

Nordstrom, Inc.

Notes to Consolidated Financial Statements

Dollar and share amounts in millions except per share, per option and per unit amounts

A summary of restricted stock unit activity (excluding Trunk Club) for 2014 is presented below:

Fiscal year	2014	
	Shares	Weighted-average grant date fair value per unit
Outstanding, beginning of year	0.0	\$56
Granted	0.5	63
Vested	0.0	56
Forfeited	0.0	61
Outstanding, end of year	0.5	\$63

The total fair value of restricted stock units vested during 2014 was \$1. As of January 31, 2015, the total unrecognized stock-based compensation expense related to nonvested restricted stock units was \$25, which is expected to be recognized over a weighted-average period of 38 months.

Trunk Club

As discussed in Note 2: Trunk Club Acquisition, some of the Nordstrom stock issued as consideration for our acquisition includes ongoing vesting requirements for Trunk Club's employees. These amounts are recorded as compensation expense as the related service is performed over the respective employee vesting periods of up to four years after the acquisition date.

The weighted-average grant date fair value of stock options granted was \$59 per share. As of January 31, 2015, the total unrecognized stock-based compensation expense related to Trunk Club options was \$13, which is expected to be recognized over a weighted-average period of 32 months. The total intrinsic value of Trunk Club options exercised during 2014 was \$8, while the total fair value of Trunk Club stock options vested during 2014 was \$2. A summary of the stock option activity related to Trunk Club is as follows:

Fiscal year	2014			
	Shares	Weighted-average exercise price	Weighted-average remaining contractual life (years)	Aggregate intrinsic value
Outstanding, beginning of year	—	\$—		
Granted	0.5	4		
Exercised	(0.1)	3		
Forfeited or cancelled	0.0	6		
Outstanding, end of year	0.4	\$4	8	\$24
Options exercisable at end of year	0.1	\$4	8	\$4
Options vested or expected to vest at end of year	0.3	\$4	8	\$24

The total unrecognized stock-based compensation expense related to Trunk Club restricted stock was \$21, which is expected to be recognized over a weighted-average period of 30 months. A summary of the restricted stock award activity related to Trunk Club is as follows:

Fiscal year	2014	
	Shares	Weighted-average grant date fair value per unit
Outstanding, beginning of year	—	\$—
Granted	0.5	69
Vested	(0.1)	69
Forfeited	—	—
Outstanding, end of year	0.4	\$69