

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 four-year service period. PSUs generally vest over a three-year performance period. 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,	2018	2017	2016
Dividends per share (quarterly amounts)	\$ 0.39 - \$ 0.42	\$ 0.36 - \$ 0.39	\$ 0.31 - \$ 0.36
Interest rates	1.7% - 2.9%	1.2% - 2.2%	1.1% - 1.8%

During fiscal year 2018, the following activity occurred under our stock plans:

	Shares	Weighted Average Grant-Date Fair Value
	(In millions)	
Stock Awards		
Nonvested balance, beginning of year	201	\$ 46.32
Granted ^(a)	70	75.88
Vested	(80)	45.74
Forfeited	(17)	53.41
Nonvested balance, end of year	<u>174</u>	<u>57.85</u>

(a) Includes 3 million, 2 million, and 1 million of PSUs granted at target and performance adjustments above target levels for fiscal years 2018, 2017, and 2016, respectively.

As of June 30, 2018, there was approximately \$7.0 billion of total unrecognized compensation costs related to stock awards. These costs are expected to be recognized over a weighted average period of 3 years. The weighted average grant-date fair value of stock awards granted was \$75.88, \$55.64, and \$41.51 for fiscal years 2018, 2017, and 2016, respectively. The fair value of stock awards vested was \$6.6 billion, \$4.8 billion, and \$3.9 billion, for fiscal years 2018, 2017, and 2016, respectively.

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,	2018	2017	2016
Shares purchased	13	13	15
Average price per share	\$ 76.40	\$ 56.36	\$ 44.83

As of June 30, 2018, 116 million shares of our common stock were reserved for future issuance through the ESPP.