NIKE INC.

MEETING DATE	Thu, 21 Sep 2017 10:00 am	TYPE	AGM	ISSUE DATE	Mon, 18 Sep 2017
MEETING LOCATION	Tiger Woods Conference Center, One Bowerman Drive, Beaverton, Oregon 97005-6453				
CURRENT INDICES	S&P500				
SECTOR	Rubber and plastics footwear				

	PROPOSALS	ADVICE
1.01	**Re-elect Alan B. Graf, Jr.** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Audit committee which is not fully independent which Triodos does not support.	**Withhold**
1.02	**Re-elect John C. Lechleiter** Independent Non-Executive Director. He is chair of the Nomination Committee and less than 20% of the Board are women which Triodos does not support.	**Withhold**
1.03	**Re-elect Michelle A. Peluso** Independent Non-Executive Director.	**For**
2	**Advisory Vote on Executive Compensation** The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: BDC. The Chairman and CEO's total cash based incentive pay-outs (short and long-term) are considered excessive at 403% of salary. In addition, fiscal 2017 long term incentive opportunities are considered excessive at 325% of salary. Executive compensation is not aligned with peer group averages. For the fiscal year, the CEO, Mr. Parker was rewarded with compensation of $66.2m which is excessive. Based on these concerns. Triodos opposes this resolution.	**Oppose**
3	**Approve the Frequency of Future Advisory Votes on Executive Compensation** The Company is providing shareholders with an advisory vote on whether the advisory vote on executive compensation should be held every one, two or three years. The Board is required by Section 951 of The Dodd-Frank Wall Street Reform and Consumer Protection Act to offer this vote on the frequency of a say-on-pay proposal not less than every six years, although they have the option to offer this proposal more often. The Board of Directors recommends an annual vote. It is considered that an annual vote on executive compensation is best practice for companies. Executive compensation comprises both fixed and variable pay elements, with the variable including share based incentive awards and cash bonuses over which the compensation committee have discretion. Decisions affecting the quantum and design of variable pay are made annually by the committee and it is therefore appropriate that shareholder approval is sought at the maximum frequency permitted by the new legislation. Contentious compensation payments and issues could occur in the intervening years between votes, if the frequency is less than annually. Triodos recommends a one year frequency.	**1**

4 Amend 1997 Long Term Incentive Plan **Oppose**

Shareholders are being asked to approve the 1997 Nike Long Term Incentive Plan, as amended. The Plan allows for long-term incentive awards payable in cash and permits qualification of certain awards (162(m) Awards) as performance-based compensation. The Plan provides that all employees and the employees of subsidiaries are eligible to receive awards under the Plan, although current intent is to grant awards under the Plan to approximately 420 current officers and senior managers. 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.

It is considered that, as performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that awards under the Plan will not necessarily be subject to sufficiently robust performance targets (if any). As a result, shareholders cannot assess whether the Plan will operate to align participants' incentives with shareholders' interests. In addition, maximum award limits are considered excessive.

Triodos opposes this resolution.

5 Shareholder Resolution: Political Contributions Disclosure **For**

Proposed by: Mercy A. Rome, c/o Newground Social Investment.

The Proponent requests that the Company provide a report, updated annually, that discloses NIKE's: 1) Policies and procedures for making, with corporate funds or assets, direct or indirect contributions and expenditures to: (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) 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: a. The identity of the recipient as well as the amount paid to each; and b. The title(s) of person(s) at NIKE responsible for decision-making.

Proponent's Supporting Argument: The Proponent argues that it favours transparency and accountability in corporate spending on political activities. Gaps in reporting keep shareholders in the dark and expose NIKE to reputational and business risks that could threaten shareholder value. NIKE's current policy regarding political spending has a number of significant gaps: (i) 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. NIKE's disclosure policy is stated in a fashion that is the most convoluted and difficult to understand. The language seems to ensure that only one state per year will ever be reported on, and that NIKE will only report "direct" (not indirect) or "cash" (not in-kind) payments. This leaves quite a lot to be desired - and potentially significant amounts of shareholder dollars unaccounted for. (ii) The policy requires senior-executive approval of contributions only when amounts to a single entity are in excess of $100,000 - which creates significant gaps, too little oversight, and levels of risk that do not reflect appropriate Board stewardship or oversight. (iii) 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.

Board's Opposing Argument: The Board of Directors recommends that shareholders vote AGAINST this shareholder proposal because: Its current policies and public disclosures already address many of the items requested by the proposal; In the Board's judgement, more disclosure than the Company already provides 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.

6 Appoint the Auditors **Oppose**

PwC proposed. Non-audit fees represented 8.25% of audit fees during the year under review and 8.56% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. However, the current auditor has been in place for more than seven years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: B- Annual awards are paid to the Named Executive Officers under the Executive Performance Sharing Plan (PSP). 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. Performance targets are disclosed. Long term incentive awards are composed of a Performance-Based Long-Term Cash Incentive, Stock Options and Restricted Stock Awards. The Performance Based long term incentive is subject to Revenue and EPS performance goals. Performance targets are disclosed both prospectively and retrospectively, which is in line with best practice. The Company's say on pay proposal received 14% opposition at the last AGM. Being over 10% this is considered significant however no material changes have been made to the company's compensation programme.
Balance: D- The Chairman and CEO's total cash based incentive pay-outs (short and long-term) are considered excessive at 403% of salary. In addition, fiscal 2017 long term incentive opportunities are considered excessive at 325% of salary. Executive compensation is not aligned with peer group averages. For the fiscal year, the CEO, Mr. Parker was rewarded with compensation of $66.2m which is excessive.
Contract: C- The Company has a compensation 'claw back' policy and 'double-trigger' change-in-control equity acceleration. Good reason and cause are not appropriately defined.

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