtue of their employment by such Affiliated Employer, are or may become eligible for benefits under this Plan provided all eligibility requirements are satisfied.
- 2.10 ERISA : Employee Retirement Income Security Act of 1974, as amended, and applicable regulations or guidance issued and in effect thereunder. Any reference to a section of ERISA shall include such section and any comparable section or sections in any future legislation that amends, supplements or supersedes such section.

- 2.11 Governing Instrument : Any currently applicable insurance contract, provider contract, service contract, description, summary or schedule of benefits listed in the Addendum, as any such document is modified from time to time.
- 2.12 HIPAA : The Health Insurance Portability and Accountability Act of 1996 and applicable regulations issued and in effect thereunder. Any reference to a section of HIPAA shall include such section and any comparable section or sections in any future legislation that amends, supplements or supersedes such section.
- 2.13 Participant : An Eligible Retiree who participates in a Plan Benefit.
- 2.14 Participating Employer : The (i) Company and (ii) each Affiliated Employer, if any, that adopts the Plan or any Plan Benefit with the consent of the CPCC or is otherwise designated for participation in the Plan or any particular Plan Benefit by the CPCC (in each case, acting in a settlor capacity). A Participating Employer shall not include its subsidiary corporation or similar subordinate legal entity, unless otherwise qualifying as a Participating Employer. The Participating Employer(s) are listed in the Addendum hereto with respect to particular Plan Benefits provided its Eligible Retirees.
- 2.15 Plan : Nordstrom Retiree Health Plan, as amended and restated August 21, 2024, and any amendments hereto.
- 2.16 Plan Administrator : The CPCC.
- 2.17 Plan Benefit : Any benefit described in the Addendum to this document.
- 2.18 Plan Sponsor : The Company.

ARTICLE III
PARTICIPATION AND BENEFITS

- 3.1 PARTICIPATION . An Eligible Retiree becomes a Participant in the Plan when such retiree enrolls (or is enrolled) in one or more of the Plan Benefits. The requirements for eligibility and participation for each Plan Benefit are set out in the applicable Governing Instruments.
- 3.2 BENEFITS . The Plan shall provide benefits to Participants and their dependents in accordance with the terms, conditions, restrictions and limitations provided in the Governing Instruments.
- 3.3 LOSS OF COVERAGE OR BENEFITS .
- (a) General . A Participant shall continue to be a Participant until the earliest of the following circumstances: (i) the Participant's coverage under all of the Plan Benefits terminates in accordance with the terms of the applicable Governing Instruments, (ii) the Participant ceases to be an Eligible Retiree, or (iii) the Plan Administrator terminates the Participant's participation under this Section. Covered Persons other than those who are Participants shall cease participation upon the earliest of the following circumstances: (i) such individual's coverage under all of the Plan Benefits terminates in accordance with the terms of the applicable Governing Instruments or (ii) the Plan Administrator terminates such individual's participation under this Section. Except as required by applicable law, including COBRA, if a Participant's coverage under a Plan Benefit is terminated, such Participant's enrolled dependent's coverage shall terminate. Any exceptions or limitations that could result in a loss of eligibility or denial of benefits are described in the Governing Instruments and incorporated by reference into the Plan.
- (b) Requirement to Provide Information or Documentation . As a condition of receiving future benefits under the Plan, Eligible Retirees and Covered Persons must promptly provide Plan-related information or documentation to the Plan Administrator upon request. If an Eligible Retiree or Covered Person does not provide the requested information or documentation within the reasonable time frame identified by the Plan Administrator, the Plan Administrator may, in its sole discretion, terminate such individual's participation in the Plan or deny initial participation to such individual, as applicable. For purposes of this paragraph, "Plan-related information or documentation" means information or documentation that is necessary for Plan administration purposes, as determined by Plan Administrator, and shall include, but not be limited to, social security numbers, birth certificates and information about other plans available to enrollees.
- (c) Termination for Cause . Notwithstanding anything in the Plan or a Governing Instrument to the contrary, the Plan Administrator may, in its sole discretion, deny coverage to an otherwise eligible individual or terminate a Covered Person's coverage in whole or in part if the Plan Administrator determines that an otherwise eligible individual or Covered Person has committed fraud, intentionally provided false information or made a material omission when submitting enrollment or eligibility information, filing claims or appeals, responding to information requests or in any other circumstance relating to the Plan. If the Plan Administrator determines an event described in this subsection (c) has occurred, the Plan Administrator shall, in its sole discretion, determine the individual(s) whose coverage will be denied or terminated. Any such termination may be effective retroactively, in the discretion of the Plan Administrator, to the extent permitted under applicable law.

- (d) Withdrawal of Participating Employer . The CPCC shall determine, in its discretion, when and if an employer shall cease to be a Participating Employer with respect to the Plan or any Plan Benefit and what the impact of such withdrawal shall be on the continuing eligibility of any Participant associated with such Participating Employer. The merger, consolidation, or liquidation of any Participating Employer with or into any other Participating Employer shall not cause Participants formerly employed by the Participating Employer to cease to be Eligible Retirees.
- 3.4 GROUP HEALTH PLAN REQUIREMENTS . Except as provided in this Section, the Plan hereby incorporates by reference the provisions in the Governing Instruments regarding the Plan's compliance with group health plan mandates contained in the following laws, as may be amended, and any regulations or other guidance issued and in effect thereunder: (i) Parts 6 and 7 of Subtitle B of Title I of ERISA, (ii) the Uniformed Services Employment and Reemployment Rights Act of 1994, (iii) the Family and Medical Leave Act of 1993, and such other applicable statutes as are not preempted by ERISA. In the event one or more of the Governing Instruments inadvertently omit or contain inaccurate provisions regarding compliance with these group health plan mandates, the Plan shall nevertheless be administered to comply with these group health plan mandates.
- 3.5 NO ASSIGNMENT OF BENEFITS . Benefits payable under the Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge of any kind, and any attempt to effect the same shall be void. Notwithstanding the foregoing, a Covered Person may direct, in writing, that benefits payable to such person be paid instead to a person or entity providing services or supplies covered under the Plan, or to a person or entity that has provided or paid for, or agreed to provide or pay for, any benefits payable under the Plan. The Plan may, but is not required to, honor such a directive and reserves the right to make payment directly to the Covered Person. No payment by the Plan pursuant to such a directive shall be considered as recognition by the Plan of a duty or obligation to pay such third-party person or entity.
- 3.6 DEATH OF A COVERED PERSON . In the event of the death of a Covered Person occurring prior to such time as all benefit payments due hereunder have been made, the Plan Administrator may, in its sole discretion and option, honor purported benefit assignments, if any, made prior to the death of the Covered Person. Any payment directed to be made by the Plan Administrator in accordance with the provisions of this section shall fully discharge the Plan to the extent of such payments.
- 3.7 MISSTATEMENT OF AGE . If the age of an otherwise eligible individual or Covered Person has been misstated and age is a factor in determining eligibility or amount of coverage, the coverages or amounts of benefits, or both, for which the individual is eligible shall be adjusted in accordance with the individual's true age.
- 3.8 REIMBURSEMENTS . Whenever any benefit payments which should have been made under this Plan have been made by another party, the Plan Administrator shall be authorized to pay such benefits to the other party. Amounts so paid will be deemed to be benefit payments under the Plan, and the Plan shall be fully discharged from liability for such payments to the full extent thereof.
- 3.9 RIGHT OF RECOVERY . Whenever any benefit payments have been made by the Plan in excess of the maximum amount required under the Plan, the Plan shall have the right to recover all such excess amounts from any persons, insurance companies or other payees, and the Covered Person shall make a good faith attempt to assist the Plan Administrator in such recovery.

- 3.10 PHYSICAL EXAMINATIONS . The Plan shall have the right (at its own expense) to require a Covered Person seeking benefits under the Plan to undergo a physical examination, when and as often as may be reasonable.

ARTICLE IV
PLAN FUNDING

4.1 FUNDING METHOD .

- (a) Permitted Trust . The Plan Sponsor may fund all or a portion of the Plan through a trust, which may be a trust exempt from taxation under Section 501(c)(9) of the Code, and for this purpose may enter into a trust agreement with a trustee selected by it. Any such trust shall be listed in the Addendum.
- (b) Unfunded Plan . Unless the Addendum provides for funding through a trust, the Plan shall be an unfunded plan, which means that the Plan Sponsor, any Participating Employer and the Plan Administrator shall not hold funds, in a trust or otherwise, other than as part of their general assets, for the purpose of funding benefits under the Plan. Benefits shall be paid either from (i) the general assets of the Plan Sponsor or Participating Employers or (ii) pursuant to one or more contracts of insurance.
- (c) Insured Benefit . With regard to any Plan Benefit that is insured with an insurance company or health maintenance organization (HMO), benefits shall be paid solely by such insurance company or HMO pursuant to the terms of the applicable contract. Therefore, neither the Plan Sponsor nor any Participating Employer shall be responsible for paying such benefits, even if the applicable contract expires or lapses for any reason.

4.2 CONTRIBUTION REQUIREMENTS . Notwithstanding anything in the Governing Instruments to the contrary, the Plan Sponsor or its delegate may establish a premium contribution requirement for participation in a Plan Benefit and may adjust such requirement at any time. Contributions need not be held in trust except as required under applicable law or as elected by the Plan Sponsor.

4.3 RECEIPT OF FUNDS . In the event the Plan, Plan Sponsor, Plan Administrator or any Participating Employer receives funds (whether in the form of a rebate, credit, demutualization award, medical loss ratio rebate or otherwise) from an insurer, administrator or other source, the Plan Administrator shall determine the extent to which such funds constitute Plan assets under ERISA. To the extent the funds constitute Plan assets, the Plan Administrator shall, in its sole discretion and in accordance with applicable law, determine how to appropriately apply such Plan assets for the benefit of Participants and beneficiaries. Such allocation may include, but not be limited to, a cash distribution, a premium holiday or discount, or an increase in benefits under the Plan. To the extent the funds do not constitute Plan assets, the funds shall not be subject to the Plan and may be retained by the recipient.

ARTICLE V
PLAN ADMINISTRATION

5.1 AUTHORITY, RESPONSIBILITIES .

- (a) Administrator and Named Fiduciary . The Plan Administrator shall be the "administrator" and "named fiduciary" of the Plan, as those terms are defined in ERISA. As such, the Plan Administrator shall be responsible for the administration of the Plan and, in addition to the powers and authorities expressly conferred upon it in the Plan, shall have all such powers and authorities as may be necessary to carry out the provisions of the Plan, including the power and authority to interpret and construe the provisions of the Plan, to make benefit determinations, and to resolve any disputes which arise under the Plan. In addition, the Plan Administrator shall take all actions necessary to fulfill its responsibilities under ERISA.
- (b) Discretionary Authority . In carrying out its duties under the Plan, including making benefit determinations, interpreting or construing the provisions of the Plan (including the provisions of the incorporated Governing Instruments), making factual determinations, and resolving disputes, the Plan Administrator (or any person, committee, or entity to whom authority has been delegated in accordance with Section 5.1(d)) shall have absolute discretionary authority. The Plan Administrator's authority shall include but not be limited to (i) the determination of eligibility of any individual under the Plan, (ii) the determination of entitlement to, amount, form and manner of payment of benefits under the Plan, (iii) the resolution of issues arising under the Plan, including construction of disputed or doubtful terms of the Plan or of any rule, regulation, form or procedure, (iv) to ensure that all records necessary for proper operation of the Plan are kept and to require any person claiming eligibility for any benefit under the Plan to submit evidence of such eligibility in a form and manner deemed appropriate by the Plan Administrator, and (v) all aspects regarding the administration and operation of the Plan, including any claim under the Plan.
- (c) Employment of Agents . The Plan Administrator may retain and dismiss the services of any insurers, contract administrators, legal counsel, accountants, consultants and other agents or service providers as it may deem necessary or advisable to assist the Plan Administrator in carrying out its duties hereunder.
- (d) Delegation of Duties and Powers . The Plan Administrator may:
 - (1) allocate any of its powers, authority, or responsibilities for the operation and administration of the Plan among named fiduciaries; and
 - (2) designate a person or persons other than a named fiduciary to carry out any of such powers, authority, or responsibilities.

Such delegates may include, without limitation, any person or committee deemed appropriate for such delegation by the Plan Administrator or any agents or service providers retained in accordance with Section 5.1(c) above.

- (e) Plan Procedures . The Plan Administrator (or its delegate) shall establish procedures for the administration of the Plan.

- (f) Reports and Disclosures . The Plan Administrator (or its delegate) shall ensure compliance with all reporting, filing and disclosure requirements imposed on the Plan "administrator" by ERISA and any other applicable law.
- (g) Other . The Plan Administrator (or its delegate) shall have the authority and discretion to perform or cause to be performed such further acts as it may deem necessary, appropriate or convenient for the efficient administration of the Plan.
- (h) Actions Binding . Any action taken in good faith by the Plan Administrator (or its delegate) in the exercise of authority conferred by this Plan shall be conclusive and binding upon Covered Persons and their beneficiaries.
- (i) Discretion is Absolute . All discretionary powers conferred upon the Plan Administrator (or its delegate) shall be absolute, provided, however, that the discretionary power shall not be exercised in a manner that results in discrimination in favor of Employees who are officers, shareholders or highly compensated Employees of the Company. Any interpretation of Plan provisions and any findings of fact, including eligibility to participate and eligibility for benefits, made by the Plan Administrator (or any delegate to whom the Administrator has allocated authority to make such interpretations and findings of fact) are final and will not be subject to "de novo" review unless shown to be arbitrary and capricious.
- (j) References to Plan Administrator. Any provision of this document outside of this Section 5.1 that sets forth or addresses the duties and authority of the Plan Administrator shall, to the extent the Plan Administrator has delegated such duties and authority, also apply to the Plan Administrator's delegate.

5.2 DISPUTED BENEFITS .

- (a) Claims and Appeals . The Plan Administrator has established a procedure for processing benefit claims and appeals. Such procedure is described in the summary plan description(s) listed in the Addendum as Governing Instruments and is incorporated into the Plan by reference.
- (b) Suspension of Benefits . If the Plan Administrator is in doubt concerning the entitlement of any individual to any benefit claimed to be due under the Plan, the Plan Administrator may suspend any such benefit until the Plan Administrator has determined, based on objective evidence satisfactory to the Plan Administrator, whether the individual is entitled to such benefit.
- (c) Legal Action . The Plan Administrator or the Plan Sponsor may file or cause to be filed in any court of competent jurisdiction an appropriate legal action or process in such form as is deemed appropriate, including an interpleader action or an action for declaratory judgment, for a legal determination of the entitlement of any individual to any benefit under the Plan. The Plan Administrator and the Plan Sponsor shall comply with any final order of the court in any such suit, subject to appellate review, and any Covered Person or other interested party shall be similarly bound.
- (d) Exhaustion of Remedies . No individual may bring a civil action for benefits under the Plan unless such individual has exhausted the claims and appeals procedure established by the Plan Administrator and filed the civil action:

- (1) With respect to a fully-insured plan benefit (i) within the time period specified in the applicable Governing Instrument or, if no such time period is specified, (ii) within three years from the date of the initial claim, or if earlier, one year from the date the individual receives a final adverse determination of the individual's claim on review, as provided in the claims and appeal procedure.
- (2) With respect to a self-insured plan benefit, within three years from the date of the initial claim, or if earlier, one year from the date the individual receives a final adverse determination of the individual's claim on review, as provided in the claims and appeal procedure.

5.3 MISCELLANEOUS .

- (a) Plan Year . The Plan shall be administered with a plan year ending December 31 of each year.
- (b) Records . The records of a Participating Employer and each other business relating to the Plan and all other relevant matters shall be conclusive for purposes of the administration of the Plan.
- (c) Plan Expenses . The Plan may use plan assets to pay (i) reasonable expenses of administering the Plan and (ii) any other expenses permitted under the Code and ERISA. The Plan Sponsor and each Participating Employer reserves the right, in its discretion, to pay any such Plan expenses.
- (d) Plan Administrator Expenses . No Company employee who performs administrative functions under the Plan shall receive any compensation for such service beyond compensation as an employee of the Company, but such employee shall be entitled to reimbursement from the Company for any reasonable expenses actually and properly incurred in the performance of such duties.
- (e) Individuals Indemnified . To the extent permitted by applicable law, the Company hereby indemnifies any Company employee who carries out any responsibilities under the Plan, and holds them harmless from the effects, consequences, expenses, attorney fees and damages of their acts or conduct in such capacity, except to the extent that such consequences are the result of their own willful misconduct or breach of good faith. Such indemnification shall be in addition to any other rights each may have as a matter of law, or by reason of any insurance or other indemnification.
- (f) Subrogation and Recovery . The provisions regarding reimbursement/setoff and subrogation below shall apply to the Plan. However, if an insurance contract for a fully-insured benefit contains provisions for reimbursement/setoff and/or subrogation, the insurance contract provisions shall apply with respect to that fully-insured benefit.
 - (1) Application . This Section 5.3(f) applies when a Covered Person or such Covered Person's legal representatives, estate or heirs (collectively referred to herein as the "Representatives" and individually as a "Representative") recovers money or other property, by settlement, arbitration award, verdict, insurance proceeds or otherwise (referred to as a "Recovery"), related to an injury, sickness or other condition. A Covered Person or their Representative, upon claiming or accepting payment or the provision of benefits under the Plan, agrees to do whatever is necessary to fully

secure and protect, and nothing to prejudice, the Plan's right of subrogation, restitution, recovery or reimbursement as set forth herein. The Plan Administrator has the sole discretion to interpret and construe these provisions.

(2) Reimbursement/Setoff .

If the Covered Person or any Representative has made, or in the future may make, a Recovery, including but not limited to a Recovery from any insurance company, the Plan will not cover either the reasonable value of the services to treat such an injury or illness or the treatment of such an injury or illness. These benefits are specifically excluded.

However, if the Plan does advance payment or provides care for such an injury, sickness or other condition, or if the Plan pays other benefits in connection with such injury, sickness or other condition, the Plan shall have first priority in payment to any amounts the Covered Person recovers or that are recovered on their behalf regardless of whether the Recovery makes the Covered Person whole for their losses, whether any other amounts, including but not limited to, attorney's fees or amounts due under this provision are considered or not. The priority applies to any rights the Covered Person or their Representative(s), including any attorney, may have to the Recovery. The Covered Person or their Representative(s) shall promptly convey monies or other property from any Recovery from any party received by the Covered Person or their Representative(s) to the Plan to reimburse the Plan for the amount of the benefits advanced or provided by the Plan to the Covered Person or for the Covered Person's behalf. By way of further example, the types of payments covered include, but are not limited to payments related to uninsured and underinsured motorist coverage, any no-fault insurance, medical payment coverage (auto, homeowners or otherwise), workers' compensation settlement, compromises or awards, other group insurance (including student plans), and direct Recoveries from liable parties. This amount of the reimbursement shall be conveyed, regardless of whether or not (i) the Covered Person was fully compensated, or "made-whole" for their loss; (ii) liability for payment is admitted by the Covered Person or any other party; or (iii) the recovery by the Covered Person or their Representative(s) is itemized or called anything other than a recovery for medical expenses incurred. The Plan, and the Covered Person's participation in the Plan, includes the agreement that the Plan will have an equitable lien by agreement on any proceeds received by the Covered Person or their Representative as described in this provision.

In order to secure the rights of the Plan under this provision, and because of the Plan's advancement of benefits, the Covered Person, by participating in the Plan (i) acknowledges the Plan shall have first priority against the proceeds of any such Recovery received by the Covered Person or their Representative(s); and (ii) assigns to the Plan any benefits the Covered Person may have under any automobile policy or other coverage, to the extent of the Plan's claim for reimbursement. The Covered Person or their Representative(s) shall cooperate with the Plan and its agents, and shall sign and deliver such documents as the Plan or its agents reasonably request to protect the Plan's right of reimbursement, provide any relevant information, and take such actions as the Plan or its agents reasonably request to assist the Plan making a full Recovery of the amount of the benefits provided. The Covered Person and their Representative(s) (i) agree not to take any action prejudicing the Plan's rights of reimbursement and (ii) to consent to the right

of the Plan, by and through its agent, to an equitable lien by agreement to, or to impress a constructive trust on, the proceeds of any settlement to enforce the Plan's rights under this provision and/or to setoff from any future benefits otherwise payable under the Plan the value of benefits advanced under this provision to the extent not otherwise recovered by the Plan.

By accepting any benefits advanced by the Plan under this provision, the Covered Person and their Representative(s) acknowledges that any Recovery, including their claim to such proceeds held by another person, held by the Covered Person or by another, is being held for the benefit of the Plan under these provisions. Should the Covered Person or their Representative(s) fail to reimburse the Plan as required by this provision, the Plan shall have a right to offset future benefits otherwise payable under this Plan to the extent of the value of the benefits advanced under this provision to the extent not otherwise recovered by the Plan.

Although it is not obligated to, the Plan may, at the sole discretion of its fiduciaries or their delegates responsible for this issue, agree to reduce the amount it is owed by some or all of the legal fees and expenses the Covered Person or their Representative incurs. The Plan may only obligate itself to do so in a written agreement executed by or authorized by the Plan Administrator in writing. Neither the Covered Person nor any Representative shall incur any expenses on behalf of the Plan in pursuit of the Plan's rights hereunder. Specifically, no court costs or attorney's fees may be deducted from the Plan's Recovery without the express written consent of the Plan. Any so-called "Fund Doctrine" or "Common Fund Doctrine" or "Attorney's Fund Doctrine," or any similar doctrine shall not defeat this right.

In cases of occupational illness or injury, the Plan's recovery rights shall apply to all sums recovered, regardless of whether the illness or injury is deemed compensable under any workers' compensation or other coverage. Any award or compromise workers' compensation settlement, including any lump-sum settlement, shall be deemed to include the Plan's interest and the Plan shall be reimbursed in first priority from any such award or settlement.

The Plan shall recover the full amount of benefits advanced and paid hereunder, without regard to any claim or fault on the part of any of the Covered Person or the Covered Person's beneficiaries, whether under comparative negligence or otherwise.

(3) Subrogation .

In addition to the reimbursement right in the above provision, the Plan also has an equitable right to subrogation based on the terms of the Plan if it so chooses to elect that right. This provision applies when instead of relying on, or solely relying on, the reimbursement provision, the Plan wishes to actively pursue a claim directly against another party who is, or who may be considered, liable for the Covered Person's injury, sickness or other condition (including insurance carriers who are so financially liable) and the Plan has advanced or will advance benefits.

In consideration for the advancement of benefits, the Plan is subrogated to all of the Covered Person's rights against any party for which the Plan would have a right of repayment if the Covered Person had received a Recovery from that party as described in the Reimbursement/Setoff provision above, to the extent of the value of the benefits advanced to the Covered Person under the Plan at any time. The

Plan may assert this right independently of the Covered Person. The Plan is not obligated in any way to pursue this right independently or on the Covered Person's behalf, but may choose to pursue its rights to subrogation in lieu of or in addition to its right to reimbursement under the Plan, at its sole discretion.

The Covered Person or their Representative is obligated to cooperate with the Plan and its agents in order to protect the Plan's subrogation rights. Cooperation means providing the Plan or its agents with any relevant information requested by them, signing and delivering such documents as the Plan or its agents reasonably request to secure the Plan's subrogation claim, and obtaining the consent of the Plan or its agents before releasing any party from liability for payment of medical expenses.

If the Covered Person or their Representative enters into litigation or settlement negotiations regarding the obligations of other parties, they must not prejudice, in any way, the subrogation rights of the Plan under this provision. In the event they fail to cooperate with this provision, including executing any documents required herein, the Plan may, in addition to remedies provided elsewhere in the Plan and/or under the law, set off from any future benefits otherwise payable under the Plan the value of benefits advanced under this provision to the extent not recovered by the Plan.

The Plan's subrogation right is a first priority right and must be satisfied in full prior to any other claim of the Covered Person or any of their Representatives, regardless of whether the Covered Person is fully compensated for their damages. The costs of legal representation of the Plan in matters related to subrogation shall be borne solely by the Plan. The costs of the Covered Person's or their Representative's legal representation shall be borne solely by the Covered Person or their Representative and shall not be applied as a credit against any Recovery by the Plan except as the Plan elects to do so in writing in its sole discretion through the Plan Administrator. As with the Reimbursement/Setoff provision above, the so-called "Make-Whole," "Fund Doctrine," "Common Fund Doctrine," or "Attorney's Fund Doctrine," or any similar doctrine, shall not apply to any Recovery at issue under this provision.

The Plan or its delegate, on behalf of the Plan, may choose to exercise its right to reimbursement/setoff, subrogation or both.

(4) Covered Person's Obligations . The Covered Person or their Representative must:

- (i) Promptly notify the Plan when notice is given to any third party to pursue a claim for injuries, illnesses or conditions that may be the legal responsibility of a third party;
- (ii) Cooperate with the Plan to protect rights to reimbursement and subrogation, including, signing and delivering, within thirty (30) days of a reasonable request to do so, or sooner if required by emergent circumstances, any documents needed to secure a subrogation claim, to protect rights to reimbursement, or to effect the assignment or lien described in the provisions above;
- (iii) Provide any relevant information;
- (iv) Get the consent of the Plan Administrator before releasing any party from liability for payment of medical expenses;

- (v) Take such other actions as may be needed to assist in making a full recovery of the cost of all benefits provided; and
 - (vi) Not take any action that prejudices the Plan's rights to reimbursement/setoff or subrogation, including but not limited to making any settlement or recovery which specifically attempts to reduce or exclude the full cost of benefits provided by this Plan.
- (5) Consequence of Failure to Comply . If the Covered Person or their Representative fails to comply with the requirements of these Reimbursement/Setoff and/or Subrogation provisions, the Covered Person or their Representative shall be responsible for all benefits provided by this Plan in addition to costs, attorneys' fees, and interest incurred by the Plan in getting repayment. The Covered Person's future benefits may be reduced or withheld to recover monies owed to the Plan.

ARTICLE VI
HIPAA PRIVACY AND SECURITY

6.1 GENERAL REQUIREMENTS .

(a) Definitions.

- (1) Business Associate . For purposes of this Article, the term "Business Associate" means a person or entity providing services to the Plan pursuant to a written agreement, and as further defined in 45 CFR § 160.103.
- (2) PHI (Protected Health Information) . For purposes of this Article, the term "PHI", which is an acronym for "Protected Health Information", has the meaning given to it in 45 CFR § 160.103, but shall be limited to information that is created or received by the Plan, or a Business Associate of the Plan, that (i) relates to the past, present, or future physical or mental health or condition of an individual covered under the Plan, the provision of health care to such an individual, or the past, present, or future payment for the provision of health care to such an individual and (ii) identifies the individual or for which there is a reasonable basis to believe the information can be used to identify such individual. For the avoidance of doubt, PHI does not include payroll records or enrollment records held by a Participating Employer.
- (3) Plan . As used in this Article, references to the "Plan" shall include the Plan Sponsor or Plan Administrator, as appropriate, acting on behalf of the Plan.
- (4) Plan Administration Functions . For purposes of this Article, the term "Plan Administration Functions" means administration functions performed by the Plan Sponsor on behalf of the Plan, excluding functions performed by the Plan Sponsor in connection with any other benefit or benefit plan of the Plan Sponsor, as further defined in 45 CFR § 164.504.
- (g) Use and Disclosure of PHI . The Plan shall use and disclose PHI in accordance with the uses and disclosures permitted by HIPAA. The Plan may disclose PHI to the Plan Sponsor to perform Plan Administration Functions which the Plan Sponsor performs for the Plan, provided the Plan and Plan Sponsor meet the written certification requirements in Section 6.2.
- (h) Hybrid Entity Designation . The Plan is a "hybrid entity," *i.e.* , a single legal entity with both covered and non-covered functions under HIPAA. The Plan hereby designates the Plan Benefits that constitute "Health Plans," as that term is defined under 45 CFR § 160.103, as the Plan's "health care components," which components must comply with the requirements of HIPAA.

6.2 DISCLOSURE TO PLAN SPONSOR .

- (a) Certification of Plan Sponsor . The Plan shall disclose PHI to the Plan Sponsor only upon the receipt of a certification by the Plan Sponsor that the Plan has been amended to incorporate the provisions of 45 CFR § 164.504(f)(2)(ii), and that the Plan Sponsor agrees to the conditions of disclosure set forth in Section 6.2(b).

- (b) Conditions of Disclosure to Plan Sponsor . With respect to any PHI disclosed to the Plan Sponsor by the Plan, an insurer, health maintenance organization ("HMO"), or any third party, the Plan Sponsor shall:
- (1) Not use or further disclose the PHI other than as permitted or required by the Plan documents, or as required by law;
 - (2) Ensure that any agents to which it provides PHI received from the Plan, agree to the same restrictions and conditions that apply to the Plan Sponsor with respect to such PHI;
 - (3) Not use or disclose the PHI for employment-related actions and decisions, or in connection with any other benefit or employee benefit plan of the Plan Sponsor;
 - (4) Report to the Plan any use or disclosure of the PHI that is inconsistent with the uses or disclosures permitted by the Plan, of which it becomes aware;
 - (5) Make available to individuals who request access to the individual's PHI, such information as may be requested, to the extent provided by 45 CFR § 164.524;
 - (6) Amend PHI of individuals who request an amendment to the individual's PHI, and incorporate any amendments to the individual's PHI, subject to the limits in 45 CFR §164.526;
 - (7) Make available to individuals who request an accounting of disclosures of the individual's PHI, the information required to provide an accounting of disclosures in accordance with 45 CFR §164.528;
 - (8) Make its internal practices, books, and records, relating to the use and disclosure of PHI received from the Plan, available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with HIPAA;
 - (9) If feasible, return or destroy all PHI received from the Plan that the Plan Sponsor maintains in any form, and retain no copies of such information, when no longer needed for the purpose for which the disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible; and
 - (10) Ensure that the adequate separation between Plan and the Plan Sponsor, required by 45 CFR § 164.504(f)(2)(iii), is satisfied and that terms set forth in this Section are followed.
- (c) Adequate Separation Between Plan and Sponsor . The Plan Sponsor shall allow only Authorized Employees access to the PHI. Authorized Employees shall have access to, and use such PHI, only to the extent necessary to perform the Plan Administration Functions that the Plan Sponsor performs for the Plan. In the event that any Authorized Employee does not comply with the provisions of this Section, the Plan Sponsor shall provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions.
- (d) Authorized Employees . For purposes of this Article, the term "Authorized Employees" means employees whose job duties relating to the Plan require PHI, including the HIPAA

Privacy and Security Officer, the Plan Administrator, the Chief Human Resources Officer, benefits department personnel, certain human resources personnel, in-house counsel, and others such as payroll department and information technology department personnel whose duties may require or necessarily provide incidental access to PHI.

- (e) Other Permitted Uses and Disclosures . Without regard to the foregoing provisions of this Section, the Plan shall also disclose to the Plan Sponsor in accordance with HIPAA any other information permitted by HIPAA, including but not limited to information disclosed pursuant to a written authorization from an individual to disclose PHI to the Plan Sponsor (provided that such authorization must satisfy the requirements of 45 CFR § 164.508), summary health information as provided in 45 CFR § 164.504(f)(1)(ii), and participation and enrollment information as provided in 45 CFR § 164.504(f)(1)(iii).
- (f) Compliance with HIPAA . Notwithstanding any other provision of the Plan to the contrary, in no event shall the Plan Sponsor use or disclose PHI in a manner that is inconsistent with HIPAA.

6.3 SECURITY PROVISIONS .

- (a) ePHI (Electronic Protected Health Information) . For purposes of this Section, the term “ePHI”, which is an acronym for “Electronic Protected Health Information”, means Protected Health Information that is transmitted by or maintained in electronic media.
- (b) Safeguards . The Plan Sponsor shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the ePHI that it creates, receives, maintains, or transmits on behalf of the Plan in accordance with 45 CFR § 164.314(b)(2)(i).
 - (1) Agents . The Plan Sponsor shall ensure that any agent to whom it provides ePHI agrees to implement reasonable and appropriate security measures to protect the ePHI.
- (c) Security Incidents . The Plan Sponsor shall report to the Plan any security incident of which it becomes aware. For purposes of this Section, a security incident is the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information in an information system, and as further defined in 45 CFR § 164.304.
- (d) Security Measures for Adequate Separation . The Plan Sponsor shall ensure that the adequate separation required by Section 6.2(c) is supported by reasonable and appropriate security measures.

ARTICLE VII
PLAN AMENDMENT AND TERMINATION

7.1 PLAN AMENDMENT .

(a) General Authority and Method .

- (1) The CPCC, acting in a settlor capacity not in a fiduciary capacity, shall have the full and absolute right to amend or change the Plan in whole or in part at any time and for any reason.
- (2) Except as set forth below with respect to non-material amendments, the Plan must be amended through a formal amendment to this document or through a formal resolution directing the amendment of this document in order to effect a material amendment to this Plan, which must be in writing and executed by the CPCC or an individual or committee delegated amendment authority by the CPCC.

(b) Non-material Amendments . Notwithstanding the foregoing, the Company's most senior executive responsible for human resources matters ("CHRO") shall have settlor authority to approve and adopt non-material, technical, legal, and/or administrative amendments to the Plan and shall notify the CPCC of all amendments adopted under this provision. For this purpose, "legal" amendments are amendments necessary to ensure legal compliance, as determined by the CHRO. Such amendments shall be adopted through a formal amendment to this document, which must be in writing and executed by the CHRO or an individual or committee delegated amendment authority by the CHRO.

(c) Amendment of Governing Instruments . Once a formal plan amendment adopted under Section 7.1(a) or (b) has approved the inclusion of a Governing Instrument in the Addendum, the CHRO shall have settlor authority to approve and adopt non-material, technical, legal, and/or administrative amendments to the Governing Instrument. Such amendments may be approved by the CHRO, or an individual or committee delegated amendment authority by the CHRO, without need for any formal corporate approval or further amendment to this document.

7.2 PLAN TERMINATION .

- (a) Authority . The CPCC, acting in a settlor capacity not in a fiduciary capacity, shall have the right to terminate the Plan at any time and for any reason. For avoidance of doubt, the elimination of a Plan Benefit shall be deemed an amendment to the Plan rather than a termination or partial termination of the Plan.
- (b) Method . Any termination of the Plan must be done in writing through a resolution of the CPCC.
- (c) Plan Benefit Disposition . Upon termination of the Plan, the Plan Administrator shall determine the provision of benefits under the Plan and the disposition of any Plan assets. A termination of the Plan shall not affect the right of any Covered Person to benefits that accrued prior to the date of termination.

ARTICLE VIII
MISCELLANEOUS

8.1 APPLICABLE LAW .

- (a) ERISA . The Plan shall be governed by ERISA and all other applicable laws that are not preempted by ERISA.
- (b) State Law . Except as required by ERISA or any other applicable law, the validity, construction and administration of the Plan shall be determined under the laws of the state of Washington.
- (c) Forum Selection . Except as set forth in Section 8.1(d), any action brought to enforce any claim to obtain any benefit under the Plan will be litigated in Washington state court or the United States District Court for the Western District of Washington and no other.
- (d) Dispute Resolution . Any disputes related to this Plan other than claims for benefits subject to the provisions of Section 5.2 shall be resolved through mutually binding arbitration as outlined in Nordstrom's Dispute Resolution Program the terms of which are incorporated by reference into this Plan.

8.2 CONSTRUCTION .

- (a) Plan Provisions . All Section and Article references are to the Plan, unless otherwise indicated. Except where otherwise indicated by the context, the definition of any terms herein in the singular shall also include the plural, and vice versa. Except with respect to defined terms, the headings of the various articles and Sections are inserted for convenience of reference and are not to be regarded as part of the Plan or as indicating or controlling the meaning or construction of any provision.
- (b) Entire Plan . The Plan and any subsequent amendments shall constitute the entire Plan. No contrary written or oral statement regarding the Plan may be relied upon by any Covered Person or any other individual.
- (c) Severability . If any term or provision of the Plan is held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the remaining terms and provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included.

8.3 LIABILITIES; RIGHTS .

- (a) Limitation of Liability . The liability of the Plan Administrator shall be limited to the obligations expressly set forth in the Plan. The Plan shall not be construed to impose any further or additional duties, obligations or costs on the Plan Administrator, or any Company employee authorized to act on behalf of the Plan Administrator, unless expressly set forth hereunder.
- (b) Limitation of Rights . Neither the establishment of the Plan nor any amendment thereof, nor the payment of any benefits, will be construed as giving to any Covered Person or any other person any legal or equitable right against the Company, the Plan, or the Plan Administrator, except as provided herein.

- (c) Third Parties . The Plan shall not be construed to give any person other than Covered Persons any rights or remedies under the Plan.
- (d) Waiver of Rights . No failure by the Plan Sponsor or Plan Administrator to enforce any provision of the Plan will affect the Plan Sponsor's or Plan Administrator's right thereafter to enforce the provision, nor will that failure affect the Plan Sponsor's or Plan Administrator's right to enforce any other provision of the Plan.

8.4 EMPLOYMENT MATTERS .

- (a) No Contract of Employment . The Plan does not constitute a contract of employment. A Participant's participation in the Plan shall not give the Participant any right to be retained in the service of any Participating Employer. Each Participating Employer expressly retains the right to hire and terminate any employee or Participant at any time with or without cause, with or without notice, as if the Plan had not been adopted.
- (b) Plan Binding . A Covered Person, by participating in and accepting the benefits of the Plan, shall be bound then and thereafter by the terms of the Plan, as it may be amended from time to time.
- (c) Reclassification . In the event that any governmental or administrative agency, court or other authoritative body requires an Employer to reclassify the employment or eligibility status of any individual who is excluded from participation under the Plan (including therefore a reclassification of an excluded employee or an independent contractor to become a common law employee), regardless if agreed to by the Employer, such reclassified individual nevertheless shall not be considered an Employee, Eligible Retiree, or otherwise eligible for the Plan and, therefore, shall not be entitled to benefits under the Plan as a result thereof.
- (d) Forms, Proofs . Each Covered Person shall be required to complete such administrative forms and furnish such documentation (e.g., proof of age) as deemed necessary and appropriate by the Plan Administrator.

8.5 SECTION 409A COMPLIANCE .

- (a) General . To the extent required to comply with Section 409A of the Code, any taxable benefits provided under the Plan shall be subject to the following provisions.
 - (1) The amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; provided, however, that the Plan may impose a lifetime maximum on benefits provided under Section 105(b) of the Code to the extent otherwise permitted under applicable law.
 - (2) Except as provided in Section 8.5(b), the reimbursement of the eligible expense must be made no later than the last day of the calendar year following the calendar year in which the expense was incurred.
 - (3) The right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

- (b) Disputed Payments . To the extent that the Plan Administrator initially denies a claim, but the Plan ultimately provides a benefit pursuant to the resolution of the applicable claims and appeals procedures or as a result of a lawsuit, payment for such benefit will be made no later than the later of (a) the end of the first calendar year in which either the Plan determines that the amount is payable or the Plan is required to make payment under a final and non-appealable judgment or other binding decision or (b) the latest date permitted under Section 8.5(a).

EXECUTION

IN WITNESS WHEREOF, Nordstrom, Inc. has hereunto caused its name to be subscribed effective as of the 23rd of August, 2024.

NORDSTROM, INC.

/s/ Lisa Price

By: Lisa Price

Its: Chief Human Resources Officer

NORDSTROM RETIREE HEALTH PLAN
(August 21, 2024 Restatement)

ADDENDUM: PLAN BENEFIT SCHEDULE

1. MEDICAL BENEFITS

<u>Plan Benefit</u> (Sections 1.1, 2.10)	<ul style="list-style-type: none">• <u>Description</u> : Insured major medical and prescription drug benefits• <u>Legal Status</u> : A “group health plan” under Code §5000, ERISA, COBRA, HIPAA An “accident and health plan” under Code §105
<u>Governing Instrument(s)</u>	<ul style="list-style-type: none">• Nordstrom Summary Plan Description: <i>Health Benefits</i> and <i>Administrative Information</i> chapters• Aetna Life Insurance Co. Policy and associated Certificates of Coverage and Schedules of Benefits for the Aetna PPO and CDHP Plans• Aetna Life Insurance Co. Policy and associated Certificate of Coverage and Schedule of Benefits for the applicable Aetna Medicare Advantage Plan
<u>Participating Employer(s)</u>	<ul style="list-style-type: none">• Nordstrom, Inc.
<u>Applicable Trust</u>	None

2. DENTAL BENEFITS

<u>Plan Benefit</u>	<ul style="list-style-type: none">• <u>Description</u> : Insured dental benefits• <u>Legal Status</u> : A “group health plan” under Code §5000, ERISA, COBRA, HIPAA An “accident and health plan” under Code §105
<u>Governing Instrument(s)</u>	<ul style="list-style-type: none">• Nordstrom Summary Plan Description: <i>Health Benefits</i> and <i>Administrative Information</i> chapters• Aetna Life Insurance Co. Policy and associated Certificate of Coverage and Schedule of Benefits for the Aetna PPO Dental Plan
<u>Participating Employer(s)</u>	<ul style="list-style-type: none">• Nordstrom, Inc.
<u>Applicable Trust</u>	None

Dated: August 21, 2024

NORDSTROM
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
2024 Restatement
As Adopted on August 20, 2024

TABLE OF CONTENTS

Page

ARTICLE II. <u>TITLE, PURPOSE AND EFFECTIVE DATE</u>	1
1.01 <u>Title</u>	1
1.02 <u>Purpose</u>	1
1.03 <u>Effective Date</u>	1
ARTICLE II. <u>ELIGIBILITY AND PARTICIPATION</u>	1
2.01 <u>Eligibility</u>	1
2.02 <u>Participation</u>	2
2.03 <u>Disability</u>	3
2.04 <u>Leave of Absence</u>	4
ARTICLE III. <u>BENEFITS</u>	4
3.01 <u>Retirement Benefit</u>	4
3.02 <u>Tier I Executive Retirement Benefit</u>	5
3.03 <u>Tier II Executive Retirement Benefit</u>	5
3.04 <u>1999 and Transition Plan Executive Retirement Benefit</u>	5
3.05 <u>Normal Retirement Benefits</u>	6
3.06 <u>Early Retirement Benefits</u>	6
3.07 <u>Deferred Retirement Benefits</u>	7
3.08 <u>Disability Retirement Benefits</u>	7
3.09 <u>Death Benefit</u>	7
3.10 <u>Payment of Benefits</u>	7
ARTICLE IV. <u>RIGHTS OF PARTICIPANTS IN THE PLAN</u>	8
4.01 <u>Vesting</u>	8
4.02 <u>Exceptions to Vesting</u>	9
4.03 <u>Application of Clawback Policy</u>	10
4.04 <u>Rights in Plan are Unfunded and Unsecured</u>	11
4.05 <u>Discretion to Grant Years of Service or Increase Age</u>	11
ARTICLE V. <u>DEATH BENEFITS</u>	11
5.01 <u>Death Benefit Payable</u>	11
5.02 <u>50% Joint and Survivor Annuity</u>	12
5.03 <u>Acknowledgment</u>	12
5.04 <u>Surviving Beneficiary</u>	12
5.05 <u>Doubt as to Beneficiary</u>	12
5.06 <u>Correction of Erroneous Payments and Overpayments</u>	12
ARTICLE VI. <u>TERMINATION, AMENDMENT OR MODIFICATION OF THE PLAN</u>	13
6.01 <u>Plan Amendments and Termination</u>	13

6.02	<u>Change of Control – Protected Benefits</u>	13
ARTICLE VII. <u>CLAIMS PROCEDURES</u> 15		
7.01	<u>Submission of Claim</u>	15
7.02	<u>Denial of Claim</u>	15
7.03	<u>Review of Denied Claim</u>	15
7.04	<u>Decision upon Review of Denied Claim</u>	15
ARTICLE VIII. <u>TRUST</u> 16		
8.01	<u>Establishment of the Trust</u>	16
8.02	<u>Interrelationship of the Plan and the Trust</u>	16
8.03	<u>Funding on Change of Control</u>	16
8.04	<u>Administration of Trust Assets.</u>	16
ARTICLE IX. <u>PLAN ADMINISTRATION</u> 17		
9.01	<u>Plan Administrator</u>	17
9.02	<u>Powers and Authority of the Plan Administrator</u>	17
9.03	<u>Delegation of Powers and Authority</u>	17
9.04	<u>Reliance on Opinions</u>	17
9.05	<u>Information</u>	17
9.06	<u>Indemnification</u>	17
ARTICLE X. <u>MISCELLANEOUS</u> 18		
10.01	<u>No Employment Contract</u>	18
10.02	<u>Employee Cooperation</u>	18
10.03	<u>Illegality and Invalidity</u>	18
10.04	<u>Required Notice</u>	18
10.05	<u>Interest of Participant's Beneficiary</u>	18
10.06	<u>Tax Liabilities from Plan</u>	18
10.07	<u>Benefits Nonexclusive</u>	19
10.08	<u>Discharge of Company Obligation</u>	19
10.09	<u>Costs of Enforcement</u>	19
10.10	<u>Gender and Case</u>	19
10.11	<u>Titles and Headings</u>	19
10.12	<u>Applicable Law</u>	19
10.13	<u>Code Section 409A</u>	19
10.14	<u>Dispute Resolution</u>	19

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 U.S. subsidiaries and affiliates, within the meaning of Section 201(2), 301(a)(3) and 401(a)(4) of the Employee Retirement Income Security Act of 1974, as amended (“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. 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 has been subsequently amended on a number of occasions in order to provide a number of Plan design changes, to make changes in Plan administration and to otherwise clarify certain Plan provisions. The Plan was also previously amended to comply 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. This 2024 Restatement is effective as of August 20, 2024.

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 Company and any other management or highly compensated employee of the Company or a U.S. subsidiary or affiliate, who has been specifically designated by the Plan Administrator as eligible to become a Participant in this Plan. When designating such individual as an “Executive,” the Plan Administrator 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 the Company's Board of Directors or Board 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 the Company's Board of Directors or Board 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 Plan Administrator 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 Plan Administrator as a Tier II Executive and who is not a 1999 Plan Executive or a Transition Plan Executive.

(v) Change in Designation . The Plan Administrator 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 Plan Administrator 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 vested benefits.

(c) Certain Executive Transfers . An Executive who experiences a change in his or her employment status (other than separation from active employment) such that he or she no longer qualifies as an Executive, 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 and shall not receive benefit credit for such service except unless otherwise determined by the Plan Administrator.

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 transfer to a subsidiary or affiliate of the Company shall not, by itself, constitute a separation from active employment for purposes of this section. For purposes of the Plan, 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) Plan Administrator 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 Plan Administrator for such early retirement. If the Executive elects to separate from active employment without Plan Administrator 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 a U.S. subsidiary or affiliate shall be deemed to be an Executive in active service with the Company or such subsidiary or affiliate 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 or such subsidiary or affiliate 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 the Company or a U.S. subsidiary or affiliate 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 the Plan, "Disability" or "Disabled" means the Participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months; provided that, to the extent required to comply with Code Section 409A, "Disability" shall have the meaning provided in Code Section 409A.

2.04 Leave of Absence . The Plan Administrator shall determine, on an individual basis and in its sole and absolute discretion, the treatment under the Plan of an Executive who takes an unapproved leave of absence for reasons other than Disability, provided that the time or form of payment of benefits set forth in this Plan may not be changed solely because of the Executive's leave of absence. If an Executive is on an approved leave of absence for reasons other than Disability, the employment relationship will be treated as continuing for the entire period of the approved leave.

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 Company's Board of Directors or Board 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 Vesting Service" under the Nordstrom 401(k) Plan (and any predecessor or successor thereto) ("401(k) Plan"). Service with a subsidiary or affiliate of the Company shall not be considered "Credited Service" unless the Plan Administrator specifically agrees to credit such service. In addition, Years of Credited Service may be granted by the Plan Administrator 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 actual cash bonus paid under the Company's (or a subsidiary or affiliate's) broad-based and/or executive management bonus plan for the fiscal year. Covered Compensation shall not include any other items of remuneration such as reimbursements, allowances, fringe benefits, spot bonuses, sign-on bonuses, and amounts realized from the exercise of stock options or when other forms of equity compensation

or awards vest, regardless of whether such amounts are included in the taxable income of the Executive. Except as otherwise determined pursuant to Section 2.01(c), Covered Compensation shall not include any remuneration received during any period when the Participant did not qualify as an Executive.

(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. Except as otherwise determined pursuant to Section 2.01(c), periods of employment during which the Participant did not qualify as an Executive shall not be considered for purposes of determining the Averaging Period.

(c) Maximum Retirement Benefit . Notwithstanding anything in the Plan to the contrary, including but not necessarily limited to this Article III, the Retirement Benefit payable to an Executive under this Plan shall at no time exceed \$58,333.33 per month.

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 401(k) Plan, determined as follows:

(a) Annuity Value of 401(k) Plan . The Executive's Annuity Value of 401(k) Plan 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) 401(k) Plan . Company-provided 401(k) Plan and matching contributions (and income thereon) under the 401(k) 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 subsidiaries or 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 401(k) 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 401(k) 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 Section 5.02(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 pursuant to 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 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 Plan Administrator) on or after his or her Early Retirement Date but before his Normal Retirement Date shall be entitled 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 his or her Normal Retirement Benefit, 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. For Executives who have not retired as of August 8, 2014, a Year of Post-Normal Retirement Date Service means the period of twelve (12) consecutive full months beginning with the Participant's Normal Retirement Date, and each successive period of twelve (12) consecutive full 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 Company-sponsored (or subsidiary- or affiliate-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:

(a) Payment Commencement .

(i) General Rule . Payment of benefits 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) Specified Employees . If the Executive is a Specified 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, "Specified Employee" means, as of any date, a "specified employee" as defined in Code Section 409A (as determined under the Company's procedure for determining specified employees as of such date).

(b) Timing of Payment . Periodic payments of benefits shall be paid in equal amounts on each of the Company's regular payroll dates in accordance with the Company's payroll policy then in effect.

(c) Withholding .

(i) Income Tax and Other Withholding . The Company shall withhold from any and all benefit payments made under the Plan, 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 or a subsidiary or affiliate, to be determined in the sole discretion of the Company. In the event the amounts to be withheld under this paragraph exceed the amount of benefits currently payable, the Participant shall be required to pay 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. Employment taxes shall be remitted to the appropriate taxing authority in accordance with applicable federal and state tax regulations. The Company may, but is not required to, pay the Participant's share of the employment taxes 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, a Participant 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 Plan Administrator 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 Cause . If an Executive is terminated for "cause" or if an Executive is found by the Plan Administrator 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 (i) the Executive's conviction of, or plea of guilty or no contest to, (A) any felony (or its international equivalent) or (B) any other crime that results, or could reasonably be expected to result, in material harm to the business or reputation of the Company or any subsidiary or affiliate, (ii) an act of personal dishonesty or disloyalty in the

course of fulfilling the Executive's duties to the Company or a subsidiary or affiliate, or an act of fraud or misappropriation, embezzlement, or misuse of funds or property belonging to the Company or any subsidiary or affiliate, (iii) the Executive's deliberate and continued failure to perform substantially such Executive's material duties to the Company or a subsidiary or affiliate, (iv) a material violation of the written policies of the Company or its subsidiaries and affiliates, including but not limited to those relating to sexual harassment or the disclosure or misuse of confidential information, or those set forth in the manuals or statements of policy of the Company or its subsidiaries and affiliates, (v) the Executive's engagement in willful misconduct in connection with the Executive's employment or services with the Company or its subsidiaries and affiliates, which results, or could reasonably be expected to result, in material harm to the business or reputation of the Company or any subsidiary or affiliate, and (vi) breach of any restrictive covenants applicable to the Executive as a result of any agreement with the Company or any subsidiary or affiliate or any policy or plan maintained by the Company or any subsidiary or affiliate. The Plan Administrator shall have the sole discretion to determine whether the Executive has engaged in any acts that constitute "cause" for termination.

(d) Cessation of Benefits for Competition . 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 Plan Administrator, 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 Plan Administrator 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 . In the event the Company or a subsidiary or affiliate is required to recoup compensation from a Participant under its clawback policy, and such recoupment results in a reduction in the Participant's Final Average Compensation, the Participant's 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, and it is decided it is in the best interests of the Company, the Plan Administrator 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 Plan Administrator deems appropriate. The Plan Administrator 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 Plan Administrator'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 under any other plan of the Company or a subsidiary or affiliate 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 "registered domestic partner" on the date of the Participant's death. For this purpose, the term "registered domestic partner" has the same meaning as is used for benefit coverage purposes under the Nordstrom Welfare Benefit Plan; provided, however, that the Plan Administrator may, in its discretion, substitute a less restrictive definition than is used in the Nordstrom Welfare Benefit Plan.

(b) Actuarial Equivalent . The Plan Administrator 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 Plan Administrator shall have the 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 there is doubt as to the proper individual to receive payments pursuant to this Plan, the Plan Administrator shall have the right to direct the Company to withhold such payments until the matter is resolved.

5.06 Correction of Erroneous Payments and Overpayments . If payment is made under the Plan to any individual or estate to whom no payment should have been made or the amount paid to an individual or estate exceeds the amount to which such individual or estate is entitled under the Plan, the Company shall have an equitable lien on the erroneous payment or the overpayment. The

Company, acting through its Compensation Department or successor department, may correct the erroneous payment or the overpayment using any one or a combination of the following methods: (a) the Company may offset, set off, or obtain restitution of all or any part of future payments from the Plan to the individual or any individual claiming benefits through such individual until the erroneous payment or the overpayment is entirely recouped by the Company; and (b) the Company may request the individual (or any individual claiming through such individual) or estate to repay to the Company the amount of the erroneous payment or the overpayment and, if repayment is not made voluntarily, take any action deemed by the Company to be reasonable and necessary to compel repayment, including, but not limited to, instituting legal proceedings against the individuals or estate (and shall have the right to recover attorney's fees and other costs incurred with respect to such recovery or repayment).

ARTICLE VI.

TERMINATION, AMENDMENT OR MODIFICATION OF THE PLAN

6.01 Plan Amendments and Termination . The Compensation, People and Culture Committee of the Company's Board of Directors, or its successor ("CPCC") has the authority to approve and adopt amendments to the Plan and to terminate the Plan. 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 Company's senior executive with responsibility for Human Resources ("CHRO") has the authority to approve and adopt non-material, technical, legal compliance and/or administrative amendments to the Plan. The Company's CHRO shall notify the CPCC of any amendment adopted under this provision. If the Plan is terminated, benefit payments may be accelerated only to the extent permitted under Code Section 409A.

6.02 Change of Control – Protected Benefits . In the event of a Change of Control (as defined in paragraph (d) below), 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 Plan Administrator 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.

(d) For purposes of the Plan, "Change of Control" means the first of the following events to occur:

(i) Change in Ownership of Stock. Any person, entity or group of persons purchases or acquires, within the meaning of section 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of Company stock that, together with stock already held by such person, entity, or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company.

(ii) Change in Effective Control. Either of the following occurs, representing a change in effective control of the Company:

(I) Voting Power. Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by the person or group) ownership of Company stock constituting 30% or more of the total voting power of Company stock; or

(II) Board Composition. A majority of the members of the Company's Board of Directors is replaced during any period of 12 consecutive months by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board of Directors prior to the date of the appointment or election.

(iii) Change in Ownership of Assets. Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) Company assets that have a total gross fair market value equal to or greater than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. Gross value means the value of the assets determined without regard to any liabilities associated with such assets. A Change of Control does not occur to the extent that ownership of assets is transferred to:

(I) a Company shareholder (immediately before the asset transfer) in exchange for or with respect to his or her Company stock;

(II) an entity, 50% or more of the total value or voting power of which is owned directly or indirectly by the Company;

(III) a person, or more than one person acting as a group, that owns directly or indirectly 50% or more of the total value or voting power of the Company;

(IV) an entity, at least 50% of the total value or voting power of which is owned directly or indirectly by a person described in (III).

(iv) Interpretation. These provisions related to Change in Control shall be interpreted and applied in a manner that is consistent with Department of Treasury regulations under Code Section 409A. The Company shall have the duty to inform the trustee of any trust related to benefits under this Plan in writing if any of the events constituting a Change of Control has occurred.

ARTICLE VII.

CLAIMS PROCEDURES

7.01 Submission of Claim. Benefits shall be paid in accordance with the provisions of this Plan. The Participant, any person claiming through the Participant including but not limited to a Beneficiary ("Claiming Party"), shall make a written request for benefits under this Plan, mailed or delivered to the Compensation Department or its successor department. The Compensation Department or its successor department shall review and make a determination with respect to such claim.

7.02 Denial of Claim. If a claim for payment of benefits is denied in full or in part, the Compensation Department or its successor department 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 Compensation Department or its successor department does not take any action within the aforesaid ninety (90) day period.

7.03 Review of Denied Claim. If the Claiming Party desires the Plan Administrator review of a denied claim, the Claiming Party shall notify the Plan Administrator 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 Plan Administrator within sixty (60) days after receipt of the request for review. If circumstances require, the Plan Administrator 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 Section 6.02(d)), 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 Section 6.02(d)) 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's Compensation Department or its successor department shall direct the trustee regarding the investment of trust assets. On and after a Change of Control, the authority of the Company 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 Administrator . The Compensation, People and Culture Committee of the Board or its successor is the "Plan Administrator."

9.02 Powers and Authority of the Plan Administrator . The Plan Administrator shall have the authority and responsibility and all powers necessary to carry out the provisions of the Plan and to control and manage the operation and administration of the Plan. The Plan Administrator has discretionary authority to construe and interpret the provisions of the Plan.

9.03 Delegation of Powers and Authority . The Plan Administrator may, but is not obligated to, delegate to any person, employee, department, committee or third party service provider all or any portion of its duties and responsibilities as Plan Administrator. To the extent the Plan Administrator delegates fiduciary duties and obligations, such delegation shall be done in writing (including a written action delegating authority or a written services agreement). The Compensation Department or its successor department shall be responsible for the day-to-day administration and operation of the Plan in accordance with its terms and is authorized to take such actions as may be necessary to fulfill its responsibilities, including, but not limited, to engaging third party service providers to assist with Plan administration.

9.04 Reliance on Opinions . The person or entity authorized to act under this 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.

9.05 Information . The Plan Administrator and/or Compensation Department shall be provided with such pertinent information as may be necessary for the effective administration of the Plan, including but not limited to the compensation of Participants and the date and circumstances of the termination of employment or death of a Participant.

9.06 Indemnification . To the extent permitted by applicable law, the Company hereby indemnifies any Company employee who carries out any responsibilities under the Plan, and holds them harmless from the effects, consequences, expenses, attorney fees and damages of their acts or conduct in such capacity, except to the extent that such consequences are the result of their own willful misconduct or breach of good faith. Such indemnification shall be in addition to any other rights such employee may have as a matter of law, or by reason of any insurance or other indemnification.

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 or a subsidiary or affiliate 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 its subsidiaries or affiliates or to interfere with any right of the Company or its subsidiaries or affiliates to discipline or discharge the Executive at any time, with or without cause or with or without notice.

10.02 Employee Cooperation . An Executive will cooperate with the Company or Plan Administrator by furnishing any and all information reasonably requested by the Company or Plan Administrator 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 or Plan Administrator, such notice shall be addressed to Nordstrom, Inc. c/o Compensation Department, at 1600 Seventh Avenue, Ste. 2500, Seattle, Washington 98101. 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 registered domestic partner of a Participant who, at any time prior to the death of the Participant, ceases to be the spouse or registered domestic 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 or registered domestic partner 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 Plan Administrator 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 Plan Administrator, 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 and its subsidiaries and affiliates. 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 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 to enforce the terms of the Plan, the Company or Plan Administrator 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 Code Section 409A : The Company intends that the Plan comply with the requirements of Code Section 409A and shall be operated and interpreted consistent with that intent. Notwithstanding the foregoing, the Company makes no representation that the Plan complies with Code Section 409A and shall have no liability to any Participant for any failure to comply with Code Section 409A.

10.14 Dispute Resolution : Any disputes related to this Plan other than a claim for benefits subject to the provisions of Article VII shall be resolved through mutually binding arbitration as outlined in Nordstrom's Dispute Resolution Program, the terms of which are incorporated by reference into this Plan. Any legal action related to a claim for benefits must be initiated within one (1) year after the Plan Administrator has issued its final decision on review and must be filed in the United States District Court for the Western District of Washington.

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Erik B. Nordstrom, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nordstrom, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 5, 2024

/s/ Erik B. Nordstrom

Erik B. Nordstrom

Chief Executive Officer of Nordstrom, Inc.

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Catherine R. Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nordstrom, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 5, 2024

/s/ Catherine R. Smith

Catherine R. Smith

Chief Financial Officer of Nordstrom, Inc.

NORDSTROM, INC.
1617 SIXTH AVENUE
SEATTLE, WASHINGTON 98101
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Nordstrom, Inc. (the "Company") on Form 10-Q for the period ended August 3, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Erik B. Nordstrom, Chief Executive Officer (Principal Executive Officer), and Catherine R. Smith, Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer), of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 5, 2024

/s/ Erik B. Nordstrom
Erik B. Nordstrom
Chief Executive Officer of Nordstrom, Inc.

/s/ Catherine R. Smith
Catherine R. Smith
Chief Financial Officer of Nordstrom, Inc.

A signed original of this written statement required by Section 906 has been provided to Nordstrom, Inc. and will be retained by Nordstrom, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.