NIKE INC.

MEETING DATE	Thu, 17 Sep 2020 10:00 am	TYPE	AGM	ISSUE DATE	Fri, 04 Sep 2020
MEETING LOCATION	Virtual-Only Meeting: www.virtualshareholdermeeting.com/NKE2020				
CURRENT INDICES	S&P500				
SECTOR	Rubber and plastics footwear				
FYE	31 May 2020				

	PROPOSALS	ADVICE
1.1	**Elect Director 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. Triodos withholds this resolution.	**Withhold**
1.2	**Elect Director Peter B. Henry** Independent Non-Executive Director.	**For**
1.3	**Elect Director Michelle A. Peluso** Independent Non-Executive Director. Chair of the Nomination Committee and Corporate Responsibility, Sustainability & Governance Committee. Triodos supports this resolution.	**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 company uses adjusted performance metrics for most elements of compensation. The company does not consider non-financial metrics in its assessment of performance. For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. The minimum performance period prior to vesting is less than three years, which is considered to be short term. Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. Change-in-control payments are subject to double-trigger provisions. Good reason has been appropriately defined. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The compensation rating is: BDC. Triodos opposes this resolution.	**Oppose**
3	**Appoint the Auditors** PwC proposed. Non-audit fees represented 6.19% of audit fees during the year under review and 6.94% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years and there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.	**Oppose**

4 Amend Existing Omnibus Plan **Oppose**

It is proposed to amend the NIKE, Inc. Stock Incentive Plan. The Stock Incentive Plan was originally adopted by the Board and approved by shareholders in 1990 as the 1990 Stock Incentive Plan, and an amended and restated version was most recently adopted by the Board and approved by shareholders in 2015. The new plan is proposed because as of the record date, July 17, 2020, only 46,144,669 of the 718,000,000 shares authorized under the Current Plan remained available for future grants, a number that the Compensation Committee and the Board believe is insufficient to meet our future needs.

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, maximum award limits are excessive.

Triodos opposes this resolution.

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

Proponent's argument: Newground Social Investment proposes that the company provide a report, updated semiannually, disclosing the company's: 1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to: (a) participate or intervene in any 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 the person(s) in the company responsible for decision-making. The report shall be presented to the board of directors or relevant board committee and posted on the company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

Company's response: The Board of Directors recommends a vote against 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 the company's political contributions and expenditures are made in accordance with the Policy and the objective is to strictly comply with all public reporting laws. The 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 the corporate officers. The 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 Corporate Responsibility, Sustainability & Governance Committee. The Policy is available on the website at http://investors.nike.com/investors/corporate-governance. Consistent with the Policy, the company also annually disclose on the website all direct political contributions to any candidate, political party, or ballot initiative in any year that exceed $100,000, and all political contributions in any U.S. state where we make more than 50% of the political contributions in any year. We believe these disclosures provide shareholders meaningful information to assess any risks posed by significant political contributions. The disclosures are simple, accurate, and clear and we have published them for every year since 2012. The Policy also requires that management annually report on compliance with the Policy to the Board's Corporate Responsibility, Sustainability & Governance Committee, and 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 its shareholders. Given that parties with interests adverse to NIKE also participate in the political process for their business advantage, any unilateral expanded disclosure could benefit them, while harming the interests of NIKE and its shareholders.

PIRC analysis: The transparency and completeness of the company's reporting on political spending could be improved. The company scores low on the CPA-Zicklin Index of corporate political accountability and the board's argument makes clear that its compliance with political spending disclosure regulations complies only with the minimum requirements: this is considered incomplete and insufficient. Moreover, it is to the benefit of the company and its shareholders to be open about political spending and so avoid any suspicion and any damage that may cause to the company's reputation, that the company may be using shareholders' funds in an inappropriate way to gain undue influence.

Triodos supports this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: B - The company has provided the level of fees paid to the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The peer groups used for the purpose of pay comparison have been fully disclosed by the company. The grant of performance awards was based on the achievement of set levels of specific performance targets. The performance-based long term incentive is subject to quantified performance targets.

Balance: D - The company uses adjusted performance metrics for most elements of compensation. The use of non-GAAP metrics prevents shareholders from being able to assess fully whether the performance targets are sufficiently challenging. The company does not consider non-financial metrics in its assessment of performance. For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. The minimum performance period prior to vesting is less than three years, which is considered to be short term. Five-year vesting would be preferred. Executive compensation is not aligned with peer group averages. In addition, executive compensation is not aligned with companies of a similar market cap.

Contract: C - Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. Change-in-control payments are subject to double-trigger provisions. Good reason has been appropriately defined. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

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