

NIKE INC
Form DEF 14A
July 25, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
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))
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NIKE, INC.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

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To Our Shareholders:

You are cordially invited to attend the annual meeting of shareholders of NIKE, Inc. to be held at the Tiger Woods Conference Center, One Bowerman Drive, Beaverton, Oregon 97005-6453, on Thursday, September 21, 2017, at 10:00 A.M. Pacific Time. Registration will begin at 9:00 A.M.

The meeting will consist of a brief presentation followed by the business items listed on the attached notice.

Whether or not you plan to attend, the prompt execution and return of your proxy card will both assure that your shares are represented at the meeting and minimize the cost of proxy solicitation.

Sincerely,

Mark G. Parker
Chairman of the Board
July 25, 2017

Notice of Annual Meeting
of Shareholders

September 21, 2017

To the Shareholders of NIKE, Inc.

The annual meeting of shareholders of NIKE, Inc., an Oregon corporation, will be held on Thursday, September 21, 2017, at 10:00 A.M., at the Tiger Woods Conference Center, One Bowerman Drive, Beaverton, Oregon 97005-6453, for the following purposes:

1. To elect the 11 directors named in the accompanying proxy statement for the ensuing year.
2. To approve executive compensation by an advisory vote.
3. To hold an advisory vote on the frequency of advisory votes on executive compensation.
4. To approve the NIKE, Inc. Long-Term Incentive Plan, as amended.
5. To consider a shareholder proposal regarding political contributions disclosure as described in the accompanying proxy statement, if properly presented at the meeting.
6. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm.
7. To transact such other business as may properly come before the meeting.

All shareholders are invited to attend the meeting. Shareholders of record at the close of business on July 21, 2017, the record date fixed by the Board of Directors, are entitled to notice of and to vote at the meeting. You must present your proxy, voter instruction card, or meeting notice for admission.

By Order of the Board of Directors,

Whether or not you intend to be present at the meeting, please sign and date the enclosed proxy and return it in the enclosed envelope, or vote by telephone or online following the instructions on the proxy.

Ann M. Miller

Vice President and Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders To Be Held on September 21, 2017. The proxy statement and NIKE, Inc.'s 2017 Annual Report to Shareholders are available electronically at www.investorvote.com or www.proxyvote.com, for registered and beneficial owners, respectively.

Whether or not you intend to be present at the meeting, please sign and date the enclosed proxy and return it in the enclosed envelope, or vote by telephone or online following the instructions on the proxy.

CORPORATE GOVERNANCE

Proxy Statement

Proxy Statement

We are furnishing proxy materials to our shareholders primarily via the Internet by mailing a Notice of Internet Availability of Proxy Materials, or “Notice”, instead of mailing printed copies of those materials to each shareholder. The Notice directs shareholders to a website where they can access our proxy materials, including our proxy statement and our annual report, and view instructions on how to vote via the Internet or by telephone. If you would prefer to receive a paper copy of our proxy materials, please follow the instructions included in the Notice. If you have previously elected to receive our proxy materials electronically, you will continue to receive access to these materials electronically unless you elect otherwise.

The enclosed proxy is solicited by the Board of Directors of NIKE, Inc. (“NIKE” or the “Company”) for use at the annual meeting of shareholders to be held on September 21, 2017, and at any adjournment thereof (the “Annual Meeting”). Our principal executive offices are located at One Bowerman Drive, Beaverton, Oregon 97005-6453. This proxy statement is first being made available to shareholders on or about August 4, 2017. Shareholders may submit a proxy to vote at the Annual Meeting by following the instructions on the Notice, via the Internet, by telephone, or (if they have received paper copies of the proxy materials) by returning a proxy card.

The Company will bear the cost of soliciting proxies. In addition to soliciting proxies by mail, certain officers and employees of the Company, without extra compensation, may also solicit proxies personally or by telephone. Copies of proxy solicitation materials will be furnished to fiduciaries, custodians and brokerage houses for forwarding to the beneficial owners of shares held in their names.

Shares that are properly voted via the Internet or by telephone or for which proxy cards are properly executed and received by the Company prior to the Annual Meeting will be voted in accordance with the instructions specified in such proxies. Where no instructions are given, shares will be voted “FOR” the election of each of the named nominees for director (Proposal 1), “FOR” the proposal regarding an advisory vote to approve executive compensation (Proposal 2), “EVERY YEAR” for the proposal regarding an advisory vote on the frequency of advisory votes on executive compensation (Proposal 3), “FOR” the approval of the NIKE, Inc. Long-Term Incentive Plan, as amended (Proposal 4), “AGAINST” the shareholder proposal regarding political contributions (Proposal 5), and “FOR” the ratification of the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm (Proposal 6).

A shareholder giving the enclosed proxy has the power to revoke it at any time before it is exercised by affirmatively electing to vote in person at the meeting or by delivering to Ann M. Miller, Vice President and Corporate Secretary of NIKE, either an instrument of revocation or an executed proxy bearing a later date.

Voting Securities and Vote Required

Holders of record of NIKE’s Class A Common Stock (“Class A Stock”) and holders of record of NIKE’s Class B Common Stock (“Class B Stock”) at the close of business on July 21, 2017 will be entitled to vote at the Annual Meeting. On that date, 329,245,752 shares of Class A Stock and 1,312,148,057 shares of Class B Stock were issued and outstanding. Neither class of Common Stock has cumulative voting rights.

Each share of Class A Stock and each share of Class B Stock is entitled to one vote on every matter submitted to the shareholders at the Annual Meeting.

A majority of the votes entitled to be cast on Proposal 1, the election of directors, by each of the Class A Stock and Class B Stock separately constitutes a quorum of Class A Stock and Class B Stock, respectively, for action on Proposal 1. The holders of Class A Stock and the holders of Class B Stock will vote separately on Proposal 1. Holders of Class B Stock are currently entitled to elect 25 percent of the total Board, rounded up to the next whole number. Holders of Class A Stock are currently entitled to elect the remaining directors. Under this formula, holders of Class B Stock, voting separately, will elect three directors, and holders of Class A Stock, voting separately, will elect eight directors. Under Oregon law, if a quorum of each class of common stock is present at the meeting, the three director nominees who receive the greatest number of votes cast by holders of Class B Stock and the eight director nominees who receive the greatest number of votes cast by holders of Class A Stock will be elected directors.

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A majority of the votes entitled to be cast on Proposals 2, 3, 4, 5 and 6 by both Class A Stock and Class B Stock together constitutes a quorum for action on those proposals. Holders of Class A Stock and holders of Class B Stock will vote together as one class on Proposals 2, 3, 4, 5 and 6. If a quorum is present at the meeting, Proposals 2, 3, 4, 5 and 6 will be approved if the votes cast in favor of the proposal exceeds the votes cast against the proposal. Abstentions and broker non-votes are counted for purposes of determining whether a quorum exists. Abstentions and broker non-votes are not included as votes cast and will not affect the outcome of any of the proposals. Broker non-votes occur when a person holding shares in street name, such as through a brokerage firm, does not provide instructions as to how to vote those shares and the broker does not then vote those shares on the shareholder's behalf.

NIKE, INC. 2017 Notice of Annual Meeting 1

CORPORATE GOVERNANCE

Board of Directors

CORPORATE GOVERNANCE

Board of Directors

The Board of Directors is currently composed of nine independent directors and three directors who are not independent under the New York Stock Exchange (the “NYSE”) listing rules. During fiscal 2017, there were five meetings of the Board and all directors attended at least 75 percent of the total number of meetings of the Board and committees on which he or she served. The Company encourages all directors to attend each annual meeting of shareholders, and all directors serving at the time of the 2016 annual meeting attended the 2016 annual meeting.

Board Committees

The Board’s current standing committees are an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, a Finance Committee, a Corporate Responsibility and Sustainability Committee, and an Executive Committee. The Board may also appoint other committees from time to time. Each standing committee has a written charter; all such charters, as well as the Company’s corporate governance guidelines, are available at the Company’s corporate website: <http://investors.nike.com> and will be provided in print to any shareholder who submits a request in writing to NIKE Investor Relations, One Bowerman Drive, Beaverton, Oregon 97005-6453.

The Executive Committee is authorized to act on behalf of the Board on all corporate actions for which applicable law does not require participation by the full Board. In practice, the Executive Committee acts in place of the full Board only when emergency issues or scheduling conflicts make it difficult or impracticable to assemble the full Board. All actions taken by the Executive Committee must be reported at the next Board meeting. The Executive Committee held no formal meetings during fiscal 2017, but took action pursuant to written consent resolutions.

The Audit Committee is responsible for the engagement or discharge of the independent registered public accountants, reviews and approves services provided by the independent registered public accountants, and reviews with the independent registered public accountants the scope and results of their annual audit of the Company’s consolidated financial statements and any recommendations they may have. The Audit Committee also reviews the Company’s procedures with respect to maintaining books and records, the adequacy and implementation of internal auditing, accounting, disclosure, and financial controls, the Company’s policies concerning financial reporting and business practices, and the Company’s information security and data protection procedures. The Board has determined that each member of the Audit Committee meets all applicable independence and financial literacy requirements under the NYSE listing standards and applicable regulations adopted by the U.S. Securities and Exchange Commission (the “SEC”). The Board has also determined that Mr. Alan B. Graf, Jr. is an “audit committee financial expert” as defined in regulations adopted by the SEC.

The Compensation Committee evaluates the performance of the Chief Executive Officer (“CEO”), reviews the performance evaluations of our other Named Executive Officers, and recommends their compensation for approval by the independent members of the Board (other than the incentive compensation approved solely by the Compensation Committee as described below). The Compensation Committee also grants equity incentive awards under the NIKE, Inc. Stock Incentive Plan, and determines targets and awards under the NIKE, Inc. Executive Performance Sharing Plan and the NIKE, Inc. Long-Term Incentive Plan. The Committee also makes recommendations to the Board regarding other executive incentive compensation arrangements and profit sharing plan contributions. The Board has determined that each member of the Compensation Committee meets all applicable independence requirements under the NYSE listing standards.

The Nominating and Corporate Governance Committee identifies individuals qualified to become Board members, recommends director nominees for election at each annual shareholder meeting, and develops and recommends corporate governance guidelines and standards for business conduct and ethics. The Committee also oversees the annual self-evaluations of the Board and its committees and makes recommendations to the Board concerning the structure and membership of the other Board committees. The Board has determined that each member of the

Nominating and Corporate Governance Committee meets all applicable independence requirements under the NYSE listing standards.

The Finance Committee reviews the Company's annual operating budget and recommends approval of the budget to the Board, considers long-term financing options, long-range tax, financial regulatory and foreign currency issues facing the Company, and management recommendations concerning capital deployment strategy, major capital expenditures and material acquisitions or divestitures.

The Corporate Responsibility and Sustainability Committee reviews significant strategies, activities and policies regarding sustainability (including labor practices), community impact and charitable activities, and makes recommendations regarding the same to the Board.

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CORPORATE GOVERNANCE

Board of Directors

The table below provides information regarding the current membership of each standing Board committee and meetings held during fiscal 2017:

Director Name	Audit	Compensation	Nominating and Corporate Governance	Corporate Responsibility and Sustainability	Finance	Executive
Elizabeth J. Comstock		ü			ü	
John G. Connors	ü				Chair	
Timothy D. Cook*		Chair	ü			
John J. Donahoe II	ü		ü		ü	
Alan B. Graf, Jr.	Chair		ü			
Travis A. Knight				ü		ü
John C. Lechleiter		ü	Chair		ü	
Mark G. Parker**						Chair
Michelle A. Peluso	ü			ü		
Johnathan A. Rodgers		ü		ü		
John R. Thompson, Jr.				ü		
Phyllis M. Wise			ü	Chair		
Meetings in Fiscal 2017	14	5	5	5	5	-

* Effective June 30, 2016, Mr. Cook was appointed Lead Independent Director of the Board.

** Effective June 30, 2016, Mr. Parker was appointed Chairman of the Board and Chair of the Executive Committee.

Director Independence

Pursuant to NYSE rules, in order for a director to qualify as “independent,” the Board of Directors must affirmatively determine that the director has no material relationship with the Company that would impair the director’s independence. The Board affirmatively determined that commercial or charitable relationships below the following thresholds will not be considered material relationships that impair a director’s independence: (i) if a NIKE director or immediate family member is an executive officer of another company that does business with NIKE and the annual sales to, or purchases from, NIKE are less than one percent of the annual revenues of the other company; and (ii) if a NIKE director or immediate family member serves as an officer, director or trustee of a charitable organization, and NIKE’s contributions to the organization are less than one percent of that organization’s total annual charitable receipts. After applying this categorical standard, the Board has determined that the following directors who served during fiscal 2017 - Elizabeth J. Comstock, John G. Connors, Timothy D. Cook, John J. Donahoe II, Alan B. Graf, Jr., John C. Lechleiter, Michelle A. Peluso, Johnathan A. Rodgers, and Phyllis M. Wise - have no material relationship with the Company and, therefore, are independent. Messrs. Knight, Parker, and Thompson were not independent pursuant to

NYSE rules. Mr. Parker was not independent pursuant to NYSE rules because he was an executive officer of the Company during fiscal 2017. Mr. Travis Knight was not independent pursuant to NYSE rules because he is the son of NIKE's co-founder and former Chairman of the Board, Mr. Philip Knight, who was an executive officer of the Company and currently serves as Chairman Emeritus. Mr. Thompson was not independent pursuant to NYSE rules because the Company has a contract with his son, John Thompson III, who was head basketball coach at Georgetown University during fiscal 2017, to provide endorsement and consulting services to the Company. The compensation paid to Messrs. Philip Knight and John Thompson III is described under "Transactions with Related Persons" below.

Director Nominations

The Nominating and Corporate Governance Committee identifies potential director candidates through a variety of means, including recommendations from members of the Committee or the Board, suggestions from Company management, and shareholder recommendations. The Committee also may, in its discretion, engage director search firms to identify candidates. Shareholders may recommend director candidates for consideration by the Nominating and Corporate Governance Committee by submitting a written recommendation to the Committee, c/o Ann M. Miller, Vice President and Corporate Secretary, NIKE, Inc., One Bowerman Drive, Beaverton, Oregon 97005-6453. The recommendation should include the candidate's name, age, qualifications (including principal occupation and employment history), and written consent to be named as a nominee in the Company's proxy statement and to serve as a director, if elected.

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CORPORATE GOVERNANCE

Board of Directors

The Board of Directors has adopted qualification standards for the selection of non-management nominees for director, which can be found at our corporate website: <http://investors.nike.com>. As provided in these standards and the Company's Corporate Governance Guidelines, nominees for director are selected on the basis of, among other things, distinguished business experience or other non-business achievements; education; significant knowledge of international business, finance, marketing, technology, law, or other fields which are complementary to, and balance the knowledge of, other Board members; a desire to represent the interests of all shareholders; independence; character; ethics; good judgment; diversity; and ability to devote substantial time to discharge Board responsibilities. The Nominating and Corporate Governance Committee identifies qualified potential candidates without regard to their age, gender, race, national origin, sexual orientation, or religion. While the Board has no policy regarding Board member diversity, the Nominating and Corporate Governance Committee considers and discusses diversity in selecting director nominees and in the re-nomination of an incumbent director. The Committee views diversity broadly, including gender, ethnicity, differences of viewpoint, geographic location, skills, education, and professional and industry experience, among others and believes that the Board is diverse across all spectrums. The Board believes that a variety and balance of perspectives on the Board results in more thoughtful deliberations.

In considering the re-nomination of an incumbent director, the Nominating and Corporate Governance Committee reviews the director's overall service to the Company during his or her term, including the number of meetings attended, level of participation and quality of performance, as well as any special skills, experience or diversity that such director brings to the Board. All potential new director candidates, whether recommended by shareholders or identified by other means, are initially screened by the Chair of the Nominating and Corporate Governance Committee, who may seek additional information about the background and qualifications of the candidate, and who may determine that a candidate does not have qualifications that merit further consideration by the full Committee. With respect to new director candidates who pass the initial screening, the Nominating and Corporate Governance Committee meets to discuss and consider each candidate's qualifications and potential contributions to the Board, and determines by majority vote whether to recommend such candidates to the Board. The final decision to either appoint a candidate to fill a vacancy between annual meetings or include a candidate on the slate of nominees proposed at an annual meeting is made by the Board.

It is the general policy of the Board that directors first elected after the fiscal year ended May 31, 1993 will not stand for re-election after reaching the age of 72. Dr. Wise, who has served on the Board since 2009, has announced her retirement and will not stand for re-election to the Board at the 2017 Annual Meeting.

Shareholder Communications with Directors

Shareholders or interested parties desiring to communicate directly with the Board of Directors, with the non-management directors or with any individual director may do so in writing addressed to the intended recipient or recipients, c/o Ann M. Miller, Vice President and Corporate Secretary, NIKE, Inc., One Bowerman Drive, Beaverton, Oregon 97005-6453. All such communications will be reviewed, compiled as necessary, and then forwarded to the designated recipient or recipients in a timely manner.

Board Leadership Structure

NIKE's governing documents provide the Board of Directors with flexibility to select the appropriate leadership structure of the Company. In determining the leadership structure, the Board considers many factors, including the specific needs of the business, fulfilling the duties of the Board, and the best interests of the Company's shareholders. In 2004, the Board chose to separate the position of Chairman of the Board from the position of President and CEO; this was not a permanent policy of the Board. On June 30, 2016, the Company announced that the Chairman, Philip Knight, retired from the Board and that the Board appointed Mark Parker, the Company's President and CEO since 2006, to the additional position of Chairman of the Board. As Chairman, Mr. Parker presides over meetings of the

Board and shareholders. As President and CEO, Mr. Parker is in charge of the general supervision, direction, and control of the business and affairs of the Company, subject to the overall direction and supervision of the Board and its committees.

Given Mr. Philip Knight's retirement and, as the Company's President and CEO since 2006, Mr. Parker's unique knowledge of the Company's business, particular experience, talent and tenure, the Board believes this leadership structure is appropriate for the Company. The structure permits Mr. Parker, by serving as both Chairman and CEO, to draw on his knowledge of the operations of the business, industry developments, customers, shareholders and employees in providing leadership on the broad strategic issues considered by the Board.

The Nominating and Corporate Governance Committee determined that given the appointment of Mr. Parker as Chairman in addition to his positions of President and CEO, a lead independent director would ensure strong independent leadership of the Board. On June 30, 2016, the Company announced that the Board appointed Tim Cook, CEO of Apple, Inc., as Lead Independent Director of the Board to serve for a term of three years. As Lead Independent Director, Mr. Cook executes the following functions:

- serves as a liaison between the Chairman and the independent directors;
- approves the meeting agendas for the Board;
- advises the Chairman/CEO regarding the sufficiency, quality, quantity and timeliness of information provided to the Board;
- ensures that meeting schedules permit sufficient time for discussion of all agenda items;
 - provides consultation and direct communication with major shareholders, if requested;
- presides at meetings of the Board at which the Chairman/CEO is not present, including executive sessions; and
- performs other duties specified in the Lead Independent Director Charter.

The chairs of Board committees also play an active role in the leadership structure of the Board. The Nominating and Corporate Governance Committee and the Board endeavor to select independent committee chairs who will provide strong leadership to guide the important work of the Board committees. Committee chairs work with the Company's senior executives to ensure the committees are discussing the key strategic risks and opportunities of the Company. In the absence of the lead independent director, a presiding director is appointed to chair executive sessions of

CORPORATE GOVERNANCE

Board of Directors

non-management directors (consisting of all directors other than Mr. Parker). The position of presiding director is rotated among the chairs of the various Board committees, other than the Executive Committee. Executive sessions are regularly scheduled and held at least once each year.

On June 30, 2016, the Board appointed Mr. Philip Knight to the position of Chairman Emeritus, with a standing invitation to attend meetings of the Board and its committees as a non-voting observer. The Board believed and continues to believe that it will benefit from the valuable experience and insights of the former Chairman of the Board.

For all of these reasons, the Board believes this leadership structure is optimal.

The Board's Role in Risk Oversight

While the Company's management is responsible for day-to-day management of the various risks facing the Company, the Board of Directors takes an active role in the oversight of the management of critical business risks. The Board does not view risk in isolation. Risks are considered in virtually every business decision and as part of NIKE's business strategy. The Board recognizes it is neither possible nor prudent to eliminate all risk. Purposeful and appropriate risk-taking is essential for the Company to be competitive on a global basis and to achieve its strategic objectives. The Board implements its risk oversight function both as a whole and through committees, which play a significant role in carrying out risk oversight. While the Audit Committee is responsible for oversight of management's risk management policies, oversight responsibility for particular areas of risk is allocated among the Board committees according to the committee's area of responsibility as reflected in the committee charters. In particular:

The Audit Committee oversees risks related to the Company's financial statements, the financial reporting process, accounting, legal matters, information security, and data protection. The Audit Committee oversees the internal audit function, reviews a risk-based plan of internal audits, and reviews a risk-based integrated audit of internal controls over financial reporting. The Audit Committee meets separately with the Vice President of Corporate Audit and Chief Risk Officer, representatives of the independent registered public accountants, and senior management.

The Compensation Committee oversees risks and rewards associated with the Company's compensation philosophy and programs, management succession plans, and executive development.

The Finance Committee oversees financial matters and risks relating to budgeting, investments, access to capital, capital deployment, acquisitions and divestitures, currency risk and hedging programs, and significant capital projects. The Corporate Responsibility and Sustainability Committee oversees issues that involve reputational risk to the Company, including community engagement, and sustainability innovation relating to the Company's products, its supply chain, including labor practices, and the environment.

The Nominating and Corporate Governance Committee oversees risks associated with company governance, including NIKE's code of business conduct and its ethics, compliance programs, and the structure and performance of the Board and its committees.

Each committee chair works with the senior executive assigned to assist the committee to develop agendas for the year and for each meeting, paying particular attention to areas of business risk identified by management, Board members, internal and external auditors, and in their committee charter, and to schedule agenda topics, presentations, and discussions periodically regarding business risks within their area of responsibility. At meetings, the committees discuss areas of business risk, the potential impact, and management's initiatives to manage business risk, often within the context of important business decisions. Through this process key business risk areas are reviewed at appropriate times, with some topics reviewed on several occasions throughout the year. At every Board meeting each committee chair provides a report to the full Board outlining its discussions and actions, including those affecting the oversight of various risks.

The Company believes its leadership structure, discussed in detail above, supports the risk oversight function of the Board. Strong directors chair the various committees involved in risk oversight, there is open communication between

management and directors, and all directors are involved in the risk oversight function.

Code of Business Conduct and Ethics

The NIKE Code of Ethics (“Ethics Code”) is available at the Company’s corporate website: <http://investors.nike.com> and will be provided in print without charge to any shareholder who submits a request in writing to NIKE Investor Relations, One Bowerman Drive, Beaverton, Oregon 97005-6453. The Ethics Code applies to all of the Company’s employees and directors, including our chief executive officer and all other executive officers. The Ethics Code provides that any waiver of the Ethics Code may be made only by the Board. Any such waiver in favor of a director or executive officer will be publicly disclosed. The Company plans to disclose amendments to, and waivers from, the Ethics Code on the Company’s corporate website: <http://investors.nike.com>.

NIKE, INC. 2017 Notice of Annual Meeting 5

CORPORATE GOVERNANCE
PROPOSAL 1

Proposal 1 Election of Directors

A Board of 11 directors will be elected at the Annual Meeting. All of the nominees were elected at the 2016 annual meeting of shareholders. Directors will hold office until the next annual meeting of shareholders or until their successors are elected and qualified.

Mr. Alan B. Graf, Jr., Dr. John C. Lechleiter, and Ms. Michelle A. Peluso are nominated by the Board of Directors for election by the holders of Class B Stock. The other eight nominees are nominated by the Board for election by the holders of Class A Stock.

Under Oregon law, if a quorum of each class of shareholders is present at the Annual Meeting, the eight director nominees who receive the greatest number of votes cast by holders of Class A Stock and the three director nominees who receive the greatest number of votes cast by holders of Class B Stock will be elected directors. Abstentions and broker non-votes will have no effect on the results of the vote. Unless otherwise instructed, proxy holders will vote the proxies they receive for the nominees listed below. If any nominee becomes unable to serve, the holders of the proxies may, in their discretion, vote the shares for a substitute nominee or nominees designated by the Board.

The Bylaws and the Corporate Governance Guidelines of the Company provide that any nominee for director in an uncontested election who receives a greater number of votes “withheld” from his or her election than votes “for” such election shall tender his or her resignation for consideration by the Nominating and Corporate Governance Committee. The Committee will recommend to the Board the action to be taken with respect to the resignation. The Board will publicly disclose its decision within 90 days of the certification of the election results.

Background information on the nominees as of July 21, 2017, including some of the attributes that led to their selection, appears below. The Nominating and Corporate Governance Committee has determined that each director meets the qualification standards described in the section entitled “Director Nominations” above. In addition, the Board firmly believes that the experience, attributes, and skills of any single director should not be viewed in isolation, but rather in the context of the experience, attributes, and skills that all director nominees bring to the Board as a whole, each of which contributes to the function of an effective Board.

Nominees for Election by Class A Shareholders

Elizabeth J. Comstock

Ms. Comstock, 56, a director since 2011, is Vice Chair of General Electric Company (“GE”). Ms. Comstock leads GE’s efforts to accelerate new growth and operates GE Business Innovations, which includes Current, GE Lighting, GE Ventures & Licensing and GE sales, marketing and communications. At GE, she was appointed Vice President, Communications, NBC News Communications in 1994, Senior Vice President, NBC Corporate Communications in 1996, Vice President of Corporate Communications in 1998, Corporate Vice President and Chief Marketing Officer in 2003, President, NBC Universal Integrated Media in 2006, and Senior Vice President, Chief Marketing and Commercial Officer in 2008. Prior to joining GE in 1994, Ms. Comstock held a succession of positions at NBC, CBS, and Turner Broadcasting. Ms. Comstock is a trustee of the Cooper Hewitt, Smithsonian Design Museum. Ms. Comstock was selected to serve on the Board because her broad experience in, and understanding of, media, marketing, and innovation aligns well with the Company’s business model, which involves a great deal of each.

John G. Connors

Mr. Connors, 58, a director since 2005, is a partner in Ignition Partners LLC, a Seattle-area venture capital firm. Mr. Connors served as Senior Vice President and Chief Financial Officer of Microsoft Corporation from December 1999 to May 2005. He joined Microsoft in 1989 and held various management positions, including Corporate Controller from 1994 to 1996, Chief Information Officer from 1996 to 1999, and Vice President,

Worldwide Enterprise Group in 1999. Mr. Connors is currently a member of the board of directors of Splunk, Inc. and privately held companies Chef, Inc., Motif Investing, Inc., FiREapps, Inc., ICERTIS, Inc., Tempered Networks Inc., Azuqua, Inc., DataSphere Technologies, Inc., KenSci, the Washington Policy Center, and the University of Washington Tyee Club. Mr. Connors was selected to serve on the Board because his experience and skills in accounting, financial leadership, venture capital, technology, and international operations enable him to make valuable contributions to the Board.

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CORPORATE GOVERNANCE
PROPOSAL 1

Timothy D. Cook

Mr. Cook, 56, a director since 2005, is the Lead Independent Director of the Board of Directors of the Company and is the Chief Executive Officer of Apple, Inc. Mr. Cook joined Apple in March 1998 as Senior Vice President of Worldwide Operations and also served as its Executive Vice President, Worldwide Sales and Operations and Chief Operating Officer. Mr. Cook was Vice President, Corporate Materials for Compaq Computer Corporation from 1997 to 1998. Previous to his work at Compaq, Mr. Cook served in the positions of Senior Vice President Fulfillment and Chief Operating Officer of the Reseller Division at Intelligent Electronics from 1994 to 1997. Mr. Cook also worked for International Business Machines Corporation from 1983 to 1994, most recently as Director of North American Fulfillment. Mr. Cook is currently a member of the Board of Directors of the National Football Foundation and Apple, Inc. Mr. Cook also currently serves on the Board of Trustees for Duke University. Mr. Cook was selected to serve on the Board because his operational executive experience and his knowledge of technology, marketing, and international business allow him to provide the Board with valuable perspectives and insights.

John J. Donahoe II

Mr. Donahoe, 57, a director since June 2014, is President and Chief Executive Officer of ServiceNow, Inc. and also serves on its Board of Directors. Mr. Donahoe also serves as Chairman of PayPal Holdings, Inc. From 2008 through 2015, Mr. Donahoe served as President and Chief Executive Officer of eBay, Inc. (“eBay”), provider of the global eBay.com online marketplace and PayPal digital payments platform. Mr. Donahoe joined eBay in 2005 as President of eBay Marketplaces, responsible for eBay’s global e-Commerce businesses, and was appointed President and Chief Executive Officer in 2008. He also served on eBay’s Board of Directors from 2008 to 2015. Prior to joining eBay, Mr. Donahoe was the Chief Executive Officer and Worldwide Managing Director of Bain & Company from 1999 to 2005, and a Managing Director from 1992 to 1999. Mr. Donahoe currently serves on the Board of Trustees for The Bridgespan Group. He served on the Board of Directors of Intel Corporation from March 2009 until May 2017. He is also a member of the President’s Export Council. Mr. Donahoe was selected to serve on the Board because his experience in executive and financial management, strategic planning, branding, technology, and digital commerce, allow him to provide valued perspectives on each of these areas of the Company’s business.

Travis A. Knight

Mr. Knight, 43, a director since June 2015, is the President and Chief Executive Officer of the animation studio, LAIKA, LLC (“LAIKA”), which specializes in feature-length films. He has been involved in all principal creative and business decisions at LAIKA since its founding in 2003, serving in successive management positions as Lead Animator, Vice President of Animation, and then as President and Chief Executive Officer in 2009. Mr. Knight was Producer and Director of the feature film Kubo and the Two Strings (2017) which was nominated for an Academy Award and winner of the BAFTA award for Best Animated Film. Mr. Knight has served as Producer and Lead Animator on Academy Award-nominated feature-length films The Boxtrolls (2014) and ParaNorman (2012, for which he won an Annie Award for Outstanding Achievement in Character Animation), and Lead Animator for Coraline (2009). Prior to his work at LAIKA, Mr. Knight held various animation positions at Will Vinton Studios from 1998 to 2002, as a stop-motion animator for television series, commercials, and network promotions. He has been recognized for his work on the Emmy Award-winning stop-motion animated television series The PJs. Mr. Knight serves on the Board of Directors of LAIKA. He is the son of NIKE’s co-founder and former Chairman of the Board, Mr. Philip Knight, who currently serves as Chairman Emeritus. In addition, Mr. Travis Knight has a significant

CORPORATE GOVERNANCE
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role in the management of the Class A shares owned by Swoosh, LLC, strengthening the alignment of the Board with the interests of NIKE shareholders.

Mark G. Parker

Mr. Parker, 61, is Chairman of the Board of Directors of the Company, and has served as President and Chief Executive Officer and a director since 2006. He was named Chairman of the Board on June 30, 2016. He has been employed by NIKE since 1979 with primary responsibilities in product research, design and development, marketing, and brand management. Mr. Parker was appointed divisional Vice President in charge of product development in 1987, corporate Vice President in 1989, General Manager in 1993, Vice President of Global Footwear in 1998, and President of the NIKE Brand in 2001. Mr. Parker is currently a member of the Board of Directors of The Walt Disney Company. He has extensive knowledge and experience regarding Company operations, sports marketing, manufacturing, research, design, development, and management, and is an effective leader of NIKE. His position as Chief Executive Officer makes his position as Chairman of the Board critical.

Johnathan A. Rodgers

Mr. Rodgers, 71, a director since 2006, is a retired broadcast and cable television executive. Mr. Rodgers retired as the founding President and Chief Executive Officer of TV One, LLC in July 2011. Prior to joining TV One, LLC in March 2003, Mr. Rodgers was President of the Discovery Networks from 1996 to 2003. Prior to his work at Discovery Communications, Mr. Rodgers had a 20-year career at CBS, Inc. where he held a variety of executive positions, including President, CBS Television Stations Division and CBS News Executive Producer. Mr. Rodgers is currently a member of the Board of Directors of Comcast Corporation. Mr. Rodgers previously served as a director of Procter & Gamble and the National Cable & Telecommunications Association. Mr. Rodgers has been inducted into both the Advertising Hall of Fame and the Broadcasting and Cable Hall of Fame. Mr. Rodgers was selected to serve on the Board because his experience and knowledge in media, broadcasting, and telecommunications, his skills in executive leadership, and his knowledge of multicultural media allows him to provide valuable insights to the Board regarding corporate responsibility, diversity, compensation, and marketing.

John R. Thompson, Jr.

Mr. Thompson, 75, a director since 1991, was head coach of the Georgetown University men's basketball team from 1972 until 1998. Mr. Thompson was head coach of the 1988 United States Olympic basketball team. He hosted a sports radio talk show in Washington, D.C. for 13 years, and is a nationally broadcast sports analyst for Turner Network Television (TNT) and Dial Global, Inc. He serves as Assistant to the President of Georgetown University for Urban Affairs and he is a past President of the National Association of Basketball Coaches and presently serves on its Board of Governors. Mr. Thompson has honorary doctorate degrees from Wheeling Jesuit University, Georgetown University, University of the District of Columbia, and St. Peter's College. Mr. Thompson was selected to serve on the Board because his extensive experience and knowledge of education, college and professional sports, media, broadcasting, and knowledge of urban issues allow him to provide valuable insights to the Board regarding sports marketing, corporate responsibility and diversity.

Board Recommendation

The Board of Directors recommends that the Class A Shareholders vote FOR the election of nominees above to the Board of Directors.

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Nominees for Election by Class B Shareholders

Alan B. Graf, Jr.

Mr. Graf, 63, a director since 2002, is the Executive Vice President and Chief Financial Officer of FedEx Corporation (“FedEx”), a position he has held since 1998, and is a member of FedEx’s Executive Committee. Mr. Graf joined FedEx in 1980 and was Senior Vice President and Chief Financial Officer for FedEx Express, FedEx’s predecessor, from 1991 to 1998. He previously served on the board of directors of Kimball International Inc., Storage USA, Inc., and Arkwright Mutual Insurance Co., and he is currently a director of Mid-America Apartment Communities, Inc., Methodist Le Bonheur Healthcare, and the Indiana University Foundation. In March 2017, Mr. Graf was selected as the Chairman of the University of Memphis Board of Trustees. Mr. Graf was selected to serve on the Board because his experience and skills in auditing, accounting, financial management, executive leadership, and international operations enable him to effectively provide the Board with valuable perspectives and insights.

John C. Lechleiter

Dr. Lechleiter, 63, a director since 2009, is the former Chairman of the Board, President, and Chief Executive Officer of Eli Lilly and Company (“Lilly”). He served as President and Chief Executive Officer from April 1, 2008 until December 2016. He served as a member of Lilly’s board of directors from 2005 to May 2017 and as Chairman of Lilly’s board from January 2009 to May 2017. Dr. Lechleiter began work at Lilly as a senior organic chemist in Lilly’s process research and development division in 1979 and became head of that department in 1982. He later held roles in project management, regulatory affairs, product development, and pharmaceutical operations. He was named President and Chief Operating Officer in 2005. He is a member of the American Chemical Society. He served on the board of Pharmaceutical Research and Manufacturers of America from February 2008 until December 2016. He also served as Chairman of the U.S.-Japan Business Council until November 2016. He serves on the board of United Way Worldwide, and on the boards of the Chemical Heritage Foundation and Ford Motor Company. He is a member emeritus of the board of the Central Indiana Corporate Partnership. Dr. Lechleiter was selected to serve on the Board because his operational executive experience and his knowledge of science, marketing, management, and international business allow him to provide the Board with significant contributions in those strategic areas.

Michelle A. Peluso

Ms. Peluso, 45, a director since April 2014, is Chief Marketing Officer at IBM. She served as Chief Executive Officer of online shopping destination Gilt Groupe, Inc. (“Gilt”) from 2013 until its sale to Hudson’s Bay Company in February 2016, and was on Gilt’s board of directors from 2009 to 2016. Prior to joining Gilt in 2013, she served as Global Consumer Chief Marketing and Internet Officer of Citigroup Inc. from 2009 to 2013, and from 2002 to 2009, Ms. Peluso held senior management positions at Travelocity.com LP, being appointed Chief Operating Officer in 2003, and President and Chief Executive Officer in December 2003. Prior to joining Travelocity, in 1999 she founded Site59, an online travel site, serving as its Chief Executive Officer until its acquisition by Travelocity in 2002. Ms. Peluso was a director of OpenTable, Inc. from 2008 to 2012 and is a director of the nonprofit Technosense and Tech:NYC. She also is a Strategic Advisor at Technology Crossover Ventures. Ms. Peluso was selected to serve on the Board because of her extensive experience in, and understanding of, online retail, marketing, branding, and digital connections with consumers, which are integral components of the Company’s growth strategy.

Board Recommendation

The Board of Directors recommends that the Class B Shareholders vote FOR the election of nominees above to the Board of Directors.

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Director Compensation for Fiscal 2017

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (1)(2) (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (3) (\$)	Total (\$)
Elizabeth J. Comstock	90,000	165,011	—	16,961	271,972
John G. Connors	110,000	165,011	—	21,961	296,972
Timothy D. Cook	128,030	165,011	—	21,961	315,002
John J. Donahoe II	95,000	165,011	—	21,961	281,972
Alan B. Graf, Jr.	115,000	165,011	—	1,961	281,972
Travis A. Knight	90,000	165,011	—	2,435	257,446
John C. Lechleiter	105,000	165,011	—	21,961	291,972
Michelle A. Peluso	95,000	165,011	—	18,711	278,722
Johnathan A. Rodgers	90,000	165,011	—	14,461	269,472
John R. Thompson, Jr.	72,000	165,011	—	44,215	281,226
Phyllis M. Wise	105,000	165,011	—	21,961	291,972

Represents the grant date fair value of restricted stock awards granted in fiscal 2017 computed in accordance with accounting guidance applicable to stock-based compensation. The grant date fair value is based on the closing market price of our Class B Stock on the grant date. As of May 31, 2017, non-employee directors held the following number of outstanding shares of unvested restricted stock: Ms. Comstock, 2,978; Mr. Connors, 2,978; Mr. Cook, 2,978; Mr. Donahoe, 2,978; Mr. Graf, 2,978; Mr. Knight, 2,978; Dr. Lechleiter, 2,978; Ms. Peluso, 2,978; Mr. Rodgers, 2,978; Mr. Thompson, 2,978; and Dr. Wise, 2,978.

As of May 31, 2017, non-employee directors held outstanding options for the following numbers of shares of our Class B Stock: Ms. Comstock, 90,000; Mr. Connors, 90,000; Mr. Cook, 90,000; Dr. Lechleiter, 126,000; Mr. Rodgers, 138,000; and Dr. Wise, 110,000.

Includes matched contributions to charities in the following amounts: Ms. Comstock, \$15,000; Mr. Connors, \$20,000; Mr. Cook, \$20,000; Mr. Donahoe, \$20,000; Dr. Lechleiter, \$20,000; Ms. Peluso, \$16,750; Mr. Rodgers, \$12,500; Mr. Thompson, \$20,000; and Dr. Wise \$20,000 and dividends paid on restricted stock of \$2,435 to Mr. Knight and \$1,961 to all other non-employee directors. Also includes medical and life insurance premiums paid by the Company of \$22,254 for Mr. Thompson.

Director Fees and Arrangements

Under our standard director compensation program in effect for fiscal 2017, non-employee directors annually receive:

• An annual retainer of \$90,000, paid quarterly.

A restricted stock award valued at \$165,000 on the date of grant, generally, the date of each annual meeting of shareholders. The restricted stock award is subject to forfeiture in the event that service as a director terminates prior to the next annual meeting.

For the Lead Independent Director, an annual retainer of \$25,000, paid quarterly.

For chairs of board committees (other than the Executive Committee), an annual retainer of \$15,000 for each committee chaired (\$20,000 for the chair of the Audit Committee), paid quarterly.

For Audit Committee members, an additional annual retainer of \$5,000, paid quarterly.

Payment or reimbursement of travel and other expenses incurred in attending board meetings.

Matching charitable contributions under the NIKE Matching Gift Program, under which directors are eligible to contribute to qualified charitable organizations and we provide a matching contribution to the charities in an equal amount, up to \$20,000 in the aggregate for each director annually.

Mses. Comstock and Peluso, Messrs. Connors, Cook, Donahoe, Graf, Knight, and Rodgers, and Drs. Lechleiter and Wise participate in our standard director compensation program as described above.

Mr. Thompson does not participate in our standard director compensation program. Pursuant to his election made in fiscal 2000, Mr. Thompson receives an annual retainer of \$72,000 per year (instead of the \$90,000 annual retainer fee paid under our standard program). Pursuant to his election, Mr. Thompson also receives medical insurance and \$500,000 of life insurance coverage paid for by the Company. Additionally, on the date of each annual meeting of shareholders, Mr. Thompson receives an annual restricted stock award valued at \$165,000 on the date of grant on the same terms as apply to the restricted stock awards granted pursuant to our standard program. He is also eligible for payment or reimbursement of board-related expenses and participation in the NIKE Matching Gift Program on the same basis as other directors.

Stock Ownership Guidelines for Directors

On June 20, 2013, the Board of Directors adopted stock ownership guidelines for all non-employee directors. Under these guidelines, directors are required to hold NIKE stock valued at five times their annual cash retainer. Directors elected prior to June 20, 2013 are required to attain these ownership levels by June 20, 2018 and new directors within five years of their election to the Board.

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Director Participation in Deferred Compensation Plan

Under our Deferred Compensation Plan, non-employee directors may elect in advance to defer up to 100 percent of the director fees paid by the Company. For a description of the plan, see “Non-Qualified Deferred Compensation in fiscal 2017” below. In addition, in fiscal 2000, Mr. Thompson received credits to a fully vested NIKE stock account under the Deferred Compensation Plan in exchange for his waiver of rights to future payments under a former non-employee director retirement program. The Class B Stock credited to Mr. Thompson’s account is distributed to him upon his retirement from the Board and the account is credited with quarterly dividends until distributed.

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CORPORATE GOVERNANCE

Stock Holdings of Certain Owners and Management

The following table sets forth the number of shares of the class of NIKE securities beneficially owned, as of June 30, 2017, after giving effect to any transactions that occurred on such date, by (i) each person known to the Company to be the beneficial owner of more than 5 percent of any class of the Company's securities, (ii) each of the directors and nominees for director, (iii) each executive officer listed in the Summary Compensation Table ("Named Executive Officers"), and (iv) all nominees, Named Executive Officers, and other executive officers as a group. Because Class A Stock is convertible into Class B Stock on a share-for-share basis, each beneficial owner of Class A Stock is deemed by the SEC to be a beneficial owner of the same number of shares of Class B Stock. Therefore, in indicating a person's beneficial ownership of shares of Class B Stock in the table, it has been assumed that such person has converted into Class B Stock all shares of Class A Stock of which such person is a beneficial owner. For these reasons the table contains substantial duplications in the numbers of shares and percentages of Class A and Class B Stock shown for Swoosh, LLC, Philip H. Knight, the Travis A. Knight 2009 Irrevocable Trust II and Travis A. Knight in his capacity as the Trustee of such Trusts. In addition, unless otherwise indicated, all persons named below can be reached at c/o Ann M. Miller, Vice President and Corporate Secretary, NIKE, Inc., One Bowerman Drive, Beaverton, Oregon 97005-6453.

	Title of Class	Shares Beneficially Owned ⁽¹⁾		Percent of Class ⁽²⁾	
Elizabeth J. Comstock	Class B	99,660	(3)	—	
John G. Connors	Class B	125,500	(3)	—	
Timothy D. Cook	Class B	105,660	(3)	—	
John J. Donahoe II	Class B	13,892		—	
Alan B. Graf, Jr.	Class B	192,612		—	
Travis A. Knight	Class A	38,656,369	(5)	11.7	%
	Class B	38,671,489	(5)	2.9	%
John C. Lechleiter	Class B	154,660	(3)	—	
Mark G. Parker ⁽⁶⁾	Class B	5,196,545	(3)(7)	0.4	%
Michelle A. Peluso	Class B	13,996		—	
Johnathan A. Rodgers	Class B	147,660	(3)	—	
John R. Thompson, Jr.	Class B	74,420	(4)	—	
Phyllis M. Wise	Class B	119,660	(3)	—	
Andrew Campion ⁽⁶⁾	Class B	447,438	(3)	—	
Trevor A. Edwards ⁽⁶⁾	Class B	2,183,175	(3)(7)	0.2	%
Eric D. Sprunk ⁽⁶⁾	Class B	1,089,644	(3)	—	
Michael Spillane ⁽⁶⁾	Class B	265,876	(3)	—	
Sojitz Corporation of America 1211 S.W. 5th Ave, Pacwest Center, Ste. 2220, Portland, OR 97204	Preferred ⁽⁸⁾	300,000		100.0	%
Philip H. Knight One Bowerman Drive, Beaverton, Oregon 97005	Class A	24,254,487		7.4	%
	Class B	46,093,139	(9)	3.5	%
Swoosh, LLC 22990 NW Bennett Street, Hillsboro, OR 97124	Class A	257,000,000	(10)	78.1	%
	Class B	257,000,000		16.4	%
Travis A. Knight 2009 Irrevocable Trust II 22990 NW Bennett Street, Hillsboro, OR 97124	Class A	38,656,369	(5)	11.7	%
	Class B	38,656,369	(5)	2.9	%
The Vanguard Group 100 Vanguard Blvd., Malvern, PA 19355	Class B	93,227,021	(11)	7.0	%
BlackRock, Inc. 40 East 57th Street, New York, NY 10022	Class B	78,991,425	(12)	5.9	%

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All directors and executive officers as a group (20 persons)	Class A	38,656,369	(5)(13)	11.7	%
	Class B	51,151,596	(3)(5)(13)	3.9	%

A person is considered to beneficially own any shares: (a) over which the person exercises sole or shared voting or investment power, or (b) of which the person has the right to acquire beneficial ownership at any time within (1) 60 days (such as through conversion of securities or exercise of stock options). Unless otherwise indicated, voting and investment power relating to the above shares is exercised solely by the beneficial owner or shared by the owner and the owner's spouse or children.

(2) Omitted if less than 0.1 percent.

These amounts include the right to acquire, pursuant to the exercise of stock options, within 60 days after June 30, 2017, the following numbers of shares: 90,000 shares for Ms. Comstock, 90,000 shares for Mr. Connors, 90,000 shares for Mr. Cook, 126,000 shares for Dr. Lechleiter, 3,903,750 shares for Mr. Parker, 138,000 shares for (3) Mr. Rodgers, 110,000 shares for Dr. Wise, 421,750 shares for Mr. Champion, 1,625,000 shares for Mr. Edwards, 837,290 shares for Mr. Sprunk, 212,500 shares for Mr. Spillane, and 7,644,290 shares for the executive officer and director group. These amounts also reflect the vesting of 214,872 Restricted Stock Units each for Messrs. Edwards and Sprunk.

(4) Includes shares credited to accounts under the NIKE, Inc. Deferred Compensation Plan in the following amounts: 32,760 for Mr. Thompson.

CORPORATE GOVERNANCE

Includes 19,513,989 Class A shares held directly by the Travis A. Knight 2009 Irrevocable Trust II (the “Trust”), of which Mr. Travis Knight is the Trustee, and 19,142,380 Class A shares held by an indirect subsidiary of the Trust. Mr. Knight and members of his immediate family are among the beneficiaries of the Trust. Mr. Knight disclaims beneficial ownership of the Company’s securities held directly and indirectly by the Trust, except to the extent of his pecuniary interest therein. On June 30, 2016, a wholly owned subsidiary of the Trust acquired all of the voting units in Swoosh, LLC. Mr. Knight disclaims beneficial ownership of all securities held by Swoosh, LLC.

(6) Named executive officer listed in the Summary Compensation Table.

(7) Includes shares held in accounts under the NIKE, Inc. 401(k) and Profit Sharing Plan for Messrs. Parker and Edwards in the amounts of 35,205 and 18,610, respectively.

(8) Preferred Stock does not have general voting rights except as provided by law, and under certain circumstances as provided in the Company’s Restated Articles of Incorporation, as amended.

Does not include: (a) 521,792 shares of Class A Stock that are owned by Mr. Philip Knight’s spouse, (b) 4,357,855 shares of Class B Stock held by the Knight Foundation, a charitable foundation in which Mr. Philip Knight and his spouse are directors, (c) 2,334,094 shares of Class B Stock held by Jasper Ridge Strategic Partners, L.P., a limited partnership in which a company owned by Mr. Philip Knight is a limited partner. Mr. Philip Knight has disclaimed ownership of all such shares. Mr. Philip Knight retired from the Board on June 30, 2016, and is Chairman Emeritus with a standing invitation to attend all meetings of the Board as a non-voting observer.

(10) Information provided as of July 1, 2016 in Schedule 13D filed by the shareholder.

(11) Information provided as of February 9, 2017 in Schedule 13G filed by the shareholder.

(12) Information provided as of January 25, 2017 in Schedule 13G filed by the shareholder.

(13) These amounts do not include shares owned by Mr. Philip Knight who retired from the Board on June 30, 2016.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company’s directors and executive officers, and persons who own more than 10 percent of a registered class of the Company’s equity securities, to file with the SEC and the NYSE initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors and greater than 10 percent shareholders are required by the regulations of the SEC to furnish the Company with copies of all Section 16(a) forms they file. To the Company’s knowledge, based solely on review of the copies of such reports furnished to the Company and written representations that no other reports were required, during fiscal 2017 all Section 16(a) filing requirements applicable to its officers, directors and greater than 10 percent beneficial owners were complied with.

Transactions with Related Persons

During fiscal 2017, Howard S. Slusher, the father of John Slusher, Executive Vice President of Sports Marketing, and the Company were parties to a Consulting Agreement pursuant to which Howard Slusher managed the planning, design, and construction of new buildings at, and improvements to, NIKE’s World Headquarters. Howard Slusher was selected due to his deep history and experience with the Company, as he managed several significant construction projects for the Company, including the original World Headquarters construction and later expansions. During fiscal 2017, the Company paid Howard Slusher \$2,024,592 for these services.

Pursuant to the terms of a past consulting agreement with the Company, the Company agreed to pay for health and life insurance policies for Howard Slusher following expiration of the agreement. During fiscal 2017, the Company paid \$71,970 for life insurance premiums.

Two of Mr. Parker's siblings, each with over 25 years of service to the Company, were employed by the Company in non-executive roles in fiscal 2017. Ann Parker was a Design Talent Scout, and Stephen Parker held a Vice President role with Converse. During fiscal 2017, the Company paid aggregate compensation to each of Ann Parker and Stephen Parker in the amounts of \$289,894 and \$540,820, respectively, comprising of salary, bonuses, the grant date fair value of stock options granted during the fiscal year estimated using the Black-Scholes pricing model, profit sharing and matching contributions to Company-sponsored retirement plans. The compensation and benefits received by each of Mr. Parker's siblings, were consistent with compensation paid to other employees holding similar positions. Mr. Thompson's son, John Thompson III, former head basketball coach at Georgetown University, and the Company are parties to a contract pursuant to which Mr. Thompson III provides certain endorsement and consulting services to the Company. The terms of this agreement, effective August 2014 through August 2019, provide for annual base compensation of \$200,000, and up to \$112,500 per year of product and merchandise. In addition, there are annual incentive payments based upon team performance.

On June 30, 2016, Philip H. Knight, the father of NIKE director Travis A. Knight, retired from the Board of Directors. Effective immediately upon his retirement, the Board has appointed Philip H. Knight to the position of Chairman Emeritus, which provides a standing invitation for Philip H. Knight to attend meetings of the Board and its committees as a non-voting observer. As the Chairman Emeritus, Mr. Knight receives medical and dental insurance coverage available to employees and receives an annual salary of \$500,000. Philip H. Knight received \$567,172 in salary and profit sharing and matching contributions to Company-sponsored retirement plans.

The Company's written policy requires the Nominating and Corporate Governance Committee to review any transaction or proposed transaction with a related person that would be required to be reported under Item 404(a) of Regulation S-K, and to determine whether to ratify or approve the transaction, with ratification or approval to occur only if the Committee determines that the transaction is fair to the Company or that approval or ratification of the transaction is in the interest of the Company.

CORPORATE GOVERNANCE

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee of the Board of Directors during fiscal 2017 were Timothy D. Cook, Elizabeth J. Comstock, John C. Lechleiter, and Johnathan A. Rodgers. The Committee is composed solely of independent, non-employee directors. No member of the Compensation Committee has been an executive officer of the Company, and no member of the Compensation Committee had any relationships requiring disclosure by the Company under the SEC's rules requiring disclosure of certain relationships and related-party transactions. None of the Company's executive officers served as a director or member of a compensation committee (or other committee serving an equivalent function) of any other entity, the executive officers of which served as a director or member of the Compensation Committee of the Company during fiscal 2017.

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COMPENSATION DISCUSSION AND ANALYSIS

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

This Compensation Discussion and Analysis explains our compensation philosophy, summarizes our compensation programs and reviews compensation decisions for the executives identified as Named Executive Officers in the Summary Compensation Table on page 26. The Named Executive Officers for fiscal 2017 were:

• Mark G. Parker, Chairman, President and Chief Executive Officer

• Andrew Campion, Executive Vice President and Chief Financial Officer

• Trevor A. Edwards, President, NIKE Brand

• Eric D. Sprunk, Chief Operating Officer

• Michael Spillane, President, Categories and Product

Michael Spillane was promoted to the role of President, Product and Merchandising effective June 1, 2016. In connection with the Company’s new Consumer Direct Offense, Michael Spillane assumed the role of President, Categories and Product effective May 31, 2017.

The Compensation Committee of the Board (the “Committee”) is comprised of Timothy D. Cook (Chairman), Elizabeth J. Comstock, John C. Lechleiter, and Johnathan A. Rodgers, each of whom is an independent director under applicable NYSE listing standards.

Our executive compensation program, similar to our non-executive compensation programs, is aligned with our business strategy and culture to attract and retain top talent, reward business results and individual performance, and most importantly, maximize shareholder value. Our total compensation program for the Named Executive Officers is highly incentive-based and competitive in the marketplace, with Company performance determining a significant portion of total compensation.

Executive Compensation Governance Practices

To achieve the objectives of our executive compensation program and emphasize pay-for-performance principles, the Compensation Committee employs strong governance practices as outlined in the table below.

We Do

- Base a majority of total compensation on performance and retention incentives
- Set annual and long-term incentive targets based on clearly disclosed, objective performance measures
- Mitigate undue risk associated with compensation by using multiple performance targets, caps on potential incentive payments and a clawback policy
- Require executive officers and non-employee directors to hold NIKE stock through published stock ownership guidelines
- Vest equity awards over time to promote retention with a minimum of one year vesting
- Provide double-trigger change-in-control equity acceleration
- Require executive officers and directors to obtain pre-approval to pledge NIKE stock
- Conduct annual “say-on-pay” advisory votes

We Don’t Do

- Retirement acceleration for restricted stock or restricted stock units (RSUs)
- Payments of accumulated dividends on unearned RSUs until and unless shares are earned
- Repricing of options without shareholder approval
- Hedging transactions or short sales by executive officers or directors
- Significant perquisites
- Tax gross-ups for perquisites
- Pension or supplemental executive retirement plan (SERP)
- Employment contracts
- Cash-based change-in-control benefits
- Excise tax gross-ups upon change of control

Consideration of Say-on-Pay Vote Results

The non-binding advisory proposal regarding compensation of the Named Executive Officers submitted to shareholders at our 2016 annual meeting was approved by 86% of the votes cast. The Committee believes this favorable outcome conveyed our shareholders' support of our executive compensation program and the Committee's decisions. After considering the shareholder vote and other factors in its annual review of our total executive compensation programs, the Committee made no material changes in the structure of our compensation programs. The Committee will continue to consider the outcome of the Company's say-on-pay votes when conducting its regular practice of evaluating the executive compensation program and making future compensation decisions for the Named Executive Officers.

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COMPENSATION DISCUSSION AND ANALYSIS

Financial Highlights under Incentive Plans

NIKE delivered solid performance in fiscal 2017. The charts below set forth certain key financial results that were used in determining payouts under our incentive compensation plans for fiscal 2017. The measures below are based on NIKE's comparable publicly reported financial results.

¹ 2015 and 2016 restated to reflect the December 23, 2015 two-for-one stock split.

Executive Compensation Highlights

The total compensation for each of the Named Executive Officers is shown in the Summary Compensation Table on page 26. While we describe executive compensation in greater detail throughout this Compensation Discussion and Analysis, actions the Committee took in fiscal 2017 are highlighted below:

Base Salary. Based on the recommendation by the Committee, which was approved by the independent members of the Board, Messrs. Parker and Spillane's base salaries remained the same at \$1,550,000 and \$901,000, respectively. Base salaries for Messrs. Campion, Edwards, and Sprunk increased to \$900,000, \$1,050,000, and \$1,050,000, respectively.

Performance-Based Annual Incentive Plan. Target awards for Messrs. Parker, Campion, Edwards, and Sprunk remained the same, and Mr. Spillane's target award was set at 100% of base salary. Based on financial performance goals set by the Committee in June 2016 and actual performance results, each Named Executive Officer's bonus for fiscal 2017 was paid out at 58.86% of target.

Performance-Based Long-Term Incentive Plan. The target awards for the fiscal 2017-2019 performance period for Messrs. Parker, Campion, Edwards, and Sprunk remained the same, and Mr. Spillane's target award was set at \$750,000. Based on long-term financial performance goals set by the Committee in June 2014 and actual performance results, each executive officer received a payout for the fiscal 2015-2017 performance period of 131.97% of target.

Stock Options. The annual award for Mr. Parker remained the same. Annual awards for Messrs. Campion, Edwards, and Sprunk increased to 75,000, 100,000, and 85,000 option shares, respectively. Mr. Spillane was awarded 50,000 option shares. Each award vests in equal annual installments over four years.

Restricted Stock. The annual awards for Messrs. Parker, Edwards, and Sprunk remained the same. The annual award for Mr. Campion increased to \$750,000. Mr. Spillane's award was set at \$500,000. Each award vests in equal annual installments over three years.

Peer Group. For purposes of setting executive compensation in fiscal 2017, Procter & Gamble Company, Target Corporation, and TJX Companies were added to our peer group, and Kohl's Corporation and L Brands, Inc. were removed.

Operation of the Compensation Committee

The Compensation Committee of the Board of Directors (the "Committee") evaluates the performance of the CEO against goals and objectives reviewed and approved by the Committee. Based on the evaluation, the Committee Chair discusses the CEO's performance and recommended compensation with the independent members of the Board. The CEO's base salary and the base salaries of the other Named Executive Officers are approved by the independent members of the Board based on the Committee's recommendation. The Committee has sole responsibility for all other elements of Named Executive Officer compensation. The Committee also reviews the performance evaluation of those officers and the administration of our executive compensation programs. The Committee receives recommendations from the CEO as to compensation of other Named Executive Officers, and the CEO participates in Committee discussions regarding the compensation of those officers. The Committee meets in executive session without the CEO to determine his compensation. The Committee is comprised of Timothy D. Cook (Chairman), Elizabeth J. Comstock, John C. Lechleiter, and Johnathan A. Rodgers, each of whom is an independent director under applicable NYSE listing standards. The Committee operates pursuant to a written charter that is available on our website at: <http://investors.nike.com>.

Each year, the Committee reviews our executive total compensation program to ensure it continues to reflect the Committee's commitment to align the objectives and rewards of our executive officers with the creation of value for our shareholders. Similar to our non-executive compensation programs, the program has been designed to reinforce our pay-for-performance philosophy by delivering total compensation that motivates and rewards short- and long-term financial performance to maximize shareholder value, and to be externally competitive to attract and retain outstanding

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COMPENSATION DISCUSSION AND ANALYSIS

and diverse executive talent. This is done much in the same way our human resources staff designs our non-executive compensation programs, to ensure they are market competitive, offer performance-based financial incentives, and provide opportunities to share in total Company success through competitive benefits, stock purchase discount programs, and broad-based profit sharing. In conducting its annual review, the Committee considers information provided by our human resources staff. Our human resources staff retains independent compensation consulting firms to provide surveys and reports containing competitive market data. These consultants do not formulate executive compensation strategies for NIKE or recommend individual executive compensation. The human resources staff uses the surveys and reports to make recommendations to the Committee concerning executive compensation. The Committee relies on its collective experience and judgment along with the recommendations prepared by our human resources staff to set executive compensation. The Committee has the authority, in its sole discretion, to retain compensation consultants to assist the Committee in evaluating the compensation of executive officers, but chose to not retain any such consultants in fiscal 2017.

Use of Market Survey Data

To help establish competitive ranges of base salary, incentive compensation opportunities, and target total compensation for the purpose of making recommendations to the Committee, our human resources staff uses competitive market data from surveys and reports prepared by Aon Hewitt and Willis Towers Watson. Historically, we consider market survey data from a peer group of companies which have similar revenue size, have similar products or markets, or reflect the companies with which we compete for executive talent. For fiscal 2017, we expanded these criteria to include market capitalization and brand value. In addition, we consider market data across many industries, focusing on companies with revenues of \$10 billion or more.

In November 2015, we conducted our regular periodic review of our peer group. Based on the criteria described above, we determined that for the purposes of setting executive compensation for fiscal 2017, the peer group should be refined to include Procter & Gamble Company, Target Corporation and TJX Companies, Inc. and to remove Kohl's Corporation and L Brands, Inc. The fiscal 2017 peer group was:

Alphabet Inc.	Kellogg Company	Procter & Gamble Company
The Coca-Cola Company	Kimberly-Clark Corporation	Starbucks Corporation
Colgate-Palmolive Company	Macy's, Inc.	Target Corporation
eBay Inc.	McDonald's Corporation	Time Warner Inc.
FedEx Corporation	Mondelez International, Inc.	TJX Companies
The Gap, Inc.	Pepsico, Inc.	The Walt Disney Company

The surveys that our human resources staff reviews show percentile compensation levels for various executive positions with comparable job responsibilities. The staff also analyzes market data regarding compensation mix among base salary, annual incentive and long-term incentives such as performance-based cash awards, stock options, restricted stock and restricted stock unit awards. The Committee reviews this mix analysis when evaluating the separate compensation elements for each executive. The Committee does not endeavor to set executive compensation at or near any particular percentile, and it considers target total compensation to be competitive if it is generally within a reasonable range of the market median. Market data is one of many factors that the Committee considers in the determination of executive compensation levels. Other factors include internal pay equity, level of responsibility, the individual's performance, expectations regarding the individual's future potential contributions, succession planning and retention strategies, budget considerations, and the Company's performance.

Objectives and Elements of Our Compensation Program

As noted in the Executive Summary, our executive compensation program is aligned with our business strategy and culture to attract and retain top talent, reward business results and individual performance, and most importantly,

maximize shareholder value. Our total compensation program for the Named Executive Officers is highly incentive-based and competitive in the marketplace, with Company performance determining a significant portion of total compensation. Our program consists of the following elements:

• Base salary that reflects the executive's accountabilities, skills, experience, performance, and future potential

• Performance-based annual cash incentive based on Company financial results under our Executive Performance Sharing Plan

• A portfolio approach to long-term incentive compensation to provide a balanced mix of performance-based cash incentives and equity, including:

• Performance-based long-term cash incentive based on Company financial results to encourage attainment of long-term Company financial objectives

• Stock options to align the interests of executives with those of shareholders

• Restricted stock awards and restricted stock unit retention awards to provide incentives consistent with driving shareholder value, and to provide strong retention incentives

• Benefits

Executives are generally eligible for the same competitive benefits as other employees in the United States, including medical, dental, and vision insurance, paid time off, 401(k) plan, and Company-provided life and disability insurance; employees outside of the United States are offered locally competitive benefits.

COMPENSATION DISCUSSION AND ANALYSIS

Profit sharing contributions to defined contribution retirement plans

Employee Stock Purchase Plan

Post-termination payments under non-competition agreements

In determining the award levels for each of the elements in our total compensation program, our philosophy is to “pay for performance.” As a result, we place relatively greater emphasis on the incentive components of compensation (performance-based annual cash incentive award, performance-based long-term cash incentive award, and stock options) to align the interests of our executives with shareholders, and motivate them to maximize shareholder value. This is balanced with retention incentives provided by base salary, restricted stock awards, and restricted stock unit awards.

We look to the experience and judgment of the Committee to determine what it believes to be the appropriate target compensation mix for each Named Executive Officer. We do not apply fixed ratios or formulas, or rely solely on market data or quantitative measures. In allocating compensation among the various elements, the Committee considers market data, Company performance and budget, the impact of the executive’s position in the Company, individual past performance, expectations for future performance, experience in the position, any recent or anticipated changes in the individual’s responsibilities, internal pay equity for comparable positions, and retention incentives for succession planning. As shown in the charts below, incentive components accounted for 90% of the CEO’s target compensation and approximately 81% of the other Named Executive Officers’ target compensation in fiscal 2017.

Base Salary

When making recommendations to the Committee concerning base salary levels for our Named Executive Officers, our human resources staff follows a similar process to how they evaluate non-executive base salary levels. We consider the individual’s performance in the prior year, expectations regarding the individual’s future performance, experience in the position, any recent or anticipated changes in the individual’s responsibilities, internal pay equity for comparable positions, succession planning strategies, our annual salary budget, other elements of the individual’s compensation, and the market data described in “Use of Market Survey Data.” The Committee reviews these factors each year and adjusts base salary levels to ensure that we are appropriately rewarding performance.

The Committee generally reviews base salaries of the Named Executive Officers annually based on a review of individual performance at a meeting in June, with salary adjustments becoming effective for the first pay period ending in August. During the salary review in June 2016, the Committee recommended, based on the factors described above, and the independent members of the Board approved, the following base salaries for the Named Executive Officers.

Named Executive Officer	Fiscal 2017 Base Salary	% Change
Mark G. Parker	\$1,550,000	0.0%
Andrew Campion	\$900,000	8.4%
Trevor A. Edwards	\$1,050,000	5.0%
Eric D. Sprunk	\$1,050,000	5.0%
Michael Spillane	\$901,000	N/A

In setting a Named Executive Officer’s overall compensation package, the Committee places a relatively greater emphasis on the incentive components of compensation described below.

COMPENSATION DISCUSSION AND ANALYSIS

Performance-Based Annual Cash Incentive

Annual awards are paid to the Named Executive Officers under our Executive Performance Sharing Plan (“PSP”). Our “pay for performance” philosophy for such awards is simple and applies to all global employees who are eligible to share in the Company’s success through incentive bonuses: if we exceed our financial objectives, we will pay more; if we fail to reach them, we will pay less or nothing at all. The PSP for all executives is based 100% on overall corporate performance each year against a target based on the Company’s annual financial objective, as measured by income before income taxes (“PTI”), excluding the effect of any acquisitions, divestitures or accounting changes. The Committee selected PTI as the performance measure as it aligns with the Company’s operational financial targets for the individual fiscal year. By focusing on driving strong operational performance each year, the plan supports our goal of delivering sustainable, profitable growth. The Committee retains the discretion to reduce or eliminate PSP award payouts based on individual or Company performance. Basing our annual cash incentive award program for all executives on overall corporate performance is intended to foster teamwork and send the message to each executive that his or her role is to help ensure overall organizational success and maximize shareholder value.

Each year the Committee establishes a PSP target award for each Named Executive Officer based on its judgment of the impact of the position in the Company and what it believes to be competitive against market data as described in “Use of Market Survey Data,” while considering internal pay equity for comparable positions. For fiscal 2017, the Committee maintained Messrs. Parker, Campion, Edwards, and Sprunk’s target awards. Mr. Spillane’s target award was set at 100%. The fiscal 2017 PSP target awards were:

Named Executive Officer	Fiscal 2017 PSP Target Award (% of base salary)
Mark G. Parker	180%
Andrew Campion	100%
Trevor A. Edwards	110%
Eric D. Sprunk	100%
Michael Spillane	100%

In June 2016, the Committee established performance goals for the fiscal 2017 PSP awards based on its evaluation of our business plan and prospects for the year. The table below summarizes the fiscal 2017 PSP performance goals established by the Committee. For fiscal 2017, NIKE achieved a PTI of \$4,886 million, a 5.7% increase over fiscal 2016 continuing operations PTI of \$4,623 million. This achievement was below the target performance goal established by the Committee. As a result, each executive officer’s award was paid out at 58.86% of the target award. (Dollars in millions)

Fiscal 2017 PSP Performance Goal	Threshold Performance	Threshold % Payout	Target Performance	Target % Payout	Maximum Performance	Maximum % Payout	Actual Performance	Actual % Payout
PTI	\$4,813 ¹	50%	\$5,231 ²	100%	\$5,649 ³	150%	\$4,886	58.86% ⁴

¹ Threshold performance represents 4.1% increase above fiscal 2016 continuing operations PTI.

² Target performance represents 13.2% increase above fiscal 2016 continuing operations PTI.

³ Maximum performance represents 22.2% increase above fiscal 2016 continuing operations PTI.

⁴ Prorated for performance between payout levels.

Performance-Based Long-Term Cash Incentive

The first component in our long-term portfolio mix is performance-based awards payable in cash under our Long-Term Incentive Plan (“LTIP”). As with the performance-based annual cash incentive, the LTIP follows our “pay for performance” philosophy. If we exceed our targets, we will pay more; if we fall short, we will pay less or nothing at all. This program focuses executives on overall, long-term financial performance, and is intended to reward them for delivering revenue growth and diluted earnings per share (“EPS”) growth over a three-year performance period. At the

beginning of each fiscal year, the Committee establishes performance goals and potential cash payouts for the next three fiscal years for all executives under the LTIP. LTIP performance measures for all executives are based 50% on cumulative revenues for the three-year performance period and 50% on cumulative EPS for the period, in each case excluding generally the effect of acquisitions, divestitures and accounting changes. The Committee selected revenue and EPS as LTIP performance measures to encourage executives to focus on delivering profitable, sustainable growth. Strong revenue growth is the foundation of the Company's financial strategy, requiring investments in key business drivers to sustain growth. EPS growth is essential to delivering value for our shareholders, requiring investments be targeted to those areas with the highest potential for return. By balancing revenue growth and EPS growth, the plan supports the Company's objective of delivering long-term shareholder value. The Committee retains the discretion to reduce or eliminate LTIP award payouts based on individual or Company performance.

During the compensation review in June 2016, the Committee approved LTIP target awards for all Named Executive Officers for the fiscal 2017-2019 performance period. The Committee set these targets based on its judgment of what it believes to be a desirable mix of long-term compensation, the impact of the position in the Company, and what it finds to be competitive against market data as described in "Use of Market Survey Data," while maintaining internal pay equity for comparable positions. For the fiscal 2017-2019 performance period, the Committee maintained the targets for Messrs. Parker, Campion, Edwards, and Sprunk. Mr. Spillane's target was set at \$750,000. The target awards for the fiscal 2017-2019 performance period are as follows:

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Named Executive Officer Fiscal 2017-2019 LTIP Award Target (\$)

Mark G. Parker	3,500,000
Andrew Campion	750,000
Trevor A. Edwards	1,000,000
Eric D. Sprunk	750,000
Michael Spillane	750,000

In June 2016, the Committee established performance goals for the fiscal 2017-2019 LTIP. The Committee considered our long-term financial goals of high single-digit revenue growth and mid-teens EPS growth in setting performance goals for the target award payout level. The total payout percentage will be the average of the payout percentages determined for cumulative revenues and cumulative EPS, respectively. Payout below the threshold payout level may occur if either the revenue or EPS related percentage achievement is less than 50%. If both revenue and EPS fall below the threshold level, there is no payout. The table below summarizes the fiscal 2017-2019 LTIP performance goals.

(Dollars in millions, except per share data)

Fiscal 2017-2019 Performance Goals	Threshold Performance ¹	Threshold % Payout	Target Performance ²	Target % Payout	Maximum Performance ³	Maximum % Payout
Revenue	\$111,372	50%	\$115,684	100%	\$124,641	200%
EPS	\$7.72	50%	\$8.32	100%	\$9.60	200%

¹ Threshold payout for revenue requires cumulative revenues corresponding to a 7% compound annual growth rate (“CAGR”) from fiscal 2016 continuing operations revenue of \$32,376 million. Threshold payout for EPS requires cumulative EPS corresponding to a 9% CAGR from fiscal 2016 continuing operations EPS of \$2.16.

² Target revenue payout requires a 9% CAGR and target EPS payout requires a 13% CAGR.

³ Maximum revenue payout requires a 13% CAGR and maximum EPS payout requires a 21% CAGR.

For fiscal 2017, executive officers were eligible to receive LTIP award payouts based on performance targets set in June 2014 covering the fiscal 2015-17 performance period. In June 2017, the Committee determined a payout of 131.97% under these awards was earned based on the average of the payout percentages for cumulative revenues and cumulative EPS for the performance period shown in the table below:

(Dollars in millions, except per share data)

Fiscal 2015-2017 Performance Goals	Threshold Performance	Threshold % Payout	Target Performance	Target % Payout	Maximum Performance	Maximum % Payout	Actual Performance	Actual % Payout
Revenue ¹	\$95,627	50%	\$99,329	100%	\$107,021	200%	\$97,327	72.96%
EPS ²	\$5.305	50%	\$5.715	100%	\$6.60	200%	\$6.52	190.97%
							Total Payout	131.97%

¹ Cumulative revenues for fiscal 2015, fiscal 2016 and fiscal 2017.

² Cumulative EPS for fiscal 2015, fiscal 2016 and fiscal 2017. Fiscal 2015 and 2016 restated to reflect the December 23, 2015 two-for-one stock split.

Stock Options

The second component in our long-term portfolio mix is stock options. Stock options are designed to align the interests of the Company’s executives with those of shareholders by encouraging executives to enhance the value of the Company and, hence, the price of the Class B Stock. This is true “pay for performance,” executives are rewarded only if the market price of our stock rises, and they get nothing if the price does not rise or goes down. When determining the grants, the Committee generally focuses on the number of shares, while considering the value for accounting purposes. Our approach is based on our desire to carefully control annual share usage and avoid fluctuations in grant levels due to share price changes. The Committee awards stock options to each executive based

on its judgment. The Committee considers a number of factors including the individual's performance, management succession, competitive market data as described in "Use of Market Survey Data," internal pay equity for comparable positions, and a desirable mix of long-term incentives. Our human resources staff periodically tests the reasonableness of our stock option grants against competitive market data and may make recommendations to the Committee.

Options are generally granted annually to selected employees, including the Named Executive Officers, in July under our shareholder-approved Stock Incentive Plan. Stock options for fiscal 2017 were granted by the Committee on July 15, 2016 with an exercise price equal to the closing market price of our stock on that date.

In July 2016, the Committee granted options to Mr. Parker for 165,000 option shares, the same number of stock options granted to him in July 2015 before adjustment for the December 23, 2015 two-for-one stock split. Messrs. Campion, Edwards, and Sprunk received 75,000, 100,000, and 85,000 option shares, respectively, an increase of 15,000 shares for Mr. Campion, 10,000 shares for Mr. Edwards, and 5,000 shares for Mr. Sprunk from July 2015 before adjustment for the December 23, 2015 two-for-one stock split. Mr. Spillane received 50,000 option shares. The Committee, in its judgment, set these award levels based on the factors described above.

Options granted by the Company generally vest in equal annual installments over a four-year period. To promote executive retention, unvested options generally are forfeited if the employee leaves before vesting occurs and must be exercised within three months after termination of employment. Options provide for a limited retirement provision designed to encourage employees to delay retirement, thus enhancing retention. Only those employees with a minimum of five years of service who are age 55 and above at the time of termination of employment are eligible for the provision. Under the provision, for employees between the ages of 55 to 59 at the time of termination of employment, only unvested stock

COMPENSATION DISCUSSION AND ANALYSIS

options that have been granted for at least one full year will continue to vest, and may be exercised for up to four years after termination. If an employee is age 60 or older and has at least five years of service at termination, unvested stock options that have been granted for at least one full year will receive accelerated vesting and may be exercised for up to four years after termination. The features related to accelerated vesting are described in “Potential Payments upon Termination or Change-in-Control.” Based on their ages and years of service, as of May 31, 2017, Mr. Parker was eligible for accelerated vesting and Mr. Spillane was eligible for continued vesting of their options granted in July 2013, 2014, and 2015.

Restricted Stock Awards

The third component in our long-term portfolio mix is restricted stock awards. Stock ownership and stock-based incentive awards align the interests of our Named Executive Officers with the interests of our shareholders, as the value of this incentive rises and falls with the stock price. Restricted stock awards are generally granted annually to selected employees, including the Named Executive Officers, in July at the same meeting at which stock options are granted under our shareholder-approved Stock Incentive Plan. Awards generally vest in three equal installments on each of the first three anniversaries of the grant date. The awards promote executive retention, as unvested shares held at the time the executive’s employment is terminated are forfeited. Award recipients receive dividends on the full number of restricted shares awarded at the same time dividends are paid to other shareholders.

The Committee, in its judgment, sets restricted stock award levels based on several factors, including what the Committee believes to be a desirable mix of long-term compensation, their determination of an appropriate weighting of potential future contribution to the Company, retention incentives, and competitive market data as described in “Use of Market Survey Data”. In July 2016, the Committee granted a restricted stock award to Mr. Parker valued at \$3,500,000, representing 60,481 shares of our Class B Stock, based on the closing price on the grant date. This was the same value of restricted stock granted to Mr. Parker in July 2015. Messrs. Campion, Edwards and Sprunk received awards valued at \$750,000, \$875,000, and \$750,000, respectively. This represented 12,961 shares of our Class B Stock for Mr. Campion, 15,121 shares of our Class B Stock for Mr. Edwards and 12,961 shares of our Class B Stock for Mr. Sprunk, based on the closing price on the grant date. This was an increase of \$125,000 for Mr. Campion and the same value for Messrs. Edwards and Sprunk. Mr. Spillane received an award valued at \$500,000, representing 8,641 of our Class B Stock based on the closing price on the grant date.

Restricted Stock Unit (RSU) Retention Awards

From time to time, the Committee also grants restricted stock units (“RSUs”) that vest based on continued service with the Company through a future service date, for the specific purpose of further promoting retention. These RSU awards accumulate dividend equivalents that are only paid in cash upon full vesting. The awards have no value to the executive unless the executive remains employed with the Company for the full vesting period, and will be canceled if the executive terminates or retires within the vesting period. None of our Named Executive Officers received RSUs in fiscal 2017.

COMPENSATION DISCUSSION AND ANALYSIS

Profit Sharing and Retirement Plans

Our 401(k) Savings and Profit Sharing Plan is a U.S. tax qualified retirement savings plan pursuant to which all eligible U.S. employees, including the Named Executive Officers, are able to make pre-tax contributions and after-tax contributions from their cash compensation. We make matching contributions for all participants each year equal to 100% of their pre-tax contributions up to 5% of their total eligible compensation. We also make annual profit sharing contributions to the accounts of eligible U.S. employees under the 401(k) Savings and Profit Sharing Plan. The contributions are allocated among eligible employees based on a percentage of their total salary and annual cash incentive award for the year. The total profit sharing contribution and the percentage of salary and annual cash incentive award contributed for each employee is determined each year by the Board of Directors. For fiscal 2017, the Board of Directors approved a profit sharing contribution for each eligible employee equal to 3.85% of the employee's total eligible salary and annual cash incentive award.

The Internal Revenue Code limits the amount of compensation that can be deferred under our 401(k) Savings and Profit Sharing Plan, and also limits the amount of salary and annual cash incentive award (\$265,000 for fiscal 2017) that may be taken into account when determining contributions under that plan. Accordingly, we provide our Named Executive Officers and other highly compensated employees with the opportunity to defer their compensation, including amounts in excess of the tax law limit, under our nonqualified Deferred Compensation Plan. We also make profit sharing contributions under the Deferred Compensation Plan with respect to salary and annual cash incentive award of any eligible employee that exceeds the tax law limit, and for fiscal 2017 these contributions were equal to 3.85% of the total salary and annual cash incentive award of each Named Executive Officer in excess of \$265,000. These contributions under the Deferred Compensation Plan allow our Named Executive Officers and other highly compensated employees to receive profit sharing contributions in the same percentage as our other employees. We do not match deferrals to the Deferred Compensation Plan. Balances in the Deferred Compensation Plan, including the balances of the Named Executive Officers, are unsecured and at-risk, meaning the balances may be forfeited in the event of the Company's financial distress such as bankruptcy. Our matching and profit sharing contributions for fiscal 2017 to the accounts of the Named Executive Officers under the qualified and nonqualified plans are included in the All Other Compensation column in the Summary Compensation Table on page 26.

Employee Stock Purchase Plan

Our Employee Stock Purchase Plan allows all employees who work at least 20 hours per week in the United States and in many countries outside of the United States to purchase NIKE Class B Stock, through payroll deductions, at a 15% discount to the market price on the first or last trading day of the six-month purchase period, depending on which day the stock price was lower. No plan participant is allowed to purchase more than \$25,000 in market value of our stock under the plan in any calendar year or more than 500 shares in any six-month offering period. In fiscal 2017, all Named Executive Officers participated in our Employee Stock Purchase Plan, with the exception of Mr. Parker.

COMPENSATION DISCUSSION AND ANALYSIS

Post-termination Payments under Non-competition Agreements

In exchange for non-competition agreements from all of our Named Executive Officers, we have agreed to provide, during the non-competition period, the monthly payments described in “Potential Payments upon Termination or Change-in-Control,” some of which are at the election of the Company. We believe that it is appropriate to compensate individuals to refrain from working with competitors following termination, and that compensation enhances the enforceability of such agreements.

Stock Ownership Guidelines

On June 20, 2013, the Board of Directors adopted stock ownership guidelines for executive officers. These guidelines are designed to further align the long-term interests of our executive officers with those of our shareholders. Under the guidelines, the CEO and other executive officers are required to hold NIKE stock valued at the following multiple of their annual base salary:

Position	Ownership Level
Chief Executive Officer	6X Base Salary
Other Named Executive Officers	3X Base Salary
Other Executive Officers	2X Base Salary

Executive officers appointed prior to June 20, 2013 are required to attain these ownership levels by June 20, 2018 and new officers within five years of their appointment.

Hedging and Pledging

The Company’s Blackout and Pre-clearance Policy (which supplements our Insider Trading Policy) prohibits directors, executive officers and other designated insiders from engaging in transactions involving hedging, monetization or short sales of NIKE stock, including zero-cost collars and forward sale contracts. The policy also requires directors, executive officers and designated insiders to obtain pre-approval from the Company’s Corporate Secretary before pledging NIKE stock. Before granting approval of any pledge, the Corporate Secretary considers the size of the pledge relative to the individual’s other holdings, both direct and indirect, and NIKE’s shares outstanding; the risk of foreclosure given the nature of the associated transaction; protections against the appearance of insider trading, including prohibitions on sales during trading black-outs; and the ability to timely report sales on Form 4.

Change-in-Control Provisions

All unvested stock option, restricted stock, and restricted stock unit awards are subject to accelerated change-in-control vesting only when two events (a “double trigger”) occur. Vesting of grants is generally accelerated only if there is a change in control of the Company and either the acquiring entity fails to assume the awards or the employee’s employment is terminated by the acquirer without cause or by the employee for good reason within two years following a change in control. This double trigger was adopted to encourage executive retention through a period of uncertainty and a subsequent integration with an acquirer. The Committee believes that this approach will enhance shareholder value in the context of an acquisition, and align executives with the interests of investors. The effects of change-in-control transactions on stock option, restricted stock, and restricted stock unit awards are described further in “Potential Payments Upon Termination or Change-in-Control.”

Clawback Policy

Since June 2010, the Company has had a policy for recoupment of incentive compensation (the “clawback policy”). In June 2015, the Committee and Board of Directors approved amendments to our incentive compensation plans to cover additional circumstances in which the Company may clawback awards. Under the clawback policy, an executive officer who is involved in wrongful conduct that results in a restatement of the Company’s financial statements must repay to the Company up to the full amount of any incentive compensation based on the financial statements that were subsequently restated. The clawback policy covers the annual cash incentive award, long-term cash incentive award, profit sharing contributions to the Deferred Compensation Plan, and excess proceeds from sales of stock acquired under stock option, restricted stock, and restricted stock unit awards that occurred prior to the restatement. The recent

amendments to our Executive Performance Sharing Plan, Long-Term Incentive Plan and Stock Incentive Plan clarify that for all participants in those plans the Committee may apply additional clawback policies to awards, or add clawback terms to award agreements or notices, and that any clawback requirements of applicable law and regulation will apply to the plans.

Risk Assessment

At the Committee's request, in fiscal 2017 management prepared and discussed with the Committee an assessment of potential risk associated with the Company's compensation programs, including any risk that would be reasonably likely to have a material adverse effect on the Company. This included an assessment of risks associated with each element of employee compensation. The assessment considered certain design features of the compensation programs that reduce the likelihood of excessive risk taking, such as reasonable performance targets, capped payouts of incentive compensation, a balance of short- and long-term incentives, a balance of cash and equity incentives, vesting of awards over time, and the potential for clawback of incentive compensation. In addition, for equity compensation, the Committee and the Board have adopted stock ownership guidelines, limited accelerated vesting of stock options upon termination of employment, and implemented double-trigger accelerated vesting for all equity awards upon change in control (each as described above).

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Tax Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for annual compensation over \$1 million paid to their chief executive officer and the next three most highly compensated executive officers (other than the principal financial officer). The Internal Revenue Code generally excludes from the calculation of the \$1 million cap compensation that is based on the attainment of pre-established, objective performance goals established under a shareholder-approved plan. The Committee considers, among other things, the impact of this exclusion for performance-based compensation when developing and implementing our executive compensation programs. Annual cash incentive awards under our Executive Performance Sharing Plan, long-term cash incentive awards under our Long-Term Incentive Plan, and stock options under our Stock Incentive Plan generally are designed in a manner that is intended to meet the requirements under the exclusion. However, due to the complex nature of the requirements that must be met, we cannot guarantee that such awards will qualify as performance-based compensation under Section 162(m).

While the Committee seeks to preserve tax deductibility in developing and implementing our compensation program, the Committee also believes that it is important to maintain flexibility in administering compensation programs in a manner designed to promote varying corporate goals. Accordingly, we have not adopted a policy that all compensation must qualify as deductible for tax purposes. Therefore, amounts paid under any of our executive compensation programs may not qualify as performance-based compensation that is excluded from the Section 162(m) limitation on deductibility.

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COMPENSATION COMMITTEE REPORT

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors (the “Committee”) has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K. Based on the review and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Members of the Compensation Committee:

- Timothy D. Cook,
Chair
- Elizabeth J. Comstock
- John C. Lechleiter
- Johnathan A. Rodgers

EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning compensation for fiscal 2015-2017 paid to or earned by our Chief Executive Officer, our Chief Financial Officer, and our next three most highly compensated executive officers who were serving as executive officers on May 31, 2017. These individuals are referred to throughout this proxy statement as the “Named Executive Officers.”

Name and Principal Position	Year	Salary (\$)	Stock Awards ⁽¹⁾ (\$)	Option Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽³⁾ (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total (\$)
Mark G. Parker Chairman, President, and Chief Executive Officer	2017	1,550,000	3,500,035	1,542,750	6,261,144	997,570	13,851,499
	2016	1,550,000	33,500,142	4,179,450	7,305,902	1,079,808	47,615,302
Andrew Campion ⁽⁵⁾ Executive Vice President and Chief Financial Officer	2015	1,550,000	3,500,028	2,791,800	8,251,937	725,965	16,819,730
	2017	889,231	750,053	701,250	1,513,176	92,546	3,946,256
Trevor A. Edwards President, NIKE Brand	2016	822,306	625,025	1,519,800	1,772,897	105,479	4,845,507
	2017	1,042,308	875,052	935,000	1,862,583	271,389	4,986,332
Eric D. Sprunk Chief Operating Officer	2016	990,000	875,102	2,279,700	2,221,919	270,440	6,637,161
	2015	935,000	750,006	1,353,600	1,956,831	236,637	5,232,074
Michael Spillane ⁽⁵⁾ President, Categories and Product	2017	1,042,308	750,053	794,750	1,603,277	253,713	4,444,101
	2016	990,000	750,007	2,026,400	1,927,813	335,126	6,029,346
	2015	935,000	625,044	1,353,600	1,821,228	217,309	4,952,181
	2017	901,000	500,055	467,500	1,520,104	122,568	3,511,227

Represents the grant date fair value of restricted stock and restricted stock unit awards granted in the applicable (1) fiscal year computed in accordance with accounting guidance applicable to stock-based compensation. The grant date fair value is based on the closing market price of our Class B Stock on the grant date.

Represents the grant date fair value of options granted in the applicable fiscal year computed in accordance with accounting guidance applicable to stock-based compensation. The grant date fair value of the options was (2) estimated using the Black-Scholes option pricing model. The assumptions made in determining the grant date fair values of options under applicable accounting guidance are disclosed in Note 11 of Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended May 31, 2017.

(3) Non-Equity Incentive Plan Compensation consists of the following:

Name	Fiscal Year	Annual Incentive Compensation ^(a) (\$)	Long-Term Incentive Compensation ^(b) (\$)	Total (\$)
Mark G. Parker	2017	1,642,194	4,618,950	6,261,144
	2016	2,577,402	4,728,500	7,305,902
	2015	4,046,337	4,205,600	8,251,937
Andrew Campion	2017	523,401	989,775	1,513,176
	2016	759,647	1,013,250	1,772,897
Trevor A. Edwards	2017	674,853	1,187,730	1,862,583
	2016	1,006,019	1,215,900	2,221,919
	2015	1,356,031	600,800	1,956,831

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Eric D.Sprunk	2017	613,502	989,775	1,603,277
	2016	914,563	1,013,250	1,927,813
	2015	1,220,428	600,800	1,821,228
Michael Spillane	2017	530,329	989,775	1,520,104

(a) Amounts shown were earned for performance in the applicable fiscal year under our Executive Performance Sharing Plan.

(b) Amounts shown were earned for performance during the three-year period ending with the applicable fiscal year under our Long-Term Incentive Plan.

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For fiscal 2017 for each of the Named Executive Officers, this includes (a) profit-sharing contributions by us to the 401(k) Savings and Profit Sharing Plan in the amount of \$10,198; (b) matching contributions by us to the 401(k) Savings and Profit Sharing Plan in the amount of \$13,250, and (c) profit-sharing contributions by us to the Deferred Compensation Plan in the following amounts: \$148,636 for Mr. Parker, \$53,256 for Mr. Champion, \$68,628 for Mr. Edwards, \$65,108 for Mr. Sprunk, and \$51,868 for Mr. Spillane. Includes dividends paid on restricted stock and dividend equivalents credited (but not paid) on unvested restricted stock units in the following amounts: \$694,771 for Mr. Parker, \$15,842 for Mr. Champion, \$168,518 for Mr. Edwards, \$165,157 for Mr. Sprunk, and \$47,253 for Mr. Spillane. Also includes the cost of daily residential security, including monitoring, patrols, and installation at primary residences provided by the Company of \$17,808 for Mr. Parker and (4) \$8,904 for Mr. Edwards, and \$1,891 in NIKE product and gifts for Mr. Edwards. For Mr. Parker, this amount includes \$112,907 in aggregate incremental cost to the Company for his personal use of the Company's aircraft and actual cost of chartered flights for travel to and from the board and shareholder meetings of an outside company for which Mr. Parker serves as a director. The aggregate incremental cost is determined based on the variable operating cost to the Company including the cost of fuel, maintenance, crew travel expenses, landing fees, parking fees, in-flight food and beverage, and other smaller variable costs associated with each flight. This amount excludes the aggregate incremental cost to the Company for Mr. Parker's personal use of the Company's aircraft for which Mr. Parker reimbursed the Company in accordance with a time sharing agreement and as allowed under Federal Aviation Regulation 91.501(c) and (d).

Because Mr. Champion was only a Named Executive Officer for fiscal 2017 and fiscal 2016 and Mr. Spillane was (5) only a Named Executive Officer for fiscal 2017, no disclosure is included as to Mr. Champion for fiscal 2015 or as to Mr. Spillane for fiscal 2016 or fiscal 2015.

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Grants of Plan-Based Awards in Fiscal 2017

The following table sets forth information concerning the performance-based annual cash incentive opportunities, performance-based long-term cash incentive opportunities, restricted stock and restricted stock unit awards and stock options granted to the Named Executive Officers in fiscal 2017.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (³) (#)	All Other Option Awards: Number of Securities Underlying Options (⁴) (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (⁵) (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Mark G. Parker	6/15/2016	1,395,000 ⁽¹⁾	2,790,000 ⁽¹⁾	4,185,000 ⁽¹⁾				
	6/15/2016	1,750,000 ⁽²⁾	3,500,000 ⁽²⁾	7,000,000 ⁽²⁾				
	7/15/2016				60,481		3,500,035	
	7/15/2016					165,000	57.87	1,542,750
Andrew Campion	6/15/2016	450,000 ⁽¹⁾	900,000 ⁽¹⁾	1,350,000 ⁽¹⁾				
	6/15/2016	375,000 ⁽²⁾	750,000 ⁽²⁾	1,500,000 ⁽²⁾				
	7/15/2016				12,961		750,053	
	7/15/2016					75,000	57.87	701,250
Trevor A. Edwards	6/15/2016	577,500	1,155,000 ⁽¹⁾	1,732,500 ⁽¹⁾				
	6/15/2016	500,000 ⁽²⁾	1,000,000 ⁽²⁾	2,000,000 ⁽²⁾				
	7/15/2016				15,121		875,052	
	7/15/2016					100,000	57.87	935,000
Eric D. Sprunk	6/15/2016	525,000 ⁽¹⁾	1,050,000 ⁽¹⁾	1,575,000 ⁽¹⁾				
	6/15/2016	375,000 ⁽²⁾	750,000 ⁽²⁾	1,500,000 ⁽²⁾				
	7/15/2016				12,961		750,053	
	7/15/2016					85,000	57.87	794,750
Michael Spillane	6/15/2016	450,500 ⁽¹⁾	901,000 ⁽¹⁾	1,351,500 ⁽¹⁾				
	6/15/2016	375,000 ⁽²⁾	750,000 ⁽²⁾	1,500,000 ⁽²⁾				
	7/15/2016				8,641		500,055	
	7/15/2016					50,000	57.87	467,500

(1) These amounts represent the potential performance-based annual cash incentive awards payable for performance during fiscal 2017 under our Executive Performance Sharing Plan. Under this plan, the Compensation Committee approved target awards for fiscal 2017 based on a percentage of the executive's base salary paid during fiscal 2017 as follows: Mr. Parker, 180%; Mr. Champion, 100%; Mr. Edwards, 110%; Mr. Sprunk, 100%; and Mr. Spillane, 100%. The Committee also established a series of performance targets based on our income before income taxes ("PTI") for fiscal 2017 (excluding the effect of acquisitions, divestitures and accounting changes not reflected in our business plan at the time of approval of the target awards) corresponding to award payouts ranging from 50% to 150% of the target awards. The PTI for fiscal 2017 required to earn the target award payout was \$5,231 million. The PTI for fiscal 2017 required to earn the 150% maximum payout was \$5,649 million. The PTI for fiscal 2017

required to earn the 50% threshold payout was \$4,813 million. Participants receive a payout at the percentage level at which the performance target is met, subject to the Committee's discretion to reduce or eliminate any award based on Company or individual performance. Actual award payouts earned in fiscal 2017 and paid in fiscal 2018 are shown in footnote 4 to the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table.

These amounts represent the potential performance-based long-term cash incentive awards payable for performance during the three-year period consisting of fiscal 2017-2019 under our Long-Term Incentive Plan. Under this plan, the Compensation Committee approved target awards for the performance period and also established a series of performance targets based on our cumulative revenues and cumulative diluted earnings per common share ("EPS") for the performance period (excluding the effect of acquisitions, divestitures and accounting changes not reflected in our business plan at the time of approval of the target awards) corresponding to award payouts ranging from 50% to 200% of the target awards. Participants will receive a payout at the average of the (2) percentage levels at which the two performance targets are met, subject to the Committee's discretion to reduce or eliminate any award based on Company or individual performance. For cumulative revenues over the performance period, the target payout requires revenues of \$115,684 million, the 50% threshold payout requires revenues of \$111,372 million, and the 200% maximum payout requires revenues of \$124,641 million. For cumulative EPS over the performance period, the target payout requires EPS of \$8.32, the 50% threshold payout requires EPS of \$7.72, and the 200% maximum payout requires EPS of \$9.60. Under the terms of the awards, on the first payroll period ending in August 2019 we will issue the award payout to each participant, provided that the participant is employed by us on the last day of the performance period.

All amounts reported in this column represent grants of restricted stock under our Stock Incentive Plan which vests (3) in three equal installments on the first three anniversaries of the grant date. Vesting will be accelerated in certain circumstances as described below under "Potential Payments Upon Termination or Change-in-Control." Dividends are payable on restricted stock at the same rate paid on all other outstanding shares of our Class B Stock.

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All amounts reported in this column represent options granted under our Stock Incentive Plan which become exercisable for option shares in four equal installments on the first four anniversaries of the grant date. Options will (4) become fully exercisable in certain circumstances as described below under “Potential Payments Upon Termination or Change-in-Control.” Each option has a maximum term of 10 years, subject to earlier termination in the event of the optionee’s termination of employment.

(5) For stock awards, represents the value of restricted stock granted based on the closing market price of our Class B Stock on the grant date. For option awards, represents the grant date fair value of options granted based on a value of \$9.35 per share calculated using the Black-Scholes option pricing model. These are the same values for these equity awards used under accounting guidance applicable to stock-based compensation. The assumptions made in determining option values are disclosed in Note 11 of Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended May 31, 2017.

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Outstanding Equity Awards at May 31, 2017

The following table sets forth information concerning outstanding stock options and unvested restricted stock and restricted stock units held by the Named Executive Officers at May 31, 2017.

Name	Option Awards				Stock Awards		Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercisable Options (#) ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)		
Mark G. Parker	69,300	—	14.6300	7/20/2017				
	540,000	—	14.5500	7/18/2018				
	600,000	—	13.1100	7/17/2019				
	660,000	—	17.2400	7/16/2020				
	660,000	—	22.9250	7/15/2021				
	660,000	—	23.2700	7/20/2022				
	247,500	82,500	(2)31.6750	7/19/2023				
	165,000	165,000	(3)38.7600	7/18/2024				
	82,500	247,500	(4)56.4000	7/17/2025				
—	165,000	(5)57.8700	7/15/2026	354,135 ⁽⁷⁾	18,765,614	333,272 ⁽¹²⁾	13,245,062 ⁽¹³⁾	
Andrew Campion	20,000	—	13.1100	7/17/2019				
	70,000	—	17.2400	7/16/2020				
	103,000	—	22.9250	7/15/2021				
	120,000	—	23.2700	7/20/2022				
	45,000	15,000	(2)31.6750	7/19/2023				
	40,000	40,000	(3)38.7600	7/18/2024				
	30,000	90,000	(4)56.4000	7/17/2025				
	—	75,000	(5)57.8700	7/15/2026	24,004 ⁽⁸⁾	1,271,972		
Trevor A. Edwards	200,000	—	14.6300	7/20/2017				
	200,000	—	14.5500	7/18/2018				
	200,000	—	13.1100	7/17/2019				
	200,000	—	17.2400	7/16/2020				
	200,000	—	22.9250	7/15/2021				
	240,000	—	23.2700	7/20/2022				
	112,500	37,500	(2)31.6750	7/19/2023				
	80,000	80,000	(3)38.7600	7/18/2024				
45,000	135,000	(4)56.4000	7/17/2025					

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	—	100,000	(5)57.8700	7/15/2026	246,787 ⁽⁹⁾	13,077,243
Eric D. Sprunk	76,040	—	17.2400	7/16/2020		
	200,000	—	22.9250	7/15/2021		
	240,000	—	23.2700	7/20/2022		
	112,500	37,500	(2)31.6750	7/19/2023		
	80,000	80,000	(3)38.7600	7/18/2024		
	40,000	120,000	(4)56.4000	7/17/2025		
	—	85,000	(5)57.8700	7/15/2026	242,073 ⁽¹⁰⁾	12,827,448
Michael Spillane	85,000	—	23.2700	7/20/2022		
	52,500	17,500	(2)31.6750	7/19/2023		
	35,000	35,000	(3)38.7600	7/18/2024		
	20,000	60,000	(4)56.4000	7/17/2025		
	12,500	37,500	(6)59.6200	4/20/2026		
	—	50,000	(5)57.8700	7/15/2026	69,914 ⁽¹¹⁾	3,704,743

(1) Stock options generally become exercisable for option shares in four equal installments on each of the first four anniversaries of the grant date.

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- (2) 100% of these options vested on July 19, 2017.
- (3) 50% of these options vested on July 18, 2017 and 50% will vest on July 18, 2018.
- (4) 33.3% of these options vested on July 17, 2017, 33.3% will vest on July 17, 2018, and 33.3% will vest on July 17, 2019.
- (5) 25% of these options vested on July 15, 2017, 25% will vest on July 15, 2018, 25% will vest on July 15, 2019, and 25% will vest on July 15, 2020.
- (6) 33.3% of these options will vest on April 20, 2018, 33.3% will vest on April 20, 2019, and 33.3% will vest on April 20, 2020.
- (7) 20,161 of these restricted shares vested on July 15, 2017, 20,160 of these restricted shares will vest on July 15, 2018, and 20,160 of these restricted shares will vest on July 15, 2019. 20,686 of these restricted shares vested on July 17, 2017, and 20,686 of these restricted shares will vest on July 17, 2018. 30,100 of these restricted shares vested on July 18, 2017. 222,182 of these RSUs will vest on June 30, 2020.
- (8) 4,321 of these restricted shares vested on July 15, 2017, 4,320 of these restricted shares will vest on July 15, 2018, and 4,320 of these restricted shares will vest on July 15, 2019. 3,694 of these restricted shares vested on July 17, 2017, and 3,694 of these restricted shares will vest on July 17, 2018. 3,655 of these restricted shares vested on July 18, 2017.
- (9) 5,041 of these restricted shares vested on July 15, 2017, 5,040 of these restricted shares will vest on July 15, 2018, and 5,040 of these restricted shares will vest on July 15, 2019. 5,172 of these restricted shares vested on July 17, 2017, and 5,172 of these restricted shares will vest on July 17, 2018. 6,450 of these restricted shares vested on July 18, 2017. 214,872 of these RSUs vested on July 20, 2017.
- (10) 4,321 of these restricted shares vested on July 15, 2017, 4,320 of these restricted shares will vest on July 15, 2018, and 4,320 of these restricted shares will vest on July 15, 2019. 4,433 of these restricted shares vested on July 17, 2017, and 4,432 of these restricted shares will vest on July 17, 2018. 5,375 of these restricted shares vested on July 18, 2017. 214,872 of these RSUs vested on July 20, 2017.
- (11) 2,881 of these restricted shares vested on July 15, 2017, 2,880 of these restricted shares will vest on July 15, 2018, and 2,880 of these restricted shares will vest on July 15, 2019. 2,069 of these restricted shares vested on July 17, 2017, and 2,068 of these restricted shares will vest on July 17, 2018. 2,150 of these restricted shares vested on July 18, 2017. 54,986 of these RSUs will vest on February 13, 2018.
- (12) This figure represents a maximum target of 333,272 RSUs which may vest on June 30, 2020, subject to performance vesting based on cumulative revenue growth and cumulative EPS growth over a five-year performance period.
- (13) Assumes Company financial performance at 75% of maximum target. Actual payout will depend on actual performance, which could range from 0 to 100%.

Option Exercises and Stock Vested During Fiscal 2017

The following table sets forth information concerning stock option exercises and vesting of restricted stock during fiscal 2017 for each of the Named Executive Officers on an aggregated basis.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Mark G. Parker	350,000	13,191,164	846,346	44,273,552
Andrew Champion	—	—	9,980	576,778
Trevor A. Edwards	—	—	19,514	1,127,569
Eric D. Sprunk	100,000	3,909,692	16,385	946,778
Michael Spillane	—	—	6,850	395,841

Equity Compensation Plan Information

The following table summarizes information regarding outstanding options and shares available for future issuance under equity compensation plans approved by shareholders and equity compensation plans that were not approved by shareholders as of May 31, 2017. The table does not reflect issuances made during fiscal 2018.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ⁽¹⁾	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a))
Equity compensation plans approved by shareholders	107,366,542 ⁽²⁾	\$34.7951	112,081,862 ⁽³⁾
Equity compensation plans not approved by shareholders	—	—	7,535,768 ⁽⁴⁾
Total	107,366,542	\$34.7951	119,617,630

(1) Weighted-average exercise prices do not reflect the shares that will be used upon the payment of outstanding awards of restricted stock units.

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Includes 107,366,542 shares subject to awards of options, restricted stock units and stock appreciation rights (2)outstanding under the Stock Incentive Plan (including the maximum number of Performance-Based RSUs granted to Mr. Parker).

(3) Includes 98,589,881 shares available for future issuance under the Stock Incentive Plan and 13,491,981 shares available for future issuance under the Employee Stock Purchase Plan.

(4) Includes 7,535,768 shares available for future issuance under the Foreign Subsidiary Employee Stock Purchase Plan, pursuant to which shares are offered and sold to employees of selected non-U.S. subsidiaries of the Company on substantially the same terms as those offered to U.S. employees under the shareholder-approved Employee Stock Purchase Plan as described above under “Employee Stock Purchase Plan” on page 22.

Non-Qualified Deferred Compensation in Fiscal 2017

Name	Plan Name	Executive Contributions in Fiscal 2017 ⁽¹⁾	NIKE Contributions in Fiscal 2017 ⁽¹⁾	Aggregate Earnings in Fiscal 2017	Aggregate Withdrawals/ Distributions in Fiscal 2017	Aggregate Balance at 5/31/2017 ⁽¹⁾
Mark G. Parker	DCP	\$1,848,681	\$209,215	\$616,994	—	\$15,330,754
Andrew Campion	DCP	177,846	57,009	99,504	—	1,013,959
Trevor A. Edwards	DCP	1,632,076	81,665	2,337,650	—	19,151,330
Eric D. Sprunk	DCP	963,907	76,344	1,340,757	—	9,868,014
Michael Spillane	DCP	—	67,070	1,056	—	257,263

All amounts reported in the Executive Contributions column are also included in amounts reported in the Summary Compensation Table. The amounts reported in the NIKE Contributions column represent profit sharing contributions made by us in early fiscal 2017 based on fiscal 2016 results; these amounts are also included in (1) amounts reported for fiscal 2016 in the All Other Compensation column of the Summary Compensation Table. Of the amounts reported in the Aggregate Balance column, the following amounts have been reported in the Summary Compensation Tables in this proxy statement or in prior year proxy statements: Mr. Parker, \$13,732,340; Mr. Campion, \$443,705; Mr. Edwards, \$9,586,681; Mr. Sprunk, \$3,878,118; and Mr Spillane, \$67,070.

Non-Qualified Deferred Compensation Plans

The Named Executive Officers are eligible to participate in our Deferred Compensation Plan (the “DCP”). Participants in the DCP may elect in advance to defer up to 100 percent of their annual base salary, bonus, and long-term incentive payments.

Each year, we share profits with our employees in the form of profit sharing contributions to defined contribution retirement plans. The contributions are allocated among eligible employees based on a percentage of their total salary and bonus for the year. To the fullest extent permitted under Internal Revenue Code limitations, these contributions are made to employees’ accounts under our qualified 401(k) Savings and Profit Sharing Plan. Contributions based on salary and bonus in excess of the tax law limit (\$265,000 for fiscal 2017) are made as NIKE contributions under the DCP.

Amounts deferred under the DCP are credited to a participant’s account under the DCP. Each participant may allocate his or her account among any combination of the investment funds available under the DCP. Participants’ accounts are adjusted to reflect the investment performance of the funds selected by the participants. Participants can change the allocation of their account balances daily. The funds available under the DCP consist of 16 mutual funds with a variety of investment objectives. The investment funds had annual returns in fiscal 2017 ranging from 0.41% to 27.07%. Amounts credited to participants’ accounts are invested by us in actual investments matching the investment options selected by the participants to ensure that we do not bear any investment risk related to participants’ investment

choices.

The portion of a participant's account attributable to elective deferrals, including investment returns, is fully vested at all times. The portion of a participant's account attributable to NIKE contributions, including investment returns, is fully vested after the participant has been employed by us for five years. All of the Named Executive Officers are fully vested in their NIKE contributions.

Each time they elect to defer compensation, participants make an election regarding distribution of the compensation deferred under the election (as adjusted to reflect investment performance). A participant may elect for distribution to be made in a lump sum at the beginning of a predetermined year while the participant is still employed or in service (but no sooner than the fourth year after the year in which the distribution election is submitted). Alternatively, a participant may elect for distribution to be made in a lump sum or in quarterly installments over five, ten or fifteen years after termination of employment or service. Participants have limited rights to change their distribution elections. Participants may make a hardship withdrawal under certain circumstances. Subject to certain limitations, a participant may also at any time request to withdraw amounts from his or her account balance that were vested as of December 31, 2004 (and any subsequent investment returns on such amount). If such request is approved, the participant may withdraw 90% of the amount requested, and the remaining 10% will be permanently forfeited.

Potential Payments Upon Termination or Change-in-Control

Change-in-Control Compensation — Acceleration of Equity Awards

All unvested stock option, restricted stock, and restricted stock unit ("RSU") awards are subject to accelerated vesting upon the occurrence of two events (a "double trigger"): there is a "change in control"; and the Named Executive Officer's employment is terminated by us without "cause" or by

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the Named Executive Officer for “good reason,” in each case on or before the second anniversary of the change in control. Double-trigger accelerated vesting of all awards will also occur if the Named Executive Officer’s employment is terminated without “cause” or for “good reason” between shareholder approval of the change in control and the occurrence of the change in control (and, for restricted stock and RSUs, the change in control occurs within one year following the termination). In addition, for stock options granted since July 2010, the standard period for exercising options following termination of employment is extended from three months to four years, but not beyond each option’s original 10-year term. Accelerated vesting of stock options and RSUs will also occur if we are acquired and the acquiring company does not assume the outstanding options or RSUs. In our agreements, “change in control” is generally defined to include:

- the acquisition by any person of 50% or more of our outstanding Class A Stock or, if the Class A Stock no longer elects a majority of directors, the acquisition by any person of 30% or more of our total outstanding Common Stock, the nomination (and subsequent election) in a two-year period of a majority of our directors by persons other than the incumbent directors,
- a sale of all or substantially all of our assets, and
- an acquisition of NIKE through a merger, consolidation or share exchange.

In our agreements, “cause” generally includes willful and continued failure to substantially perform assigned duties and willful engagement in illegal conduct materially injurious to us. In our agreements, “good reason” generally includes a material diminution in position or duties, a salary reduction or material reduction in other benefits, and a home office relocation of over 50 miles.

The following table shows the estimated benefits that would have been received by the Named Executive Officers if double-trigger accelerated vesting had occurred on May 31, 2017, when the closing price of our Class B Stock was \$52.99 per share.

Name	Stock Award Acceleration ⁽¹⁾	Stock Option Acceleration ⁽²⁾	Total
Mark G. Parker	\$ 36,425,697	\$ 8,928,511	\$45,354,208
Andrew Campion	1,271,972	2,643,749	3,915,721
Trevor A. Edwards	13,077,243	4,587,581	17,664,824
Eric D. Sprunk	12,827,448	4,311,162	17,138,610
Michael Spillane	3,704,743	2,445,902	6,150,645

Information regarding unvested restricted stock and restricted stock units held by each Named Executive Officer is set forth in the Outstanding Equity Awards table above. The award agreements provide for full double-trigger (1) accelerated vesting as described above (for Performance-Based RSUs granted to Mr. Parker, assuming such awards are earned at 100%). The amounts in the table above represent the number of unvested restricted shares and RSUs multiplied by the closing price of our Class B Stock on May 31, 2017.

Information regarding outstanding unexercisable options held by each Named Executive Officer is set forth in the Outstanding Equity Awards table above. The agreements governing unvested stock options provide for full double-trigger accelerated vesting and an extended post-termination exercise period as described above. Amounts in the table above represent the sum of (i) for each Named Executive Officer’s outstanding unexercisable options, the aggregate value as of May 31, 2017 of those options assuming a four-year remaining term and otherwise (2) calculated using the Black-Scholes option pricing model with assumptions consistent with those used by us for valuing our options under accounting guidance applicable to stock-based compensation, plus (ii) for each Named Executive Officer’s outstanding exercisable options granted since July 2010, the increase in value of those options resulting from the extension of the post-termination exercise period from three months to four years, with the option values for three-month and four-year remaining terms calculated using the Black-Scholes option pricing model with assumptions consistent with those used for valuing our options under accounting guidance applicable to stock-based compensation.

Benefits Triggered on Certain Employment Terminations
Stock Option Acceleration and Extension

As of May 31, 2017, each Named Executive Officer held options to purchase Class B Stock as listed in the Outstanding Equity Awards table above. Under the terms of the stock options granted to each Named Executive Officer before July 2010, upon the death or disability of the officer, the standard three-month period for exercising options following termination of employment is extended to 12 months, but not beyond each option's original 10-year term. Under the terms of the stock options granted to each Named Executive Officer since July 2010, upon the death or disability of the officer, all unexercisable options become fully exercisable and the standard three-month period for exercising options following termination of employment is extended to four years, but not beyond each option's original 10-year term. If death or disability of a Named Executive Officer had occurred on May 31, 2017, the sum of (i) for outstanding unexercisable options that would have become exercisable, the aggregate value as of May 31, 2017 of those options assuming a four-year remaining term and otherwise calculated using the Black-Scholes option pricing model with assumptions consistent with those used by us for valuing our options under accounting guidance applicable to stock-based compensation, plus (ii) for outstanding exercisable options, the increase in value, if any, of those options resulting from the extension of the post-termination exercise period from three months to 12 months, in the case of options granted before July 2010, and from three months to four years, in the case of options granted since July 2010, with the option values as of May 31, 2017 for three-month, twelve-month and four-year remaining terms calculated using the Black-Scholes option pricing model with assumptions consistent with those used by us for valuing our options under accounting guidance applicable to stock-based compensation, is \$8,928,511 for Mr. Parker, \$4,587,581 for Mr. Edwards, \$4,311,162 for Mr. Sprunk, \$2,445,902 for Mr. Spillane, and \$2,643,749 for Mr. Campion.

Under the terms of the unvested stock options granted to Named Executive Officers since July 2010, vesting of options that have been outstanding for at least one year will be accelerated if the holder retires after reaching age 60 with at least 5 years of service, and vesting of options that have been outstanding for at least one year will continue notwithstanding termination of employment if the holder retires after reaching age 55 with at least 5 years of service. In addition, for any holder who retires after reaching age 55 (but before reaching age 60) with at least 5 years of service, the standard three-month period for exercising these options following termination of employment will be extended to four years, but not beyond the option's original ten-year term. If termination of employment of a Named Executive Officer (other than due to death or disability) had occurred on May 31, 2017, the sum of (i) for outstanding unexercisable options that would have become exercisable, the aggregate value as of May 31,

EXECUTIVE COMPENSATION

2017 of those options assuming a four-year remaining term and otherwise calculated using the Black-Scholes option pricing model with assumptions consistent with those used by us for valuing our options under accounting guidance applicable to stock-based compensation, plus (ii) for outstanding exercisable options granted since July 2010, the increase in value, if any, of those options resulting from the extension of the post-termination exercise period from three months to four years, with the option values as of May 31, 2017 for three-month and four-year remaining terms calculated using the Black-Scholes option pricing model with assumptions consistent with those used by us for valuing our options under accounting guidance applicable to stock-based compensation, is \$7,642,920 for Mr. Parker and \$2,056,329 for Mr. Spillane. The value for Messrs. Sprunk, Campion and Edwards is zero because they have not reached age 55.

Stock Award Acceleration

As of May 31, 2017, each Named Executive Officer held unvested restricted stock and/or restricted stock units as set forth in the Outstanding Equity Awards table above. Under the terms of their award agreements, all unvested restricted shares and restricted stock units will immediately vest fully upon the death or disability of the officer, except that Performance-Based RSUs held by Mr. Parker will vest at the threshold amount. The value of the unvested restricted shares and restricted stock units held by each Named Executive Officer as of May 31, 2017 that would have become vested if death or disability had occurred on that date is as set forth in the “Stock Award Acceleration” column of the Change-in-Control Compensation — Acceleration of Equity Awards table above, except that the amount for Mr. Parker would be \$27,595,655.

Payments Under Noncompetition Agreements

We have an agreement with Mr. Parker that contains a covenant not to compete that extends for two years following the termination of his employment with us. The agreement provides that if Mr. Parker’s employment is terminated by us, we will make monthly payments to him during the two-year noncompetition period in an amount equal to one-twelfth of his then current annual salary and target Performance Sharing Plan bonus (“Annual NIKE Income”). The agreement provides further that if Mr. Parker voluntarily resigns, we will make monthly payments to him during the two-year noncompetition period in an amount equal to one-twenty-fourth of his then current Annual NIKE Income. However, commencement of the above-described monthly payments will be delayed until after the six-month period following Mr. Parker’s separation from service, and all payments that he would otherwise have received during that period will be paid in a lump sum promptly following the end of the period, together with interest at the prime rate. If employment is terminated without “cause”, the parties may mutually agree to waive the covenant not to compete, and if employment is terminated for “cause”, we may unilaterally waive the covenant. Under Mr. Parker’s noncompetition agreement, “cause” means continual and repeated neglect of duties or acts of dishonesty. If the covenant is waived, we will not be required to make the payments described above for the months as to which the waiver applies. If the employment of Mr. Parker had been terminated by us on May 31, 2017, and assuming the covenant is not waived, we would have been required to pay Mr. Parker \$361,667 per month for the 24-month period ending May 31, 2019. If Mr. Parker had voluntarily resigned on May 31, 2017, and assuming the covenant is not waived, we would have been required to pay Mr. Parker \$180,833 per month for the 24-month period ending May 31, 2019.

We have noncompetition agreements with Messrs. Campion, Sprunk, Edwards and Spillane on the same terms, except that the noncompetition period is one year instead of two years, payments may commence on termination, and we may unilaterally waive the covenant in all cases including termination without cause (in which case payments would cease). In addition, for Messrs. Campion, Sprunk, Edwards and Spillane, the monthly payments are one-twelfth or one-twenty-fourth of their then current annual salaries, instead of their Annual NIKE Income. If the employment of these officers had been terminated by us on May 31, 2017 and assuming the covenant is not waived, we would have been required to pay Mr. Campion \$75,000 per month, Messrs. Sprunk and Edwards \$87,500 per month, and Mr. Spillane \$75,083 for the 12-month period ending May 31, 2018. If these officers had voluntarily resigned on May 31, 2017 and assuming the covenant is not waived, we would have been required to pay Mr. Campion \$37,500 per month, Messrs. Sprunk and Edwards \$43,750 per month, and Mr. Spillane \$37,542 per month for the 12-month period ending May 31, 2018.

PROPOSAL 2

Proposal 2 Shareholder Advisory Vote to Approve Executive Compensation

In accordance with the requirements of Section 14A of the Securities Exchange Act of 1934, we are submitting to shareholders our annual “say-on-pay proposal,” an advisory vote to approve the compensation of our Named Executive Officers as described in this proxy statement.

At the Company’s 2011 annual meeting of shareholders, we provided shareholders with an advisory vote with respect to how often we should hold a say-on-pay proposal vote, and shareholders voted in favor of holding such a vote annually. Consistent with the voting results, we have held an advisory vote each year. At our 2017 Annual Meeting, in addition to this say-on-pay proposal, we will hold an advisory vote on say-on-pay proposal frequency. For information regarding the advisory vote on say-on-pay proposal frequency, see Proposal 3 below on page 36.

At the Company’s 2016 annual meeting of shareholders, 86% of the votes cast on the say-on-pay proposal were voted in favor of the proposal. The Compensation Committee believes this affirms shareholders’ support of the Company’s approach to executive compensation.

As discussed in the Compensation Discussion and Analysis, our compensation philosophy is designed to attract and retain highly talented individuals, provide rewards for strong business results and individual performance, and motivate executives to maximize long-term shareholder value. The program is competitive in the marketplace, highly incentive-based to align interests of executives with those of shareholders, and balanced across incentives to appropriately mitigate risk.

To achieve the objectives of our executive compensation program and emphasize pay-for-performance principles, the Compensation Committee has continued to employ the strong governance practices described in “Executive Compensation Governance Practices” on page 15, including:

- basing a majority of total compensation on performance and retention incentives;
- setting annual and long-term incentive targets based on clearly disclosed, objective performance measures and the Company’s performance goals;
- mitigating undue risk associated with compensation by using multiple performance targets, caps on potential incentive payments and a clawback policy; and
- requiring executive officers and non-employee directors to hold NIKE stock through published stock ownership guidelines.

Because your vote is advisory, it will not be binding on the Board. However, the Board values shareholder opinions, and the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

Board Recommendation

The Board of Directors recommends that shareholders vote FOR approval of the following resolution:

RESOLVED, that the shareholders approve the fiscal 2017 compensation paid to the Named Executive Officers as disclosed in this proxy statement pursuant to the SEC’s compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and the narrative disclosures that accompany the compensation tables).

PROPOSAL 3

Proposal 3 Frequency of Advisory Votes on Executive Compensation

In addition to providing our shareholders with the opportunity to cast an advisory vote on executive compensation, in accordance with the requirements of Section 14A of the Securities Exchange Act of 1934, we are also submitting to an advisory shareholder vote how frequently advisory votes on executive compensation should occur. Shareholders are voting on the following resolution:

RESOLVED, that a non-binding advisory vote of the shareholders to approve the compensation of the Company's named executive officers should be held (1) every year, (2) every two years, or (3) every three years, as determined by the alternative that receives the highest number of votes cast for it.

After careful consideration and consistent with past practice, the Board of Directors recommends an annual vote. The Board believes in the value of the opportunity for shareholders to voice their opinion annually on the Company's executive compensation.

Because your vote is advisory, it will not be binding on the Board. However, the Board values shareholder opinions, and will give significant weight to shareholder preferences on this matter.

Board Recommendation

The Board of Directors recommends that shareholders vote for future shareholder advisory votes on executive compensation to be held EVERY YEAR. Holders of Class A Stock and Class B Stock will vote together as a single class on Proposal 3. The option of every year, every two years, or every three years that receives the highest number of votes cast by shareholders will be the frequency approved by shareholders. Abstentions and broker non-votes are counted for the purposes of determining whether a quorum exists, but have no effect on the results of the vote.

PROPOSAL 4

Proposal 4 Approval of the NIKE, Inc. Long-Term Incentive Plan, as Amended

In 1997, the Board of Directors adopted, and the shareholders approved, our Long-Term Incentive Plan (the “Plan”). The Plan gives us broad authority to make long-term incentive awards payable in cash and to permit qualification of certain awards (“162(m) Awards”) as “performance-based compensation” as defined under Section 162(m) of the Internal Revenue Code of 1986 (the “Code”), thereby permitting full deductibility of amounts paid under the Plan to the Named Executive Officers.

The Code requires that the material terms of the performance targets under the Plan be approved by shareholders every five years in order for 162(m) Awards under the Plan to continue to qualify as performance-based compensation. See “162(m) Approval” below on page 38. The shareholders last approved the Plan in 2012. Unless the shareholders again approve the Plan as requested in this proposal, the Plan will terminate at the 2017 Annual Shareholder Meeting. If the shareholders approve the Plan, the Plan will be extended for an additional five years until the first shareholder meeting in 2022.

The Board of Directors has adopted amendments to the Plan, subject to shareholder approval, including, but not limited to, increasing the maximum amount payable to any participant under the Plan for performance periods ending in any year from \$12,000,000 to \$15,000,000 and expanding the number of performance targets. The Board of Directors believes that the increased limit recognizes changes in executive compensation practices and provides flexibility with respect to multi-year performance periods ending in the same year. The Board of Directors believes that flexibility in performance targets is advisable given the evolution of the Company’s business and the metrics by which it judges its performance.

The complete text of the Plan, marked to show the proposed amendments, is attached to this proxy statement as Exhibit A. The following description of the proposed amended Plan is a summary of certain provisions and is qualified in its entirety by reference to Exhibit A.

Description of the Plan

Eligible Participants. The Plan provides that all of our employees and the employees of our subsidiaries are eligible to receive awards under the Plan. Although this group currently consists of approximately 75,000 persons, our current intent is to grant awards under the Plan to approximately 420 current officers and senior managers.

Administration. The Plan is administered by the Compensation Committee (the “Committee”) which is composed solely of “outside directors” as that term is defined in regulations under Section 162(m) of the Code. The Committee may promulgate rules and regulations for the operation of the Plan and related agreements and generally supervises the administration of the Plan. The Committee determines the individuals to whom awards are made under the Plan, the amount of the awards, and the other terms and conditions of the awards.

Target Awards. The Committee may grant target awards payable in cash and shall make 162(m) Awards within 90 days after the commencement of the period covered by the award (the “Performance Period”), or before 25% of the Performance Period has elapsed if the Performance Period is less than one year. All or part of the awards will be earned if performance targets established by the Committee for the Performance Period are met and the participant satisfies any other restrictions or goals established by the Committee. Performance targets must be expressed as an objectively determinable level of our performance or the performance of any of our subsidiaries, divisions or other units, based on one or more of the following: net income; net income before taxes; operating income; revenues; return on sales; return on equity; earnings per share; total shareholder return; return on capital; return on invested capital; return on assets; return on operating revenue earnings before any one or more of: interest, taxes, depreciation, amortization or stock-based compensation expense; stock price; cash flow; operating margin or profit margin; market share; or any of the foregoing with such objectively determinable adjustments, modifications or amendments as the Committee may determine appropriate at the time of establishing the performance target. The Committee shall not establish target award opportunities for any participant such that the maximum amount payable under target awards which have Performance Periods ending in any single fiscal year exceeds \$15,000,000.

Determination of Award Payouts. At the end of each Performance Period, the Committee will determine and certify for 162(m) Awards, the attainment of the performance targets and the calculation of the payouts of the related target awards. No 162(m) Award shall be paid if the related performance targets are not met. The Committee may also, in its discretion, reduce or eliminate a participant's calculated award based on circumstances relating to our performance or the performance of the participant.

Clawback Policy. Awards under the Plan are subject to the Company's Policy for Recoupment of Incentive Compensation. This clawback policy generally requires executive officers who are involved in wrongful conduct that results in a restatement of the Company's financial statements to repay to the Company the full amount of any payout received by the executive officer that was calculated in whole or in part based on the financial statements that were subsequently misstated. Awards under the Plan will also be subject to such other policy regarding clawback or recoupment of incentive compensation as may be subsequently approved by the Committee from time to time or set forth in any agreement or notice evidencing an award, as well as the requirements of applicable law and regulation regarding clawback or recoupment of incentive compensation. By accepting any awards under the Plan, a participant expressly agrees to repay to the Company any amount that may be required to be repaid under these provisions.

Amendment and Termination. The Plan, and awards made or outstanding under the Plan (including awards currently outstanding under the Plan), may be amended by the Committee with the approval of the Board of Directors, at any time except that (i) no modification shall adversely affect the payment of a target award without the participant's consent and (ii) no modification shall be made to the extent that shareholder approval would be required to maintain the qualification of 162(m) Awards as performance-based compensation. Unless again approved by the shareholders, the Plan will terminate at the 2022 Annual Shareholder Meeting.

PROPOSAL 4

162(m) Approval

Section 162(m) of the Code prevents a publicly held corporation from claiming federal income tax deductions for compensation in excess of \$1 million per year paid to any of its chief executive officer or three other most highly compensated executive officers (other than the chief financial officer). However, if certain conditions are met, compensation that qualifies as “performance-based” is excluded for purposes of calculating the amount of compensation subject to the \$1 million limit. In general, one of the requirements that must be satisfied to qualify as performance-based compensation under Section 162(m) of the Code is that the material terms of the performance goals under which the compensation may be paid must be disclosed to and approved by our shareholders every five years. Thus, our shareholders are being asked to approve this Proposal 4 to ensure that the Committee has the flexibility to grant awards under the Plan, as amended, that are intended to qualify as performance-based compensation under Section 162(m) of the Code.

If our shareholders do not approve the Plan as amended, no new awards will be granted to covered employees under the Plan, and the Committee will make a determination in its business judgment as to the appropriate compensation for such employees, taking into account considerations important to the Company’s success and the benefits and costs to the Company, including the additional costs arising from the Company’s inability to deduct all or a portion of the compensation paid to covered employees.

Plan Benefits

The actual amount of compensation to be paid to participants under the Plan is not determinable in advance because awards granted under the Plan will be subject to the Committee’s discretion, and the Committee has not determined future amounts or who might receive them. In June 2016, the Committee made target awards under the Plan for the fiscal 2017-2019 Performance Period which are summarized in the following table, and which would not have changed had the Plan, as proposed here, been in place instead of the current Long-Term Incentive Plan. Since the Plan was adopted in 1997, similar target awards have been made for the three-year Performance Periods commencing each year. The payout for the fiscal 2015-2017 Performance Period (the most recently completed Performance Period) was 131.97% of target. The actual compensation received by the Named Executive Officers under the Plan for fiscal 2015-2017 is shown in footnote 3 to the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table. The actual compensation received by all current executive officers (including the Named Executive Officers) as a group under the Plan for fiscal 2015-2017 was \$10.8 million. The actual compensation received by all other employees as a group under the Plan for fiscal 2015-2017 was \$63.8 million.

Name and Position ⁽¹⁾	Long-Term Incentive Plan ⁽²⁾		
	Dollar Value (\$)		
	Threshold	Target	Maximum
Mark G. Parker Chairman, President, and Chief Executive Officer	\$1,750,000	\$3,500,000	\$7,000,000
Andrew Campion Executive Vice President and Chief Financial Officer	\$375,000	\$750,000	\$1,500,000
Trevor A. Edwards President, NIKE Brand	\$500,000	\$1,000,000	\$2,000,000
Eric D. Sprunk Chief Operating Officer	\$375,000	\$750,000	\$1,500,000
Michael Spillane President, Categories and Product	\$375,000	\$750,000	\$1,500,000
Executive Officer Group (includes above 5 officers)	\$4,125,000	\$8,250,000	\$16,500,000
Non-Executive Officer Employee Group	\$27,400,000	\$54,800,000	\$109,600,000

(1) All awards are cash-based. Non-employee directors are not eligible to participate in the Plan; accordingly, they are omitted from the table.

The Committee established a series of performance targets based on revenues and earnings per share for the (2)three-year period consisting of fiscal 2017-2019 corresponding to award payouts ranging from 50% to 200% of the target awards.

Board Recommendation

The Board of Directors recommends that shareholders vote FOR approval of the Plan as amended. Holders of Class A Stock and Class B Stock will vote together as a single class on Proposal 4. If a quorum is present at the Annual Meeting, Proposal 4 will be approved if the number of shares voted in favor of the proposal exceeds the number of shares voting against the proposal. Abstentions and broker non-votes are counted for purposes of determining whether a quorum exists, but are not counted as voting either for or against and therefore have no effect on the results of the vote.

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PROPOSAL 5

Proposal 5 Shareholder Proposal Regarding Political Contributions Disclosure

The following shareholder proposal (the “Proposal”) will be voted on at the Annual Meeting only if properly presented by or on behalf of the shareholder proponent. Mercy A. Rome, c/o Investor Voice, SPC, 111 Queen Anne Ave N, Suite 500, Seattle, WA 98109, a holder of 76 shares of Class B Stock submitted the Proposal. The Board of Directors recommends a vote AGAINST the Proposal and asks shareholders to read through NIKE’s response which follows the shareholder proposal.

THEREFORE, BE IT RESOLVED: Shareholders request that Nike, Inc. provide a report, updated annually, to disclose Nike’s:

1. Policies for making direct or indirect contributions and payments with corporate funds to:
 - Participate or intervene in any political campaign on behalf of (or in opposition to) a candidate for public office, or
 - Influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
 - The identity of the recipient as well as the amount paid to each; and
 - The title(s) of person(s) at Nike responsible for decision-making or oversight.

The report shall be presented to the Board or relevant Board committee, and posted on Nike’s public website.

Supporting Statement

Long-term shareowners support transparency and accountability in corporate spending on political activities, both because it is in our best interest and because it is critical for Nike’s compliance with federal ethics laws. Gaps in reporting disserve shareowners and expose Nike to reputational and business risks that can harm shareowner value.

Nike’s current political spending policy has a number of significant gaps:

1. In 2011 Nike pledged annual disclosures, but the 2013 and 2014 reports (the first released) reported only on Oregon, and the 2015 report only included California. A 2016 report has not yet been posted to the company’s website.

Nike’s disclosure policy is contorted and difficult to understand. Its convoluted and legalistic language seems crafted to ensure: (A) that only one State per year will be reported on, and (B) that Nike will only report “direct” (not indirect) or “cash” (not in-kind) payments. Indirect payments are often the largest and most risky type of contribution or payment - they need to be accounted for and reported to shareowners.

The policy requires senior-executive approval of contributions only when amounts to a single entity are in excess of 2. \$100,000 - which creates significant gaps, too little oversight, and levels of risk that do not reflect appropriate Board stewardship or oversight.

3. The policy ignores payments to third-party groups - whether trade associations or 501(c)(4) entities - which are the major ‘dark money’ conduits by which corporate cash enters the political system.

According to reliable public sources, Nike has contributed at least \$2,460,000 (\$2.46 million) in corporate funds since the 2004 election cycle. However, public data only provides a partial picture and Nike does not report on payments it makes to trade associations and 501(c)(4)s, which are the most questionable and risky forms of payments.

In order for shareowners to be able to evaluate these risks, and for the Board to adequately fulfill its fiduciary duty to shareowners, the Company must make comprehensive disclosures that include payments to trade associations and other tax-exempt organizations.

Doing so would bring Nike in line with Northwest corporate peers that embrace comprehensive disclosure:

Boeing
Microsoft
Nordstrom
Starbucks

The Company's Statement in Opposition to Proposal 5

The Board of Directors recommends that shareholders vote AGAINST this shareholder proposal because:

Our current policies and public disclosures already address many of the items requested by the proposal;
In the Board's judgment, more disclosure than we already provide would not be in the best interests of shareholders;
and
In 2012, 2013, 2015, and 2016 virtually identical proposals were rejected by approximately 78%, 82%, 73%, and 71%, respectively, of shares voted.

PROPOSAL 5

Frankly, we agree with our shareholders.

NIKE has strong governance practices and accountability in corporate spending on political activities, and we have a level of transparency that we believe allows shareholders to have the information they need to make informed decisions. The Proposal is unnecessary to achieve these objectives, and the proponent offers no new compelling evidence or arguments in support of the proposal.

NIKE's Political Contributions Policy (the "Policy") is designed to give shareholders confidence that there is proper oversight of political activity, and to allow shareholders to assess any risks associated with significant contributions. All of our political contributions and expenditures are made in accordance with the Policy and our objective is to strictly comply with all public reporting laws. Our Policy ensures that political contributions, trade group memberships, and policy statements are made in a manner consistent with NIKE's core values to protect or enhance shareholder value, without regard to the private political preferences of our corporate officers. Our Policy describes the policies and procedures for making corporate political contributions, how they are approved, who must approve them, and how they are reported to the Board's independent Nominating and Corporate Governance Committee. We disclose our Policy on our website at <http://investors.nike.com/investors/corporate-governance>.

Consistent with our Policy, we also annually disclose on our website all direct political contributions to any candidate, political party, or ballot initiative in any year that exceeds \$100,000, and all political contributions in any U.S. state where we make more than 50% of our political contributions in any year. We believe these disclosures provide shareholders meaningful information to assess any risks posed by significant political contributions. Our disclosures are simple, accurate, and clear. And we have posted them for every year starting with 2012.

Our Policy also requires that management annually report to the Board's independent Nominating and Corporate Governance Committee on compliance with our Policy, and to review the strategic priorities for political contributions and trade association affiliations, to ensure they align with the long-term business objectives of the Company.

The additional disclosure requested in this proposal could place NIKE at a competitive disadvantage by revealing strategies and priorities designed to protect the economic future of NIKE, its employees, and shareholders. Because parties with interests adverse to NIKE also participate in the political process to their business advantage, any unilateral expanded disclosure could benefit them, while harming the interests of NIKE and its shareholders.

In summary, the Board of Directors believes the proposal is unnecessary because NIKE has for years followed a comprehensive policy for oversight and disclosure of political contributions. The proposal would create unnecessary administrative costs, as well as expose NIKE to competitive harm, without commensurate benefit to our shareholders. Our shareholders have understandably rejected this proposal four times before.

Board Recommendation

The Board of Directors recommends a vote AGAINST the shareholder proposal.

PROPOSAL 6

Proposal 6 Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has sole authority to retain, with shareholder ratification, the Company's independent registered public accounting firm. The Audit Committee directly oversees the firm's work with respect to the annual audit of the Company's consolidated financial statements and internal control over financial reporting and approves all audit engagement fees and terms. At least annually, the Audit Committee evaluates the independent registered public accounting firm's qualifications, performance, and independence, including a review and evaluation of its lead partner. The Audit Committee is also involved in the selection of the new lead engagement partner following mandated rotation of the firm's lead partner, and is responsible for considering the benefits of rotation of the Company's independent registered public accounting firm.

The Audit Committee has appointed PricewaterhouseCoopers LLP to audit the Company's consolidated financial statements and internal control over financial reporting for the fiscal year ending May 31, 2018 and to render other professional services as required.

PricewaterhouseCoopers LLP has served as the Company's independent registered public accounting firm for many years. The Audit Committee and the Board of Directors believe that the continued retention of PricewaterhouseCoopers LLP as the independent registered public accounting firm is in the best interests of the Company and its shareholders.

Accordingly, the Audit Committee is submitting the appointment of PricewaterhouseCoopers LLP to shareholders for ratification. If the appointment is not ratified by our shareholders, the Audit Committee may reconsider whether it should appoint another independent registered public accounting firm.

Representatives of PricewaterhouseCoopers LLP will be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to questions.

Aggregate fees billed by the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, for audit services related to the most recent two fiscal years, and for other professional services incurred in the most recent two fiscal years, were as follows:

Type of Service	2017	2016
Audit Fees ⁽¹⁾	\$20.6million	\$21.5million
Audit-Related Fees ⁽²⁾	— million	— million
Tax Fees ⁽³⁾	1.6 million	1.5 million
All Other Fees ⁽⁴⁾	0.1 million	0.1 million
Total	\$22.3million	\$23.1million

Comprises the audits of the Company's annual financial statements and internal controls over financial reporting (1) and reviews of the Company's quarterly financial statements, as well as statutory audits of Company subsidiaries, attest services and consents to SEC filings.

(2) Comprises employee benefit plan audits and consultations regarding financial accounting and reporting.

Comprises services for tax compliance, tax planning and tax advice. Tax compliance includes services for compliance related tax advice, as well as the preparation and review of both original and amended tax returns for (3) the Company and its consolidated subsidiaries. Tax compliance-related fees represented \$0.3 million and \$0.7 million of the tax fees for fiscal 2017 and 2016, respectively. The remaining tax fees primarily include tax advice.

(4) Comprises other miscellaneous services.

In accordance with the Sarbanes-Oxley Act of 2002, the Audit Committee established policies and procedures under which all audit and non-audit services performed by the Company's independent registered public accounting firm must be approved in advance by the Audit Committee. During fiscal 2017, fees totaling \$4,080, or less than 0.1% of total fees, were paid to PricewaterhouseCoopers LLP for two engagements that were not pre-approved. All such services were approved by the Audit Committee promptly after their inadvertent omission from pre-approval was

noticed. During fiscal 2016, all such services performed by, and fees paid to, PricewaterhouseCoopers LLP were approved in advance.

Board Recommendation

The Board of Directors recommends that shareholders vote FOR ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending May 31, 2018.

PROPOSAL 6

Report of the Audit Committee

The Audit Committee has:

Reviewed and discussed the audited financial statements with management.
Discussed with the independent auditors the matters required to be discussed by Public Company Accounting Oversight Board (“PCAOB”) Statement on Auditing Standards No. 16 Communications with Audit Committees.
Received the written disclosures and the letter from the independent accountants required by applicable requirements of the PCAOB regarding the independent accountants’ communications concerning independence, and has discussed with the independent accountant the independent accountant’s independence.

Based on the review and discussions above, recommended to the Board of Directors that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the last fiscal year for filing with the Securities and Exchange Commission.

Members of the Audit Committee:

Alan B. Graf, Jr., Chairman
John G. Connors
John J. Donahoe
Michelle A. Peluso

OTHER MATTERS / SHAREHOLDER PROPOSALS

Other Matters

As of the time this proxy statement was printed, management was unaware of any proposals to be presented for consideration at the Annual Meeting other than those set forth herein, but if other matters do properly come before the Annual Meeting, the persons named in the proxy will vote the shares represented by such proxy according to their best judgment.

Shareholder Proposals

A proposal by a shareholder for inclusion in the Company's proxy statement and form of proxy for the 2018 annual meeting of shareholders must be received by Ann M. Miller, Vice President and Corporate Secretary of NIKE, at One Bowerman Drive, Beaverton, Oregon 97005-6453, on or before April 5, 2018 to be eligible for inclusion. Rules under the Securities Exchange Act of 1934 describe standards as to the submission of shareholder proposals. In addition, the Company's bylaws require that any shareholder wishing to make a nomination for Director, or wishing to introduce a proposal or other business at a shareholder meeting must give the Company at least 60 days' advance written notice, which for the 2018 annual meeting of shareholders is July 22, 2018, and that notice must meet certain other requirements described in the bylaws.

For the Board of Directors,

Ann M. Miller

Vice President and Corporate Secretary

NIKE, INC. 2017 Notice of Annual Meeting 43

EXHIBIT A

EXHIBIT A

NIKE, INC. AMENDED AND RESTATED LONG-TERM INCENTIVE PLAN

This is the Amended and Restated Long-Term Incentive Plan of NIKE, Inc. for the payment of incentive compensation to designated employees.

Section 1. Definitions.

The following terms have the following meanings:

Board: The Board of Directors of the Company.

Code: The Internal Revenue Code of 1986, as amended, and all regulations, interpretations, and administrative guidance issued thereunder.

Committee: The Compensation Committee of the Board, provided however, if the Compensation Committee of the Board is not composed entirely of Outside Directors, the "Committee" shall mean a committee composed entirely of at least two Outside Directors appointed by the Board from time to time.

Company: NIKE, Inc.

Outside Directors: The meaning ascribed to this term in Section 162(m) of the Code.

Performance Period: The period of time for which Company performance is measured for purposes of a Target Award.

Performance Target: An objectively determinable level of performance as selected by the Committee to measure performance of the Company or any subsidiary, division, or other unit of the Company for the Performance Period based on one or more of the following: (a) net income, (b) net income before taxes, (c) operating income, (d) revenues, (e) return on sales, (f) return on equity, (g) earnings per share, (h) total shareholder return, (i) return on capital, (j) return on invested capital, (k) return on assets, (l) return on operating revenue, (m) earnings before any one or more of: interest, taxes, depreciation, amortization or stock-based compensation expense, (n) stock price, (o) cash flow, (p) operating margin or profit margin, (q) market share, or any of the foregoing before the effect of acquisitions, with such objectively determinable adjustments, modifications or amendments, as the Committee may determine appropriate (including, but not limited to, for one or more of the items of gain, loss, profit or expense: (i) related to a change in tax law or accounting principles; (ii) determined to be extraordinary or unusual in nature or infrequent in occurrence; (iii) acquisitions; or (iv) divestitures, accounting changes, restructuring, or other special changes), as determined by the Committee at the time of establishing a Performance Target.

Plan: The Amended and Restated Long-Term Incentive Plan of the Company.

Section 162(m) Award: An award under the Plan that is intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code.

Section 162(m) Exemption: The exemption from the limitation on deductibility imposed by Section 162(m) of the Code as set forth in Section 162(m)(4)(C) of the Code and the applicable rulings and regulations thereunder.

Target Award: An amount of compensation to be paid in cash to a Plan participant based on achievement of a particular Performance Target level, as established by the Committee.

Year: The fiscal year of the Company.

Section 2. Objectives.

The objectives of the Plan are to:

- (a) recognize and reward on a long-term basis selected employees of the Company and its subsidiaries for their contributions to the overall profitability and performance of the Company; and
- (b) qualify permit compensation under the Plan to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code.

Section 3. Administration.

The Plan will be administered by the Committee. Subject to the provisions of the Plan, the Committee will have full authority to interpret the Plan, to establish and amend rules and regulations relating to it, to determine the terms and provisions for making awards and to make all other determinations necessary or advisable for the administration of the Plan.

Section 4. Participation.

Target Awards may be granted under the Plan only to any employee of the Company or a subsidiary of the Company who, in the discretion of the Committee, is likely to be a “covered employee” under Section 162(m) of the Code for the year in which such award is payable and any other individuals selected by the Committee who are employees of the Company or a subsidiary of the Company.

* Matters in bold and underline are new; matters in italics and strikeout are to be deleted

EXHIBIT A

Section 5. Determination of the Performance Targets and Awards.

(a) Performance Targets and Awards. The Committee shall may grant awards to participants and establish in writing Performance Targets and Target Award opportunities in its sole discretion, the. With respect to Section 162(m) Awards, the Committee shall establish Performance Targets and Target Award opportunities for each participant, in writing within 90 days of the beginning of the applicable Performance Period. The Committee may establish (i) several Performance Target levels for each participant, each corresponding to a different Target Award opportunity, and (ii) different Performance Targets and Target Award opportunities for each participant in the Plan.

(b) Other Terms and Restrictions. The Committee may establish other restrictions to payment under a Target Award, such as a continued employment requirement, in addition to satisfaction of the Performance Targets. The Committee may also establish other subjective or objective goals, including individual Performance Targets, which it deems appropriate for determining an award; provided that, for any Section 162(m) Award, such goals may only be used for purposes of applying negative discretion in determining the award amount.

(c) Maximum Awards. The Committee shall not establish Target Award opportunities for any participant such that the maximum amount payable under Target Awards which have Performance Periods ending in any single Year exceeds \$15,000,000.

Section 6. Determination of Plan Awards.

At(a) With respect to any award that is not a Section 162(m) Award, at the conclusion of the Performance Period, the Committee shall determine the attainment of the Performance Targets for the Performance Period, the satisfaction of any other material terms of the awards and the calculation of the awards, in each case, in its discretion. Awards will be paid in accordance with the terms of the awards as soon as practicable following such determination.

(b) Section 162(m) Awards. With respect to Section 162(m) Awards, in accordance with Section 162(m)(4)(C)(iii) of the Code, at the conclusion of the Performance Period and prior to the payment of any award under the Plan, the Committee shall certify in writing the attainment of the Performance Targets for the Performance Period, and satisfaction of any other material terms of the awards, and the calculation of the awards. No award Section 162(m) Award shall be paid if the related Performance Target is not met, unless provided by the Committee where the participant's employment terminates due to the participant's death or disability, or upon or following a change in ownership or control, to the extent permitted under Section 162(m) of the Code. ¹The Committee may, in its sole discretion, reduce or eliminate (but not increase) any participant's calculated award Section 162(m) Award based on circumstances relating to the performance of the Company or the participant. Section 162(m) Awards will be paid in accordance with the terms of the awards as soon as practicable following the Committee's certification of the awards.

Section 7. Termination of Employment.

The terms of a Target Award that is not a Section 162(m) Award may provide that in the event of a participant's termination of employment for any reason during a Performance Period, the participant (or his or her beneficiary) will may receive, at the time provided in Section 6,6 or such other time or times as the Committee may determine, all or any portion of the award to which the participant would otherwise have been entitled. Further, the Committee, in its sole discretion, may provide for payment at such time or times as the Committee may determine of all or a portion of a Target Award that is a Section 162(m) Award to a participant who terminates employment during a Performance Period due to the participant's death or disability, or upon or following a change in ownership or control.

Section 8. Clawback Policy.

Unless otherwise provided at the time of establishing a Target Award, all awards under the Plan shall be subject to (a) any applicable securities, tax and stock exchange laws, rules, regulations and requirements relating to the recoupment or clawback of incentive compensation, (b) the NIKE, Inc. Policy for Recoupment of Incentive Compensation as approved by the Committee and in effect at the time the Target Award is established, (c) such other policy for clawback or recoupment of incentive compensation as may subsequently be approved from time to time by the Committee and (d) any clawback or recoupment provisions set forth in any agreement or notice evidencing the participant's Target Award. By acceptance of any payment under the Plan, a participant expressly agrees to repay to the Company any amount that may be required to be repaid under the applicable policy, agreement or legal requirement.

Section 9. Miscellaneous.

(a) Amendment and Termination of the Plan. The Committee, with the approval of the Board, may amend, modify or terminate the Plan or any award hereunder (including, for the avoidance of doubt, any award outstanding at the time of the amendment and restatement of the Long-Term Incentive Plan of the Company) at any time and from time to time except insofar as approval by; provided that (i) no such amendment, modification or termination shall adversely affect the payment of a Target Award without the participant's consent and (ii) no such amendment, modification or termination may be effective without approval of the Company's shareholders is required pursuant to if such approval is necessary to comply with the requirements of the Section 162(m)(4)(C)(ii) of the Code Exemption. The Plan shall terminate at the first shareholder meeting that occurs in the fifth year after the Company's shareholders approve the Plan, unless it is again approved by the shareholders at such shareholder meeting. Notwithstanding the foregoing, no such amendment, modification or termination shall affect the payment of Target Awards previously established.

(b) No Assignment. Except as otherwise required by applicable law, no interest, benefit, payment, claim or right of any participant under the plan shall be subject in any manner to any claims of any creditor of any participant or beneficiary, nor to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, charge or encumbrance of any kind, and any attempt to take any such action shall be null and void.

(c) No Rights to Employment. Nothing contained in the Plan shall give any person the right to be retained in the employment of the Company or any of its subsidiaries. The Company reserves the right to terminate a participant at any time for any reason notwithstanding the existence of the Plan.

EXHIBIT A

(d) Beneficiary Designation. The Committee shall establish such procedures as it deems necessary for a participant to designate a beneficiary to whom any amounts would be payable in the event of a participant's death.

(e) Plan Unfunded. The entire cost of the Plan shall be paid from the general assets of the Company. The rights of any person to receive benefits under the Plan shall be only those of a general unsecured creditor, and neither the Company nor the Board nor the Committee shall be responsible for the adequacy of the general assets of the Company to meet and discharge Plan liabilities, nor shall the Company be required to reserve or otherwise set aside funds for the payment of its obligations hereunder.

(f) Applicable Law. The Plan and all rights thereunder shall be governed by and construed in accordance with the laws of the State of Oregon, without giving effect to the conflict of laws principles thereof.

(g) Other Payments or Awards. Nothing contained in the Plan will be deemed in any way to limit or restrict the Company from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

(h) Tax Withholding. The Company shall have the right to deduct from all cash payments made to a Participant under the Plan or, if deemed necessary by the Company, from wages or other cash compensation paid to the participant by the Company and/or a subsidiary, any applicable taxes (including social contributions or similar payments) required to be withheld with respect to such payments.

(i) Severability. If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not contained in the Plan.
unenforceable provision were not contained in the Plan.

ANNUAL
MEETING
AND
PROXY STATEMENT
September 21, 2017
Beaverton, Oregon

Whether or not you intend to be present at the meeting, please sign and date the enclosed proxy and return it in the enclosed envelope, or vote by telephone or online following the instructions on the proxy.

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED IN THE TITLE BAR BELOW.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on September 21, 2017.

Vote by Internet

- Go to www.investorvote.com
- Or scan the QR code with your smartphone
- Follow the steps outlined on the secure website

Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone
- Follow the instructions provided by the recorded message

Using a black ink pen, mark your votes with an X as shown in this example. x
 Please do not write outside the designated areas.

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

A Proposals — The Board of Directors recommends a vote FOR all the nominees listed in Proposal 1, a vote FOR Proposals 2, 4, and 6, a vote for EVERY YEAR for Proposal 3, and a vote AGAINST Proposal 5.

1. Class A director nominees: To elect a Board of Directors for the ensuing year.

	For	Withhold		For	Withhold		For	Withhold [»]
01 - Elizabeth J. Comstock	02 - John G. Connors	..	..	03 - Timothy D. Cook	..	..
04 - John J. Donahoe II	05 - Travis A. Knight	..	..	06 - Mark G. Parker	..	..

B Non-Voting Items

Change of Address — Please print new address below.

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) — Please print Signature 1 — Please keep signature Signature 2 —

date below.

within the box.

Please keep signature within the box.

/ /

Meeting Information

2017 Annual Meeting of Shareholders
for Shareholders as of July 21, 2017

September 21, 2017

10:00 A.M. PDT

Meeting Location:

Tiger Woods Conference Center

One Bowerman Drive

Beaverton, OR 97005

Meeting Directions:

From I-5 South of Portland: I-5 North to 217 North. Follow to Hwy 26 West.

From I-5 North of Portland: I-5 South to I-405 South. Follow to Hwy 26 West.

From I-84 East of Portland: I-84 West to I-5 South to I-405 North. Follow to Hwy 26 West.

Exit Hwy 26 at Murray Blvd, turn left and drive one mile. Turn right on SW Bowerman Drive into the NIKE World Headquarters (WHQ). Keep right at the entry and go directly to the parking structure. Follow posted signs to The Tiger Woods Conference Center, which is located directly ahead of the parking structure. Please note that the NIKE Campus is a non-smoking location and smoking is not permitted on NIKE property.

Ç IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. Ç

NIKE, INC.

CLASS A COMMON STOCK PROXY
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
FOR THE 2017 MEETING OF SHAREHOLDERS
SEPTEMBER 21, 2017

The undersigned hereby appoints Mark G. Parker, Travis A. Knight and John C. Lechleiter, and each of them, proxies with full power of substitution, to vote, as designated on the reverse side, on behalf of the undersigned, all shares of Class A Common Stock which the undersigned may be entitled to vote at the Annual Meeting of Shareholders of NIKE, Inc. on September 21, 2017, and any adjournments thereof, with all powers that the undersigned would possess if personally present. A majority of the proxies or substitutes present at the meeting may exercise all powers granted hereby.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS SPECIFIED, BUT IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES FOR DIRECTOR FOR PROPOSAL 1, FOR PROPOSALS 2, 4, AND 6, AND EVERY YEAR FOR PROPOSAL 3, AND AGAINST PROPOSAL 5. THE PROXIES MAY VOTE IN THEIR DISCRETION AS TO OTHER MATTERS WHICH MAY COME BEFORE THE MEETING.

YOU ARE ENCOURAGED TO SPECIFY YOUR CHOICES BY MARKING THE APPROPRIATE BOXES, BUT YOU NEED NOT MARK ANY BOXES IF YOU WISH TO VOTE IN ACCORDANCE WITH THE BOARD OF DIRECTORS' RECOMMENDATIONS. THE PROXIES CANNOT VOTE THESE SHARES UNLESS YOU SIGN AND RETURN THIS CARD OR PROPERLY VOTE BY PHONE OR INTERNET.

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

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Using a black ink pen, mark your votes with an X as shown in this example. x
 Please do not write outside the designated areas.

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

A Proposals — The Board of Directors recommends a vote FOR all the nominees listed in Proposal 1, a vote FOR Proposals 2, 4, and 6, a vote for EVERY YEAR for Proposal 3, and a vote AGAINST Proposal 5.

1. Class B director nominees: To elect a Board of Directors for the ensuing year.

	For	Withhold		For	Withhold		For	Withhold	»	
01 - Alan B. Graf, Jr.	02 - John C. Lechleiter	03 - Michelle A. Peluso		
			For Against Abstain				1Yr	2Yrs	3Yrs	Abstain

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2. To approve executive compensation by an advisory vote.	To approve the frequency of advisory votes on executive compensation by an advisory vote.
4. Long-Term Incentive Plan, as amended.	..	..	Shareholder proposal regarding political contributions disclosure.	..	..	..	..
6. To ratify the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm.	..	..	To transact such other business as may properly come before the meeting.	For	Against	Abstain	

B Non-Voting Items

Change of Address — Please print new address below.

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) — Please print Signature 1 — Please keep signature Signature 2 —

date below.

within the box.

Please keep signature within the box.

/ /

Meeting Information

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for Shareholders as of July 21, 2017

September 21, 2017

10:00 A.M. PDT

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Exit Hwy 26 at Murray Blvd, turn left and drive one mile. Turn right on SW Bowerman Drive into the NIKE World Headquarters (WHQ). Keep right at the entry and go directly to the parking structure. Follow posted signs to The Tiger Woods Conference Center, which is located directly ahead of the parking structure. Please note that the NIKE Campus is a non-smoking location and smoking is not permitted on NIKE property.

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NIKE, INC.

CLASS B COMMON STOCK PROXY
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
FOR THE 2017 MEETING OF SHAREHOLDERS
SEPTEMBER 21, 2017

The undersigned hereby appoints Mark G. Parker, Travis A. Knight and John C. Lechleiter, and each of them, proxies with full power of substitution, to vote, as designated on the reverse side, on behalf of the undersigned, all shares of Class B Common Stock which the undersigned may be entitled to vote at the Annual Meeting of Shareholders of NIKE, Inc. on September 21, 2017, and any adjournments thereof, with all powers that the undersigned would possess if personally present. A majority of the proxies or substitutes present at the meeting may exercise all powers granted hereby.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS SPECIFIED, BUT IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES FOR DIRECTOR FOR PROPOSAL 1, FOR PROPOSALS 2, 4, AND 6, AND EVERY YEAR FOR PROPOSAL 3, AND AGAINST PROPOSAL 5. THE PROXIES MAY VOTE IN THEIR DISCRETION AS TO OTHER MATTERS WHICH MAY COME BEFORE THE MEETING.

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