

Executive Incentive Plan

Under the Executive Incentive Plan, the Compensation Committee approves stock awards to executive officers and certain senior executives. RSUs generally vest ratably over a service period of four years. PSUs generally vest over a performance period of three years. The number of shares the PSU holder receives is based on the extent to which the corresponding performance goals have been achieved.

Activity for All Stock Plans

The fair value of stock awards was estimated on the date of grant using the following assumptions:

Year ended June 30,	2023	2022	2021
Dividends per share (quarterly amounts)	\$ 0.62 – 0.68	\$ 0.56 – 0.62	\$ 0.51 – 0.56
Interest rates	2.0% – 5.4%	0.03% – 3.6%	0.01% – 1.5%

During fiscal year 2023, the following activity occurred under our stock plans:

	Shares	Weighted Average Grant-Date Fair Value
	(In millions)	
Stock Awards		
Nonvested balance, beginning of year	93	\$ 227.59
Granted ^(a)	56	252.59
Vested	(44)	206.90
Forfeited	(9)	239.93
Nonvested balance, end of year	96	\$ 250.37

(a) Includes 1 million, 1 million, and 2 million of PSUs granted at target and performance adjustments above target levels for fiscal years 2023, 2022, and 2021, respectively.

As of June 30, 2023, total unrecognized compensation costs related to stock awards were \$18.6 billion. These costs are expected to be recognized over a weighted average period of three years. The weighted average grant-date fair value of stock awards granted was \$252.59, \$291.22, and \$221.13 for fiscal years 2023, 2022, and 2021, respectively. The fair value of stock awards vested was \$11.9 billion, \$14.1 billion, and \$13.4 billion, for fiscal years 2023, 2022, and 2021, respectively. As of June 30, 2023, an aggregate of 164 million shares were authorized for future grant under our stock plans.

Employee Stock Purchase Plan

We have an ESPP for all eligible employees. Shares of our common stock may be purchased by employees at three-month intervals at 90% of the fair market value on the last trading day of each three-month period. Employees may purchase shares having a value not exceeding 15% of their gross compensation during an offering period.

Employees purchased the following shares during the periods presented:

(Shares in millions)

Year Ended June 30,	2023	2022	2021
Shares purchased	7	7	8
Average price per share	\$ 245.59	\$ 259.55	\$ 207.88

As of June 30, 2023, 74 million shares of our common stock were reserved for future issuance through the ESPP.