

NORDSTROM INC
Form DEF 14A
April 18, 2002

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE

**SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to 240.14a-11(c) or 240.14a-12

NORDSTROM, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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April 18, 2002

Dear Shareholders:

On behalf of the Board of Directors and management, I cordially invite you to attend the Annual Meeting of Shareholders on Tuesday, May 21, 2002, at 11:00 a.m., Pacific Daylight Time, at the John W. Nordstrom Room, Downtown Seattle Nordstrom, 1617 Sixth Avenue, 5th Floor, Seattle, Washington, 98101-1742.

In addition to the matters described in the Notice of Annual Meeting and Proxy Statement, there will be a report on the progress of the Company and an opportunity to ask questions of general interest to you as a Shareholder.

YOUR VOTE IS VERY IMPORTANT. Therefore, whether or not you plan to attend the meeting in person, please sign and return the enclosed Proxy in the envelope provided. If you attend the meeting and desire to vote in person, you may do so even though you have previously sent your Proxy.

I hope you will be able to join us and we look forward to seeing you in Seattle.

Sincerely yours,

Blake W. Nordstrom
President

**Nordstrom, Inc. 1617
Sixth Avenue Seattle,
Washington 98101-1742**

**Notice of Annual
Meeting of
Shareholders**

To the Shareholders of
Nordstrom, Inc.:

The Annual Meeting of Shareholders of Nordstrom, Inc. will be held on Tuesday, May 21, 2002, at 11:00 a.m., Pacific Daylight Time, at the John W. Nordstrom Room, Downtown Seattle Nordstrom, 1617 Sixth Avenue, 5th Floor, Seattle, Washington, 98101-1742 for the following purposes:

1. To elect nine directors to hold office until the next Annual Meeting of Shareholders and until their successors are duly elected and qualified;
2. To amend the Company's Articles of Incorporation to increase the authorized number of shares of Common Stock from 250,000,000 to 500,000,000;
3. To approve the 2002 Nonemployee Director Stock Incentive Plan; and
4. To ratify the appointment of auditors.

If it is presented, then you also will be asked to vote on the following:

5. A Shareholder proposal regarding global human rights standards.

Such other business as may properly come before the meeting and any adjournment thereof may also be addressed.

Holders of shares of Common Stock of record at the close of business on March 18, 2002 are entitled to notice of, and to vote at, the meeting.

Shareholders are cordially invited to attend the meeting in person.

By order of the Board of Directors,

N. Claire Chapman
Secretary

Seattle, Washington

April 18, 2002

Whether or not you intend to be present at the meeting, you are encouraged to sign and date the enclosed Proxy and return it promptly in the envelope provided.

Proxy Statement
Approximate Mailing
Date:
April 18, 2002

This Proxy Statement is furnished to the Shareholders of Nordstrom, Inc. in connection with the solicitation of proxies by the Board of Directors for use at the Annual Meeting of Shareholders to be held on May 21, 2002 and any adjournment thereof. If the enclosed Proxy is executed and returned, it will be voted in accordance with the instructions given, but may be revoked at any time if it has not been exercised by notifying the Secretary of the Company in writing. If no contrary instruction is indicated on the Proxy, then each Proxy will be voted for Proposals 1, 2, 3 and 4, and, if it is presented, against Proposal 5, and may be voted on such other matters as may properly come before the Annual Meeting.

Only holders of the Company's Common Stock are entitled to vote at the Annual Meeting. There were 134,612,925 shares of Common Stock outstanding as of March 18, 2002, the record date for the Annual Meeting. Shareholders are entitled to one vote for each share of Common Stock held of record at the close of business on March 18, 2002. Under Washington law and the Company's Amended and Restated Articles of Incorporation, a quorum consisting of a majority of the shares eligible to vote must be represented in person or by proxy to elect directors and to transact any other business that may properly come before the Annual Meeting.

For election of directors, the nominees elected will be those receiving the greatest number of votes cast by the shares entitled to vote, up to the number of directors to be elected. Any action other than a vote for a nominee will have the effect of voting against that nominee. The amendment to the Company's Articles of Incorporation will be approved, the 2002 Nonemployee Director Stock Incentive Plan will be adopted, the appointment of auditors will be ratified, and the Shareholder proposal will be adopted if the votes cast in favor of the respective action exceed the votes cast against it. Abstentions and nonvotes by brokers will have no effect since such actions do not represent votes cast by Shareholders.

**Security Ownership of
Certain Beneficial
Owners and
Management**

The following table sets forth, as of March 18, 2002, the number of shares of Common Stock held by beneficial owners of more than five percent of the Company's Common Stock, by directors and director nominees, by the executive officers named in the Summary Compensation Table on page 6, and by all directors and executive officers of the Company as a group:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Dodge & Cox One Sansome St., 35th Floor San Francisco, California 94104	15,382,306(a)	11.43%
Elmer and Katharine Nordstrom Family Interests, L.P. c/o 1617 Sixth Avenue Seattle, Washington 98101	10,916,552(b)	8.11%
Bruce A. Nordstrom c/o 1617 Sixth Avenue Seattle, Washington 98101	10,769,699(c)(d)	8.00%
D. Wayne Gittinger 1420 Fifth Avenue, Suite 4100 Seattle, Washington 98101	10,483,699(c)(e)	7.79%
John N. Nordstrom	3,509,095(c)(f)	2.61%
Blake W. Nordstrom	1,036,932(g)	*
John A. McMillan	293,089(c)	*
Jammie Baugh	96,281(h)	*
Gail A. Cottle	64,794(i)	*
Joel T. Stinson	59,086(j)	*
William D. Ruckelshaus	16,269	*
Michael G. Koppel	12,824(k)	*
Alfred E. Osborne, Jr.	11,119(l)	*
Alison A. Winter	7,856(m)	*
R. Michael Richardson	7,303(n)	*
Bruce G. Willison	5,757(o)	*
Enrique Hernandez, Jr.	4,191(p)	*
Directors and executive officers as a group (30 persons)	40,379,447(q)	29.72%

* Does not exceed 1% of the Company's outstanding Common Stock.

(a) Based on an amended Schedule 13G filed on February 8, 2002 pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act), which indicates that Dodge & Cox has sole investment power with respect to all of these shares, sole voting power with respect to 14,370,306 shares, and shared voting power with respect to 161,700 shares.

(b) The general partners of this partnership are the Estate of Katharine J. Nordstrom (John N. Nordstrom, executor), the Elected Marital Trust under the Will of Elmer J. Nordstrom (John N. Nordstrom, trustee), the James F. Nordstrom Interests, L.P., and the John N. Nordstrom Interests, L.P. The general partners of the James F. Nordstrom Interests, L.P. are Sally A. Nordstrom, the James F. Nordstrom Residuary Trust (Sally A. Nordstrom, trustee), J. Daniel Nordstrom and William E. Nordstrom, and the general partners of the John N. Nordstrom Interests, L.P. are John N. Nordstrom, Sally B. Nordstrom, and James A. Nordstrom. Each of these entities and individuals are deemed to beneficially own the shares held by the Elmer and Katharine Nordstrom Family Interests, L.P. Each of the general partners disclaims beneficial ownership of the shares held by the Elmer and Katharine Nordstrom Family Interests, L.P. that

exceeds the greater of their proportionate interest in their respective profits or capital account in the partnership.

(c) Does not include 160,000 shares held by a corporation, of which the director or his spouse owns a one-eighth beneficial interest.

(d) Includes 88,388 shares held by his wife individually; and 4,235,280 shares held by trusts, of which he is a trustee and beneficiary. Does not include 3,485,564 shares held by trusts, of which he is a co-trustee.

(e) Includes 6,926,771 shares held by his wife individually; 915 shares held by his wife as a participant in the Company's 401(k) Plan; 777,600 shares held by a trust, of which his wife is a trustee and beneficiary; and 2,750,760 shares held by a trust, of which his wife is the beneficiary. Does not include 206,896 shares held by trusts of which he is a trustee.

(f) Includes 161,610 shares held by his wife; 4,012 shares held by trusts, of which he is the trustee; and 2,780,000 shares held by the John N. Nordstrom Interests, L.P., of which he is a general partner. John N. Nordstrom disclaims beneficial ownership of the shares held by the John N. Nordstrom Interests, L.P. that exceed the greater of his proportionate interest in his profits or capital account in the partnership. Does not include any of the shares held by the Elmer and Katharine Nordstrom Family Interests, L.P., of which he is deemed a beneficial owner.

(g) Includes 181,234 shares held by his wife individually; 20,086 shares held by trusts, of which he is a trustee; 5,987 shares held in a custodial account, of which he is the custodian; 137,187 shares that may be acquired under the 1987 and 1997 Stock Option Plans; and 1,590 shares held by him in the Company's 401(k) Plan.

(h) Includes 89,630 shares that may be acquired under the 1987 and 1997 Stock Option Plans, and 4,015 shares in the Company's 401(k) Plan.

(i) Includes 64,792 shares that may be acquired under the 1987 and 1997 Stock Option Plans.

(j) Includes 56,581 shares that may be acquired under the 1987 and 1997 Stock Option Plans, and 925 shares in the Company's 401(k) Plan.

(k) Includes 10,166 shares that may be acquired under the 1987 and 1997 Stock Option Plans.

(l) Includes 600 shares held by his wife; 150 shares held by his wife for the benefit of child; and 2,400 shares held by a corporation, of which he is the sole shareholder.

(m) Includes 7,000 shares held by a trust, of which she and her spouse are trustees and beneficiaries; 100 shares held by her son in an account over which she shares investment power; 100 shares held by her daughter in an account over which she shares investment power; and 100 shares held by her husband in a retirement account over which she shares investment power.

(n) Includes 7,303 shares that may be acquired under the 1987 and 1997 Stock Option Plans.

(o) Includes 4,000 shares held by trust, of which he and his spouse are trustees and beneficiaries.

(p) Does not include 62,500 stock units convertible at any time upon the election of Mr. Hernandez, or when he ceases to be a member of the Board of Directors, into a dollar amount equal to the difference in the value of a share of Common Stock on the date the stock unit was awarded and the value of a share of Common Stock on the date the stock unit is converted.

(q) Includes 10,916,552 shares held by the Elmer and Katharine Nordstrom Family Interests, L.P.; and 2,780,000 shares held by the John N. Nordstrom Interests, L.P. Also includes 1,305,056 shares that may be acquired by the executive officers as a group under the 1987 and 1997 Stock Option Plans, and 29,972 shares held by participating executive officers in the Company's 401(k) Plan as of the Plan statement dated February 28, 2002.

The directors and executive officers shown in the table disclaim beneficial interest in any shares held solely as custodian or trustee, and all shares held by their spouses and immediate family members.

**Proposal 1:
Election of Directors**

Nine directors will be elected at the Annual Meeting, each to hold office until the next Annual Meeting and until a successor has been duly elected and qualified. Unless otherwise instructed by the Shareholder, the persons named in the enclosed Proxy intend to vote for the election of the nominees described in this Proxy Statement. All of the nominees are currently directors of the Company. If any nominee becomes unavailable for any reason, or if a vacancy should occur before the election, which events are not anticipated, the Proxy may be voted for a person to be selected by the Board of Directors.

Nominees

Information related to the director nominees as of March 18, 2002 is set forth below:

Name and Age	Principal Occupation and Business Experience for Past Five Years	Director Since
D. Wayne Gittinger Age 69(a)(b)	Partner in the law firm of Lane Powell Spears Lubersky LLP	1971
Enrique Hernandez, Jr. Age 46(c)	President and Chief Executive Officer of Inter-Con Security Systems, Inc., a California-based worldwide security and facility support services provider; Co-Founder and Principal Partner of Interspan Communications, a television broadcasting company serving Spanish-speaking audiences Retired (formerly Co-Chairman of the Board of Directors of the Company)	1997
John A. McMillan Age 70(d)	Chairman of the Board of Directors of the Company	1966
Bruce A. Nordstrom Age 68(b)	Retired (formerly Co-Chairman of the Board of Directors of the Company)	1966
John N. Nordstrom Age 65(b)	Director of the Harold Price Center for Entrepreneurial Studies and Associate Professor of Business Economics, The Anderson School at UCLA	1987
Alfred E. Osborne, Jr. Age 57(e)	A Strategic Director of Madrona Venture Group, a Washington- based investment firm (formerly Chairman and Chief Executive Officer of Browning-Ferris Industries, Inc.)	1985
William D. Ruckelshaus Age 69(f)	Dean of The Anderson School at UCLA, formerly President and Chief Operating Officer of H.F. Ahmanson & Company, a California-headquartered thrift holding company, and Home Savings of America, a full-service consumer bank, also headquartered in California. H.F. Ahmanson was the parent company of Home Savings of America	1998
Bruce G. Willison Age 53(g)	Executive Vice President for Midwest Personal Financial Services with The Northern Trust Corporation, Chicago (formerly President and Chief Executive Officer of the Northern Trust of California)	2001
Alison A. Winter Age 55(h)		

- (a) D. Wayne Gittinger is a partner in the law firm of Lane Powell Spears Lubersky LLP, which rendered legal services to the Company during the fiscal year ended January 31, 2002.
- (b) Bruce A. Nordstrom is a brother-in-law of D. Wayne Gittinger and a cousin of John N. Nordstrom. Mr. Bruce A. Nordstrom's sons are Blake W. Nordstrom, the President of the Company, and Erik B. Nordstrom and Peter E. Nordstrom, each of whom is an Executive Vice President of the Company. Mr. John N. Nordstrom's nephew is J. Daniel Nordstrom, Chief Executive Officer of NORDSTROM.com, LLC.
- (c) Enrique Hernandez, Jr. is also a director of California Healthcare Foundation, McDonald's Corporation, Washington Mutual, Inc. and Tribune Company, all of which are public companies, and ICSS Holding Corp., a private entity.
- (d) John A. McMillan is also a director of Lion, Inc. (formerly known as Plenum Communications), a public company.
- (e) Alfred E. Osborne, Jr. is also a director of Equity Marketing, Inc. and K2, Inc., a trustee of the WM Group of Funds, and a director of First Pacific Advisors New Income and Capital Funds, all of which are public companies.
- (f) William D. Ruckelshaus is also a director of Cummins Engine Company, Pharmacia Corporation (formerly known as Monsanto Company), Solutia Inc., and Weyerhaeuser Company, all of which are public companies. He was also a director of the Company from 1978 to 1983.
- (g) Bruce G. Willison is also a director of Kookmin Bank (Korea) and Health Net, Inc., both of which are public companies, and Operation Hope, Inc., the United Way of Greater Los Angeles, and the Los Angeles Sports Council, all of which are private entities.
- (h) Alison A. Winter is also a director of California Healthcare Foundation, a public foundation, and Steppenwolf Theatre Company, Chicago Convention and Tourism Bureau and The Committee of 200, all of which are private entities. She also serves on the Board of Trustees of Claremont McKenna College, a private entity.

The Board of Directors recommends a vote **FOR** each of the nominees listed in the table.

Board of Directors and Board Committees

The Board of Directors maintains an Audit Committee, a Compensation and Stock Option Committee, a Corporate Governance and Nominating Committee, and a Finance Committee. These committees do not have formal meeting schedules, but the Audit Committee is required to meet at least four times a year, and the Compensation and Stock Option Committee and the Corporate Governance and Nominating Committee are each required to meet at least once a year. The Finance Committee meets at its discretion. During the past year, there were five meetings of the Board of Directors, four meetings of the Audit Committee, five meetings of the Compensation and Stock Option Committee, four meetings of the Corporate Governance and Nominating Committee, and four meetings of the Finance Committee. Each director attended at least 75% of the aggregate number of meetings of the Board of Directors and Board committees on which he or she served.

Current members of the Audit Committee are Bruce G. Willison, Chair, Enrique Hernandez, Jr., Alfred E. Osborne, Jr., William D. Ruckelshaus, and Alison A. Winter. The Audit Committee is responsible for recommending the Company's independent auditors and assisting the Board of Directors in fulfilling its oversight responsibilities with respect to accounting and financial reporting, assessment and management of risk and the internal controls environment, and compliance with laws and regulations. The Committee meets periodically with the independent auditors, management and the internal auditors to review accounting, auditing, internal accounting controls, financial reporting matters, and compliance with laws and regulations. The Committee also meets privately with the independent auditors and the internal auditors.

Current members of the Compensation and Stock Option Committee are William D. Ruckelshaus, Chair, Enrique Hernandez, Jr., Alfred E. Osborne, Jr., and Alison A. Winter. The Compensation and Stock Option Committee is responsible for determining the overall compensation levels of certain of the Company's executive officers and certain of the Company's benefit plans.

Current members of the Corporate Governance and Nominating Committee are D. Wayne Gittinger, Chair, Enrique Hernandez, Jr., Alfred E. Osborne, Jr., and William D. Ruckelshaus. The Corporate Governance and Nominating Committee is primarily responsible for recommending director nominees to the Board of Directors. The Committee will consider recommendations by Shareholders for vacancies on the Board of Directors. Suggestions may be submitted to the Company's Secretary.

Current members of the Finance Committee are Alfred E. Osborne, Jr., Chair, D. Wayne Gittinger, Enrique Hernandez, Jr., John A. McMillan, John N. Nordstrom, and Bruce G. Willison. The Finance Committee is responsible for assisting the Board of Directors in fulfilling its oversight responsibilities with respect to the Company's capital structure, financial policies, capital investments, business and financial planning and related matters.

Compensation of Executive Officers in the Year Ended January 31, 2002

Summary Compensation Table

The following table summarizes compensation paid or accrued by the Company for services rendered by the President, four Vice Presidents, and a former Vice President (the Named Executive Officers) for the periods indicated:

Name and Principal Position	Fiscal Year(a)	Annual Compensation			Long-Term Compensation		
		Salary	Bonus	Other Annual Compensation(b)	Value of Restricted Stock Awards/ Performance Shares(c)	Number of Stock Options	All Other Compensation(d)
Blake W. Nordstrom President	2001	\$580,000	\$0	\$1,491	\$299,250	81,579	\$31,108
	2000(e)	\$433,333	\$0	\$2,822	\$139,995	19,765	\$25,097
	1999	\$383,333	\$0	\$1,741	\$449,990	34,123	\$27,010
Joel T. Stinson Executive Vice President	2001	\$393,333	\$185,000	\$0	\$174,572	41,447	\$42,354
	2000	\$306,220	\$24,420	\$2,849	\$89,378	12,618	\$25,027
	1999	\$232,500	\$56,753	\$9,244	\$88,107	6,682	\$27,271
R. Michael Richardson Vice President	2001	\$241,667	\$174,950	\$1,534	\$59,850	14,211	\$24,549
	2000(f)	\$136,470	\$184,375	\$2,065	\$60,116	23,488	\$78,951
	1999	\$172,895	\$89,743	\$777	\$46,487	6,464	\$12,159
Jammie Baugh Executive Vice President	2001	\$295,000	\$119,250	\$23,484	\$124,697	29,605	\$58,155
	2000	\$295,000	\$40,625	\$2,734	\$150,004	21,176	\$9,684
	1999	\$268,333	\$26,082	\$1,824	\$151,882	11,517	\$24,403
Michael G. Koppel Executive Vice President	2001	\$294,792	\$78,300	\$2,486	\$156,608	48,487	\$23,249
	2000	\$238,333	\$115,337	\$13,372	\$65,003	9,176	\$42,116
	1999(g)	\$94,990	\$122,701	\$43,800	\$47,159	11,877	\$73,051
Gail A. Cottle Former Executive	2001(h)	\$344,167	\$223,125	\$2,962	\$174,572	41,447	\$72,392
	2000	\$310,587	\$194,688	\$1,548	\$150,003	21,176	\$24,860

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Vice President	1999	\$268,333	\$201,582	\$2,728	\$151,882	11,517	\$23,540
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- (a) The fiscal year of the Company ends January 31 of the following year.
- (b) Other Annual Compensation for the fiscal year ended January 31, 2002 includes tax reimbursements.
- (c) These amounts represent performance share units granted to the Named Executive Officers on February 25, 1999, February 22, 2000, and February 27, 2001 (valued as of those dates, respectively). The performance share units vest on January 31, approximately three years following the date of grant to the extent that the Company's total shareholder return exceeds that of certain of the Company's competitors during the respective three-year period. As of January 31, 2002, the performance share units granted on February 25, 1999 were forfeited due to the failure of the Company to meet the applicable vesting goals. The remaining performance share units (assuming full vesting) would be valued as follows as of January 31, 2002:

Blake W. Nordstrom	\$ 706,439
Joel T. Stinson	\$ 423,585
R. Michael Richardson	\$ 99,619
Jammie Baugh	\$ 430,796
Michael G. Koppel	\$ 366,534
Gail A. Cottle	\$ 234,341

- (d) All Other Compensation for the fiscal year ended January 31, 2002, includes the following:

Profit Sharing Plan benefit: Blake W. Nordstrom: \$2,018; Joel T. Stinson: \$2,018; R. Michael Richardson: \$2,018; Jammie Baugh: \$2,018; Michael G. Koppel: \$673; Gail A. Cottle: \$2,018.

401(k) Plan benefit: Blake W. Nordstrom: \$6,800; Joel T. Stinson: \$6,800; R. Michael Richardson: \$6,800; Jammie Baugh: \$6,800; Michael G. Koppel: \$6,800; Gail A. Cottle: \$0.

Premiums on excess term life insurance: Blake W. Nordstrom: \$810; Joel T. Stinson: \$703; R. Michael Richardson: \$455; Jammie Baugh: \$334; Michael G. Koppel: \$500; Gail A. Cottle: \$1,051.

Company car buyout: Blake W. Nordstrom: \$0; Joel T. Stinson: \$0; R. Michael Richardson: \$0; Jammie Baugh: \$19,625; Michael G. Koppel: \$0; Gail A. Cottle: \$0.

Auto allowance: Blake W. Nordstrom: \$15,276; Joel T. Stinson: \$15,276; R. Michael Richardson: \$15,276; Jammie Baugh: \$29,378; Michael G. Koppel: \$15,276; Gail A. Cottle: \$15,276.

Paid time off cash out at payroll year end: Blake W. Nordstrom: \$6,204; Joel T. Stinson: \$17,558; R. Michael Richardson: \$0; Jammie Baugh: \$0; Michael G. Koppel: \$0; Gail A. Cottle: \$6,394.

Paid time off cash out at termination: Blake W. Nordstrom: \$0; Joel T. Stinson: \$0; R. Michael Richardson: \$0; Jammie Baugh: \$0; Michael G. Koppel: \$0; Gail A. Cottle: \$47,654.

- (e) Blake W. Nordstrom has served as President since August 31, 2000. Prior to that date he served as an Executive Vice President.
- (f) R. Michael Richardson separated from the Company on April 7, 2000 and was rehired on September 15, 2000.
- (g) Michael G. Koppel commenced employment with the Company on August 12, 1999. Mr. Koppel was promoted to Executive Vice President on May 16, 2001. Prior to that date he served as Vice President.
- (h) Gail A. Cottle was employed by the Company from June 1, 1969 through January 31, 2002.

Option Grants in the Fiscal Year Ended January 31, 2002

The following table sets forth information concerning option grants during the fiscal year ended January 31, 2002, to the Named Executive Officers:

Name	Number of Options Granted(a)(b)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price Per Share	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Terms	
					5%	10%
Blake W. Nordstrom	81,579	2.48%	\$19.00	02/27/2011	\$974,787.30	\$2,470,302.41
Joel T. Stinson	41,447	1.26%	\$19.00	02/27/2011	\$495,250.12	\$1,255,061.03
R. Michael Richardson	14,211	0.43%	\$19.00	02/27/2011	\$169,807.21	\$430,324.81
Jammie Baugh	29,605	0.90%	\$19.00	02/27/2011	\$353,750.08	\$896,472.17
Michael G. Koppel	15,158 23,329 10,000	0.46% 0.71% 0.30%	\$19.00 \$17.94 \$21.00	02/27/2011 06/04/2011 08/20/2011	\$181,122.91 \$263,206.40 \$132,067.87	\$459,001.02 \$667,016.70 \$334,685.92
Gail A. Cottle(c)	41,447	1.26%	\$19.00	02/27/2011	\$495,250.12	\$1,255,061.03

(a) Options are granted at the fair market value of the Company's Common Stock on the date of the grant. To the extent not already exercisable, options generally become exercisable upon a sale of the Company or substantially all of its assets.

(b) These options vest and become exercisable in four equal annual installments beginning one year from the date of grant.

(c) These options will expire on January 31, 2006 due to Gail A. Cottle's retirement from the Company. The potential realizable values from date of grant to expiration date at 5% and 10% are \$217,596.75 and \$480,785.20, respectively.

Option Exercises and Year End Value Table

The following table sets forth information concerning option exercises and the value of options held at January 31, 2002, by the Named Executive Officers:

Name	Number of Shares Acquired on Exercise	Dollar Value Realized(a)	Number of Unexercised Options Held at January 31, 2002		Dollar Value of Unexercised, in-the-Money Options held at January 31, 2002(a)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Blake W. Nordstrom	14,360	\$28,810.86	94,590	159,433	\$141,769.44	\$573,980.85
Joel T. Stinson	0	\$0.00	39,454	64,465	\$51,035.04	\$299,441.25
R. Michael Richardson	0	\$0.00	3,750	25,461	\$28,545.00	\$175,164.30

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Jammie Baugh	27,842	\$11,281.48	74,610	65,786	\$198,527.93	\$ 250,833.60
Michael G. Koppel	0	\$0.00	4,082	65,458	\$9,290.70	\$ 338,068.94
Gail A. Cottle	60,557	\$56,481.00	49,585	63,087	\$159,332.68	\$ 325,438.20

(a) Dollar value is based on the market value of the Company's Common Stock on the date of exercise or at January 31, 2002, as the case may be, minus the exercise price.

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Pension Plan Table

The following table sets forth information concerning estimated annual benefits payable to each of the Named Executive Officers upon their retirement based upon indicated years of service (without reduction for any Profit Sharing Retirement Plan benefits):

Average Annual Compensation(a)	Years of Service(b)				
	15	20	25	30	35
\$125,000	\$45,000	\$60,000	\$ 75,000	\$ 75,000	\$ 75,000
\$150,000	\$54,000	\$72,000	\$ 90,000	\$ 90,000	\$ 90,000
\$175,000	\$63,000	\$84,000	\$105,000	\$105,000	\$105,000
\$200,000					