

# NORDSTROM

## Code of Business Conduct and Ethics

As Amended and Restated on  
November 16, 2005

The phrase “Through these doors pass the most courteous people in the world” is found at the employee entrance of many of our locations and probably says it best: We hire people like you because you have shown what we consider to be exceptional qualities, courtesy being just one. Nordstrom is committed to the highest standards of ethics and business conduct. Those standards apply to our relationships with our customers, our suppliers, our shareholders, our competitors and the communities in which we operate. They also apply to our relationships with each other at every organizational level.

The following pages cover important information that will help you be successful at Nordstrom. The Code of Business Conduct and Ethics applies to all directors, officers and employees of Nordstrom and is intended to provide a clear understanding of the ethical principles of business conduct expected of all of us. While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decisions must be made. Rather, they set forth key guiding principles that represent Nordstrom’s expectations.

At Nordstrom, we believe in giving you the freedom to use good judgment when it comes to serving the best interests of your customers and working with your fellow employees and suppliers. In all these relationships, we must hold both ourselves and others to the highest ethical standards. We are proud of our reputation and trust that each of you will represent yourself and our Company in a manner that reflects the Nordstrom tradition.

## Our Expectations of You

It has always been our practice to conduct ourselves with the highest standards of ethical behavior, described in detail in the following pages. Our expectation is that you, as a Nordstrom employee, will uphold these guidelines, as well as comply with all applicable laws and regulations.

### **USE GOOD JUDGMENT**

At Nordstrom, we expect you to use good judgment when it comes to taking care of our customers. But we don’t expect you to do that without help from us. Listed below are some things that are important for you to know:

- We believe it’s important for you to receive constructive feedback about your job performance — both to build on your strengths and to develop future career opportunities. To help you be successful at Nordstrom, we try to ensure that our expectations of your job performance are communicated through regular coaching and our performance review process. Of course, anytime you have questions about how you’re doing, just ask your Department Manager.
- We take great pride in the way you represent Nordstrom. So, your personal grooming and attire should

always reflect a professional image. While it is our hope that you would choose to wear the merchandise we sell, Nordstrom does not require you to buy or wear the merchandise in our stores. Please keep in mind that the fashions in our stores are intended for a variety of purposes and not all of them are appropriate for our business environment. In all cases, use good judgment, but if you have any questions about what is appropriate to wear in your department, please talk with your Department Manager.

- Nordstrom customers expect and should receive the best in new and up-to-date clothing. As a result, we do not allow the sale of used merchandise except at our Last Chance and Nordstrom Rack stores. Merchandise is considered to be “used” if any portion of it has been consumed, altered, reconditioned, refurbished or worn. The only exception is merchandise — other than cosmetics — that has been tried on for approval in the store or elsewhere. In addition, you must purchase any Nordstrom merchandise you wear, unless your Store Manager has authorized an expense transfer for promotional purposes.
- You are responsible for contacting your Department Manager promptly before the start of your shift should you be unable to report to work, be late for your scheduled shift or need to leave work early. Please see the “Recording Work Hours” section on page 15 for more information.
- Nordstrom enjoys a smoke-free environment. Smoking is not permitted in customer or employee areas.
- Avoid personal or romantic relationships that create a real or perceived conflict of interest

### **OUR EQUAL EMPLOYMENT OPPORTUNITY PHILOSOPHY**

At Nordstrom, the strength of our Company rests on the opportunity for each of us to realize our potential and contribute to our common business objective — providing excellent customer service.

We uphold our tradition of valuing our employees by providing equal employment opportunities to all applicants for employment and employees regardless of sex; race; color; creed; national origin; religion; age; marital status; pregnancy; physical, mental or sensory disability; sexual orientation; gender identity or any other basis protected by federal, state or local law.

Having a diverse community and workplace benefits us all. Nordstrom is committed to recruiting, hiring and promoting qualified applicants and employees, as well as giving people of all backgrounds an opportunity to work and contribute to our Company and community.

### **Employees with Disabilities**

Please contact the Human Resource office if you have a disability that affects your job performance. We will then engage in an interactive process with you and discuss the reasonable accommodations we may be able to provide you to enable you to perform the essential functions of your job. If you are unable to perform the essential functions of the job, even with a reasonable accommodation, please ask about assistance in identifying and applying for other available positions at Nordstrom for which you may be qualified.

### **WE DO NOT PERMIT HARASSMENT OR DISCRIMINATION**

We absolutely do not permit discrimination or harassment of any kind. This includes discrimination or harassment based on sex; race; color; creed; national origin; religion; age; marital status; pregnancy; physical, mental or sensory disability; sexual orientation or gender identity or any other basis protected by federal, state or local law.

Any unwanted and/or unwelcome behavior — physical, verbal or conducted through technological means — that creates an intimidating, hostile or offensive work environment is prohibited. Complaints will be investigated promptly, thoroughly and as confidentially as possible. Nordstrom will take appropriate, corrective action to end the harassment or discrimination, which may include disciplinary action up to and including termination of employment. Nordstrom will not permit any retaliation against its employees who report concerns regarding discrimination or harassment, or who participate in an investigation involving discrimination or harassment.

If you believe you have been discriminated against or harassed, or witness the discrimination against or harassment of others in any manner, report your concerns to any of the following:

- Department Manager
- Store Manager
- Regional Manager
- Human Resource Manager
- Human Resource Director
- Diversity Affairs Director

You should also take customer concerns of this nature to these supervisors. Telephone numbers for these individuals are available from your Human Resource office.

Remember, we all share the responsibility to create an environment where customers and employees feel welcome.

### **SEXUAL HARASSMENT IS A SERIOUS MATTER**

Nordstrom absolutely prohibits sexual harassment of employees in our workplace by any person in any manner. Sexual harassment may include but is not limited to any of the following:

- Threats or insinuations that another employee's refusal to submit to sexual advances will adversely affect that person's employment, evaluation, wages, advancement opportunities, assigned duties or any other conditions of employment or career development.
- Unwanted and/or unwelcome sexual advances, flirtations or propositions.
- Verbal abuse of a sexual nature, including jokes. Sexually oriented jokes and comments, even though they may seem innocent to you, must be avoided in the workplace.
- Display of sexually suggestive objects or pictures.

We cannot address any concerns you may have unless we are aware of them. If you believe you have been sexually harassed in any manner, or have witnessed the sexual harassment of others, report your concerns to any of the following:

- Department Manager
- Store Manager
- Regional Manager
- Human Resource Manager
- Human Resource Director
- Diversity Affairs Director

Telephone numbers for these individuals are available from your Human Resource office.

Your complaint will be investigated promptly, thoroughly and as confidentially as possible. Nordstrom will take appropriate, corrective action to end the harassment, which may include disciplinary action up to and including termination of employment. In addition, Nordstrom will not permit any retaliation against its employees who report concerns regarding sexual harassment or who participate in an investigation involving sexual harassment.

### **KEEPING OUR WORKPLACE FREE FROM VIOLENCE**

As part of our goal to provide a safe environment for our employees and customers, Nordstrom absolutely prohibits any kind of threats or acts of violence in the workplace. We consider this and other intimidating behavior on the part of employees, customers, vendors or any other individual to be a serious matter.

Threats are generally considered to be any expression of intent to inflict harm. Acts of violence include any physical force intended to damage people or property.

If you believe you have been a target of a threat or violence, or have witnessed this type of behavior, report it immediately to any of the following:

- Department Manager
- Store Manager
- Regional Manager
- Human Resource Manager
- Human Resource Director
- Diversity Affairs Director

Remember, we cannot address these issues unless we are aware of them.

Your report will be investigated promptly, thoroughly and as confidentially as possible. Retaliation against you for making a report will not be tolerated.

**As an employee, you are also responsible for:**

- Reporting to your Human Resource office any temporary or permanent restraining orders that identify you or any Nordstrom employee, or any locations as protected areas. You will also need to provide the Human Resource office with a copy of the restraining order.
- Not bringing potentially dangerous items — including weapons — to work with you. Weapons of any kind are not allowed in our workplace.

We hold you accountable for your actions. Failure to use good judgment in keeping our workplace free from violence may result in disciplinary action up to and including termination of employment.

**DRUGS AND ALCOHOL HAVE NO PLACE IN OUR BUSINESS**

We believe Nordstrom should be a safe, efficient and productive place. For that reason, employees must work free from the effects of drugs and alcohol.

“Drugs” refers to any drug, including prescribed medication, that is not legally obtained or is used contrary to any prescribed dosage or purpose.

Nordstrom strictly prohibits using, being under the influence of, possessing, distributing, selling or buying drugs (including drug paraphernalia) or alcohol on Company property or time, including rest and meal periods. Testing positive for drugs will result in disciplinary action up to and including termination of employment.

You are accountable for the performance of your job duties and your personal conduct at all times. Be aware that if a problem with your job performance exists, we will address those issues with you, regardless of any substance problem you may have. Our Employee Assistance Program is available to lend confidential support and provide appropriate resources should you need them.

We consider failure to use good judgment in complying with these guidelines to be a serious matter that may result in disciplinary action up to and including termination of employment.

**PREVENTING THEFT BENEFITS US ALL**

Theft of Nordstrom merchandise, money or other property affects us all. It diminishes our ability to meet our customers’ needs, reduces our profitability and, as a result, affects your income — most directly through its effect on Profit Sharing. In a broader sense, industry-wide, theft also impacts areas such as insurance, legal costs and the economy in general.

Our dedication to providing excellent customer service has a side benefit of helping to minimize shoplifting. As an added measure, however, Nordstrom also has a formal Loss Prevention Program. This program uses a variety of resources — including Loss Prevention Specialists, camera systems, special tags, fixtures and reports — to prevent shoplifting, apprehend shoplifters and prevent employee theft.

**Use the designated employee entrances**

Nordstrom requires that you use the designated entrance/exit when arriving for or leaving work. Any purchases you make during your shift — as well as your handbag, briefcase or other bags — need to be checked at the Employee Service Area (ESA) or Self Service Area (SSA). If you are unable to use the employee entrance for any reason, please notify your Human Resource office immediately.

Failure to comply with these procedures may result in disciplinary action up to and including termination of employment, as well as possible criminal prosecution.

If you have any questions about the Loss Prevention Program, please contact your Loss Prevention Manager, Department Manager, Store Manager, Human Resource Manager or Human Resource Director.

### **EMPLOYEE MERCHANDISE DISCOUNT**

We expect you to use good judgment when it comes to using the Employee Merchandise Discount. It's important that you follow these guidelines:

- Your discount may be used to purchase merchandise for yourself, your eligible dependents, or as a gift in accordance with the Merchandise Discount Plan outlined in the Healthy Wealthy Wise summary plan description (SPD) available at [nord-life.com](http://nord-life.com).
- When purchasing gifts, they must be paid for entirely by you or with other employees at the lowest discount percentage of those involved.
- You may not ring your own transactions or those of your family members.
- If you are ringing a discounted transaction, you must ask to view proof of discount eligibility.
- Keep in mind that your Nordstrom purchases may not be resold for profit.

Please understand that the Employee Merchandise Discount is a benefit based on your employment with Nordstrom. If you have any questions about your Merchandise Discount, please contact your Department Manager, Human Resource Manager or Human Resource Director.

We expect you to comply with these guidelines. Failure to do so may result in disciplinary action up to and including termination of employment.

### **OUR COMMITMENT TO ACCURATE AND ETHICAL ACCOUNTING PROCEDURES**

Nordstrom works hard to earn the trust of our employees, customers, vendors and other business partners by being honest and forthright in all aspects of our business, including compliance with all applicable financial reporting and accounting rules and regulations. This trust is one of our most valuable assets. We want to assure you that we approach our accounting the same way we do the rest of our business.

It's possible that Company directors, officers and employees may be called on to provide necessary information to ensure that Nordstrom's public reports and communications are complete, fair, accurate and understandable. If requested of you, Nordstrom expects you to take this responsibility very seriously, with the same integrity and dignity expected of you on a daily basis. We also expect you to share in this responsibility for accurate and ethical accounting procedures by properly recording all transactions in accordance with Nordstrom procedures and by retaining or disposing of records in accordance with Nordstrom record retention policies.

As with all other matters, our doors are always open. Should you have questions or concerns regarding accounting, internal audit controls or auditing matters, we want you to feel that you can talk to anyone about it, including your Department Manager, Store Manager or Human Resource Manager. If you would prefer, you may instead contact the Audit Committee of the Nordstrom Board of Directors.

The Nordstrom Audit Committee has established procedures to respond to possible employee concerns about accounting-related practices. You are welcome to submit a complaint regarding accounting matters to the Audit Committee or to management. Examples of concerns you may report are errors, fraud or misrepresentation in our accounting-related practices. Retaliation against you for making a complaint in good faith will not be tolerated.

In order to facilitate the reporting of complaints to the Audit Committee, you can do either of

the following:

- Report your concerns regarding accounting matters to the Nordstrom Corporate Secretary by calling the tie line at 8-805-4401, or directly at (206) 303-4401.
- If you feel more comfortable communicating on an anonymous or confidential basis, you may forward your complaint through a confidential voice mail hotline. That number is (866) 237-0842.

You should have confidence that we hold ourselves to strict standards and are committed to maintaining your trust. By telling you our expectations up front, we rely on you to do your part to help us maintain these standards.

## **CONFIDENTIALITY AND NONDISCLOSURE EXPECTATIONS**

Information is one of our most valuable and sensitive assets at Nordstrom. Internally, we want to take full advantage of it to better serve our customers. But externally, we need to be extremely careful not to reveal important Company information. As an employee of Nordstrom, you are expected to respect the sensitive, private and confidential nature of customer, employee and business information.

What constitutes sensitive and confidential information? Customer information, such as addresses, phone numbers and credit data; information about employees; Social Security numbers; sales information; or potentially anything about Nordstrom that has not already been published in a document such as our annual report, a news release or on our Web page are examples of information that is considered sensitive and confidential. All information about Nordstrom that is not public should be considered confidential, proprietary information and should not be disclosed to third parties or used for personal gain.

Using confidential or material nonpublic information to trade in stock is unethical and illegal. Employees, officers and directors who have knowledge of confidential or material nonpublic information from or about Nordstrom are not permitted to buy, sell or otherwise trade in Nordstrom's securities, whether or not you are using or relying on that nonpublic information. This prohibition extends to sharing or tipping off others about such information, especially since the individuals receiving such information might utilize it to trade in Nordstrom securities. In addition to customary market trades in Nordstrom stock, this prohibition against insider trading also applies to trades made pursuant to investment decisions in Nordstrom's 401(k) Plan and Profit Sharing, and the Employee Stock Purchase Plan. Employees, officers and directors are directed to Nordstrom's Insider Trading Policy and the Corporate Secretary if they have questions regarding the applicability of any of the insider trading restrictions.

### **Verbal, written and online communications**

Please be careful and respectful in your communications about Nordstrom, its customers, employees, vendors and competitors at all times. You may not use or disclose Nordstrom confidential or proprietary information, including but not limited to the use of trademarks or logos. Be especially alert if someone asks you about the current pace of business, our profitability or our strategies since participating in these discussions can result in inadvertent, but nevertheless, damaging, disparaging or illegal disclosure of information.

If you publish or post to a blog or other Internet source, it's important you understand the Confidentiality and Nondisclosure Expectations apply to all Internet communication. This means you may not publish or post confidential information to a blog, chat room, message board or any other Internet source. Confidential information includes customer information, information about employees, Social Security numbers, sales information, or potentially anything about Nordstrom that has not already been published in a document, news release or on our Web page.

### **Media questions**

Other than authorized Nordstrom spokespersons, employees are not to respond to inquiries from the investment community or the news media, including newspapers, television, radio, magazines or online publications. Such inquiries should always be referred to a Nordstrom spokesperson. If you are not sure who that person is, your Store Manager or Human Resource Manager can help you.

Help us ensure that as a Company we speak with one voice, with a consistent message and through appropriate channels. Should you have any questions at all regarding what constitutes sensitive or confidential information, please contact your Department Manager, Human Resource Manager or Store Manager.

Failure to comply with these Confidentiality and Nondisclosure Expectations may result in disciplinary action up to and including termination of employment.

### **CONFLICTS OF INTEREST AND DEALING FAIRLY WITH OTHERS**

Nordstrom values fair and honest dealings with our customers, coworkers, suppliers, competitors and other business partners. We expect employees to uphold these values by avoiding conflicts of interest.

A conflict of interest exists if you have an interest outside of work at Nordstrom that interferes with your responsibilities at Nordstrom or may affect your judgment on behalf of Nordstrom. For example, there may exist a conflict of interest if a member of your family is associated with a supplier, which could affect your independent judgment on behalf of Nordstrom. You may work for another employer as long as it does not cause a conflict of interest or interfere with your job performance at Nordstrom.

You must report any potential conflicts of interest to your Department Manager, Human Resource Manager or Store Manager. Officers should report actual or potential conflicts of interest to the Compliance Officer, and directors should report actual or potential conflicts of interest to the Corporate Governance and Nominating Committee.

We also expect employees to deal fairly with others at all times, including not taking advantage of anyone through any form of manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair practice. In addition, as part of our commitment to provide a work environment in which every employee, customer, supplier and competitor is dealt with fairly and honestly, it's important you understand that you may not use proprietary information or possess trade secret information without the consent of the owner of this information. Also, you must recognize that opportunities you discover through the use of Nordstrom property, Nordstrom information or your position at Nordstrom belong to Nordstrom and may not be used for personal gain.

We strive for competitive advantages through superior performance, especially through excellence in customer service and behavior that upholds our ethical business practices. Should you have any questions on this information, please speak to your Department Manager or Human Resource Manager.

Failure to comply with these guidelines may result in disciplinary action up to and including termination of employment.

### **WHAT TO DO ABOUT GIFTS**

It is important to uphold Nordstrom's reputation for acting professionally, fairly and honestly. Accepting gifts (including meals), loans, trips or other valuable items from a vendor, competitor or others with whom we do business or may potentially do business creates the impression that the gift may have improperly influenced our decision to do business with the gift giver. As a result, neither you nor your family members may accept these gifts. You may, however, accept a gift or prize as long as it is considered to be an authorized promotional prize provided by a vendor to stimulate business.

Participating in business-related functions, including the acceptance of lunches or other meals with a vendor, customer or competitor, is generally allowed. This also includes acceptance of vendor-sponsored business trips to view merchandise. In all of these situations, however, we expect you to use good judgment and to ensure that the value and frequency of these functions do not become excessive.

Should you have any questions regarding the acceptance of gifts, please speak to your Manager or Human Resource Manager.

### **CONTEST EXPECTATIONS**

As one of the many benefits of working for Nordstrom, you may be eligible to participate in exciting and rewarding contests sponsored either by Nordstrom or a vendor. Contests may include merchandise awards

from Nordstrom's inventory, free merchandise awards from our vendors, trips, Nordy Bucks or courtesy accounts. Should your productivity be rewarded through one of these contests, we want you to be aware of a few things.

First, the merchandise or award you receive for a contest is considered earned wages per the Internal Revenue Service. As a result, you will be taxed for the award through your paycheck.

Also, you are not allowed to return awarded merchandise for cash, a gift card or credit, and you may only exchange the merchandise for a different size or color. In addition, you are not allowed to return awarded merchandise for any reason once it has been taken from the store.

You are expected to comply with these guidelines. Should you have any questions at all, please feel free to ask your Department Manager or Human Resource office.

## **TECHNOLOGY USE EXPECTATIONS**

As technology evolves and usage expands, we feel it is necessary to communicate our expectations regarding the use of Company resources. When using technology, including, but not limited to, voice mail, software, e-mail and the Internet, all Nordstrom employees are expected to use good judgment.

It is important that you are aware that these technologies are Company resources and are provided for business purposes. Nordstrom may have a legitimate business need to access, review, copy, move or delete the content and information carried by these technologies at any time and without notice and retains the right to do so. Nordstrom does not guarantee employee privacy when using these resources.

Be aware that you are representing Nordstrom when using these resources. Therefore, use them in a manner that reflects our professional and customer-service standards.

It is critical for you to understand that all current and future workplace guidelines apply to the use of technology. These include, but are not limited to, the guidelines concerning harassment and discrimination, sexual harassment and violence in the workplace. Discriminatory and/or inappropriate behavior when using these technologies will not be tolerated.

Specific standards have been published on the intranet (Nordnet) regarding the use of Nordstrom information and technological resources, and the retention of e-mail and other records. Please ensure that you are familiar with these standards, as users of the resources will be held accountable for knowing and following these standards. Failure to comply with the Technology Use Expectations may result in disciplinary action up to and including termination of employment.

## **PERSONAL BOOK**

Personal Book can be one of your most valuable tools for building and maintaining your personal trade. It provides you with an easy way to record and access information about your customers — including names, addresses, telephone numbers and their interests, preferences and purchase history. Personal Book can be invaluable to you in keeping your customers informed about new merchandise, sales and promotions.

Using Personal Book on a daily basis can also help you develop a reputation for excellent follow-through and service. You'll find, for example, that it will build your customers' trust in your commitment to serving them in a professional manner. Your Department Manager can help you learn to manage and use Personal Book to ensure that it will be as useful as possible. You are expected to utilize Personal Book in an ethical and appropriate manner, including only entering accurate customer information.

Keep in mind that Personal Book and its contents are confidential and the property of Nordstrom. Use it in accordance with the Confidentiality and Nondisclosure Expectations (see page 9) and the Nordstrom Privacy Policy on nordstrom.com. In addition, should your employment with Nordstrom end, your Personal Book must be returned to Nordstrom and no copying of your Personal Book is allowed.

## **YOUR FINANCIAL RESPONSIBILITY WITH NORDSTROM**

We expect you to use good judgment when it comes to writing personal checks to Nordstrom, using your



Nordstrom MOD card and keeping your Nordstrom account(s) current and in good standing. However, if this becomes a problem, the following steps will occur if a check or MOD card is written off or you are delinquent on your Nordstrom account(s).

The first offense will result in a meeting with your Department Manager or Store Manager.

The second offense will result in another meeting with your Department Manager or Store Manager, at which time you will be notified that your employment will be terminated should it occur again.

The third offense will result in the termination of your employment with Nordstrom.

A check or MOD card that has been written off or a Nordstrom account that is two months past due constitutes an offense.

After an offense occurs, Nordstrom still expects you to repay the monies you owe and/or bring your account current. In the case of a written-off check or MOD card, you are expected to work out a repayment plan. If you default on this plan, your employment with Nordstrom may be terminated. In addition, if you do not bring your account current and it is subsequently written off, then your employment is subject to termination (unless the account and/or check and/or MOD card is included in bankruptcy).

### **RESPECTING PRIVACY: NORDSTROM AND YOU**

Nordstrom is committed to respecting your privacy. We take great care to protect your personal information such as your name, address and Social Security number.

Nordstrom has appropriate safeguards in place to ensure your personal information, which includes health information, is not unnecessarily disclosed without your authorization. The Company limits access to your personal information, as well as ensures that proper destruction of records occurs.

A federal privacy regulation under the Health Insurance Portability and Accountability Act (HIPAA) exists to control the use and disclosure of protected health information and ensure your rights with respect to your health information. We want to take this opportunity to communicate how Nordstrom upholds our own privacy standards, as well as assure you of the Company's compliance with this regulation.

The Nordstrom Health Plan's Notice of Privacy Practices was created to further explain your rights as they relate to the protection of your health information. It lists Nordstrom's responsibilities to you as well as who you should contact in the event you have a privacy concern. You can find a copy of the Notice in your Healthy Wealthy Wise summary plan description (SPD), available online at [www.nord-life.com](http://www.nord-life.com).

Just as Nordstrom is committed to respecting your privacy, it is equally important that we respect the privacy of our customers. As a Nordstrom employee, you are expected to protect the sensitive, private and confidential nature of all customer information.

In accordance with the Nordstrom Customer Privacy Policy (posted on Nordnet and on [nordstrom.com](http://nordstrom.com)), you have a responsibility to safeguard customer information such as name, address, phone number, Social Security number and credit card data. The Company's Confidentiality and Nondisclosure Expectations (see page 9) further explain your responsibilities to ensure that sensitive information is not unnecessarily disclosed. Failure to comply with these expectations may result in disciplinary action up to and including termination of employment.

Should you have questions about your privacy or that of our customers here at Nordstrom, please speak to your Human Resource Manager or Store Manager.

### **RECORDING WORK HOURS**

Nordstrom pays for all the time you work. Therefore, it's important that your time is recorded accurately. It is your responsibility to use a timeclock each time you arrive or leave work or when you take a meal period. Timeclocks are available at all our work locations. If your work takes you where a timeclock is not provided, you need to fill out a Special Activity Time Sheet, available in your Human Resource office.

Under no circumstances should you record time in which you were not actually working for Nordstrom. In addition, you may not ask someone else to record your work hours for you.

It's important that you understand that failure to comply with the above expectations may result in disciplinary action up to and including termination of employment.

#### **HANDLING EXCHANGES OF MERCHANDISE**

In our continuing effort to ensure employees are being compensated properly, the following procedures need to be followed relating to exchanges and re-writes within all selling departments.

##### **Original salesperson is present and available**

If a customer brings in merchandise to exchange and the original salesperson is present and available, then the original salesperson is the one who takes care of the customer's needs.

##### **Original salesperson is not present or available**

If the original salesperson is not present or available, re-writing procedures are based on whether the customer needs assistance in selecting a new size or style.

If the customer does not need or request assistance, then the original salesperson's employee number should be used for both the return and the sale.

If a customer has an exchange to make, either in style or size, and the customer does need to be serviced, the sale may be re-written. The original salesperson should be charged for the return, and the new salesperson assisting the customer is given credit for the sale.

At no time should a salesperson ring a return on his/her employee number for merchandise he/she did not originally sell.

#### **NORDSTROM BANK CALL-MONITORING AND RECORDING PROCEDURES**

In an effort to ensure that our customers are receiving the best possible customer service, and also for legal- and security-related reasons, we have a practice in place regarding calls to Credit division locations, including the Credit division's affiliate, Nordstrom Bank. Authorized representatives of Nordstrom, Inc. and/or Nordstrom Bank may, from time to time, monitor (listen in on), record and later review your telephone calls to Nordstrom Bank locations (for example, the Santa Ana and Denver Service Centers).

Monitoring and recording of your calls may occur at any time during the workday and for any length of time. Monitoring and recording of calls will occur without indication to you. Please also be aware that you do not have the option to prevent phone calls you make to Nordstrom Bank locations from being monitored and/or recorded.

In the event an opportunity for improving customer service is discovered during the monitoring and/or recording and review process, it may be used for coaching purposes, for performance reviews and/or for disciplinary action up to and including termination of employment.

#### **WAIVERS**

Nordstrom takes compliance with the principles laid out in this document very seriously, and any waivers of strict compliance will be made in limited, special circumstances. For all employees, including Nordstrom's Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer or Controller, or persons performing similar functions, any waiver will require prior approval of either the Board of Directors or the Corporate Governance and Nominating Committee, along with prompt disclosure to shareholders.

#### **REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR**

In the event you observe illegal or unethical behavior, you have a responsibility to speak to your Department Manager, Human Resource Manager or Diversity Affairs Director. If you feel more comfortable communicating on an anonymous or confidential basis, you may forward your complaint to the Nordstrom Compliance Officer through a confidential voice mail hotline at (866) 237-0842. Retaliation against you for reporting your concern in good faith will not be tolerated.

The Nordstrom Code of Business Conduct and Ethics covers a wide range of business practices and procedures. Our intent in providing a code of conduct is to offer a framework to help you understand the

core philosophies of Nordstrom business — what we value and expect in our daily operations — and to guide you as you make on-the-job decisions. If you have any questions about the Nordstrom Code of Business Conduct and Ethics or need assistance in making a decision in keeping with its guidelines, please see your Manager.

## Performance Reviews

One of our goals at Nordstrom is to provide timely and effective performance feedback to every employee in both formal and informal ways. Regular feedback allows managers and employees to partner in addressing performance opportunities as well as building on strengths.

Your Manager will use formal performance review tools throughout the year to ensure that feedback is fair and consistent. This process also provides an opportunity for your Manager to explain performance expectations and how they relate to compensation.

In addition to formal performance feedback, Managers will provide informal on-the-job coaching as needed.

## The Nordstrom Experience

We want to give you the tools and information you need to make the most of your career here and to take advantage of the entrepreneurial spirit that we feel is so important to our collective success. So, please take the time to go through all the information in this packet. In the Safety booklet, for example, you'll find processes and instructions for keeping Nordstrom a safe place for our customers and coworkers. In the Rewards booklet, you'll learn more about the pay and benefits that make up your compensation.

We're happy to have you on board and look forward to the successes we'll share.