

The Board of Directors (the “Board”) of NIKE, Inc. (the “Company”) has adopted the following Corporate Governance Guidelines to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision making both at the Board and senior management level, with a view to enhancing long-term shareholder value. These Guidelines will be reviewed annually by the Nominating and Corporate Governance Committee and the Board, and are subject to modification from time to time by the Board. Waivers of these Guidelines may be made only by the Nominating and Corporate Governance Committee or the Board.

- [The Board](#)
- [Board Meetings](#)
- [Committee Matters](#)
- [Management Review and Succession](#)

## THE BOARD

### THE BOARD’S PURPOSE

The Board, which is elected by shareholders, is the ultimate decision-making body of the Company, except with respect to those matters reserved to the shareholders. The Board represents the owners’ interest in the operation of the business, including optimizing long-term financial returns. It elects the corporate officers comprising the senior management team, who are responsible for the conduct of the Company’s business. The Board acts as an advisor to and oversees the senior management team, and ultimately monitors its performance. The Board has the responsibility to ensure that in good times, as well as difficult times, management is capably executing its duties.

The Board is also responsible for reviewing and establishing procedures designed to ensure that the Company’s management and employees operate in a legal and ethically responsible manner.

### ROLE OF DIRECTORS

Normally it is management’s duty to formalize, propose and implement strategic choices, and the Board’s role to approve strategic direction and evaluate strategic results. To accomplish this, the Board engages in a regular dialogue with the Company’s Chief Executive Officer (“CEO”) and other members of the senior management team. The Board regularly reviews with the senior management team the Company’s long-term strategic business plans and other significant issues affecting the business of the Company.

Directors are expected to spend the time and effort necessary to properly discharge their responsibilities. Accordingly, directors are expected to regularly attend meetings of the Board and committees on which he or she sits, and to review material distributed in advance for the meetings. It is expected that a director who is unable to attend a Board or committee meeting (which, is understood will occur on occasion) will notify Chairman of the Board or the Chair of the relevant committee.

### SELECTION OF THE CHAIRMAN OF THE BOARD AND CEO

The Board elects the Chairman of the Board and the CEO.

### SIZE OF THE BOARD

It is the policy of the Board that the number of directors not exceed the number that can function efficiently as a body, while properly staffing necessary Board committees. In recent years, the Board has

had 10 – 14 directors, and it is the sense of the Board that this size permits diversity of experience without hindering effective discussion or diminishing individual accountability.

## **BOARD MEMBERSHIP CRITERIA AND INDEPENDENCE**

The ultimate responsibility for the selection of nominees for director resides with the Board. The Nominating and Corporate Governance Committee oversees the process of identification, screening, and recommendation of new directors, and annually recommends a slate of directors for approval by the Board at an election by the shareholders. Nominees for director are selected on the basis of their character, judgment, business experience and acumen, understanding of the Company's business, diversity, specific skills needed by the Board, and ability to devote time to Board responsibilities.

It is the policy of the Board that the Board be comprised of a majority who qualify as independent directors under the listing standards of the New York Stock Exchange ("NYSE"). Independence is determined by the Nominating and Corporate Governance Committee and the Board, in the exercise of business judgment, which review the relationships that each director has with the Company. The Board may adopt and disclose categorical standards to assist it in determining director independence. A member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board, or any other Board committee, accept any consulting, advisory, or other compensatory fee from the Company, or be an affiliated person of the Company or a subsidiary thereof. For Compensation Committee members, the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Company that is material to the ability to be independent from management in connection with the duties of a Compensation Committee member, including the source of compensation of the director, any consulting, advisory or other compensatory fee paid by the Company to the director; and whether the director is affiliated with the company or any subsidiary.

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 shall 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.

## **OTHER COMPANY DIRECTORSHIPS**

The Company does not have a policy limiting the number of other company boards upon which a director may sit. However, the Nominating and Corporate Governance Committee considers the number of other company boards on which a prospective nominee is a member. Accordingly, directors are expected to advise the Chairman of the Board and the Chair of the Nominating and Corporate Governance Committee in advance of accepting any other company directorship or any assignment to the audit committee of the board of any other company.

## **DIRECTORS WHO CHANGE THEIR PRESENT JOB RESPONSIBILITY**

When a director's principal occupation or business association changes substantially during his or her tenure as a director, the director is expected to submit his or her resignation for consideration by the Nominating and Corporate Governance Committee. The Corporate Governance Committee will review the effect, if any, of the change on the interests of the Company, and recommend to the Board whether to accept the resignation.

## RETIREMENT AGE

It is the general policy of the Board that directors first elected after the 1993 fiscal year will not stand for re-election after reaching age 72.

## BOARD COMPENSATION

A director who is also an officer of the Company does not receive additional compensation for service as a director.

The Company believes that compensation for non-employee directors should be competitive and should encourage increased ownership of the Company's stock through the payment of a portion of director compensation in options to purchase Company stock. The Nominating and Corporate Governance Committee reviews the level and form of director compensation and how it compares to director compensation at companies of comparable size, industry, and complexity. Changes to director compensation are proposed to the Board for consideration.

## BOARD ACCESS TO MANAGEMENT AND ADVISORS

Directors have free access to the Company's senior management team and other employees. The Board has the authority to obtain advice and assistance from outside legal, accounting, or other advisors selected by the Board at the expense of the Company.

## BOARD INTERACTION WITH INVESTORS, ANALYSTS, PRESS, AND CUSTOMERS

It is the policy of the Company that management speaks for the Company. This policy does not preclude non-employee directors from meeting with shareholders, but it is suggested that those meetings be held with management present. It is strongly suggested that directors refer inquiries from institutional investors, analysts, the press, or customers to appropriate senior management.

Any interested parties desiring to communicate with the non-management directors regarding the Company may contact the Assistant Secretary of the Company, John F. Coburn III, One Bowerman Drive, Beaverton, Oregon 97005-6453.

## BOARD ORIENTATION AND CONTINUING EDUCATION

The Company endeavors to conduct an orientation for new directors to familiarize them with the Company's business and the Board. The process includes materials, meetings with other directors, and meetings with key senior management. Directors are selected based on part on their familiarity with the functioning of public companies and boards of directors generally, so extensive training is not typically required. The Nominating and Corporate Governance Committee may request directors to participate in continuing education programs related to their particular responsibilities or committee assignments on the Board. The Company will also provide directors with access to relevant, accredited external director education programs at the Company's expense.

## SELF-EVALUATION OF THE BOARD

The Nominating and Corporate Governance Committee oversees an annual self-evaluation of the Board, and the committees required by the NYSE, to assess their effectiveness and performance.

[Back to top](#)

## BOARD MEETINGS

### FREQUENCY OF MEETINGS

There are five regularly scheduled meetings of the Board each year. Meetings may be held in locations that present opportunities to expose the Board to various facets of the Company's business, are related to other Company business, or connected with a shareholder meeting.

### AGENDA FOR BOARD AND COMMITTEE MEETINGS

The Chairman of the Board, and the Chairs of the Board committees, set the agenda for Board and committee meetings, respectively. Directors are invited to suggest inclusion of items on the agenda, and are free to raise at any Board meeting subjects that are not specifically on the agenda. Materials related to agenda items are provided to directors sufficiently in advance of Board meetings, where necessary, to permit directors to review and prepare for discussion.

### ATTENDANCE OF MANAGEMENT AT BOARD MEETINGS

At the invitation of the Board, members of senior management recommended by the CEO attend Board meetings or portions thereof for the purpose of presenting information regarding a particular matter or participating in discussions. The Board is free to excuse members of senior management from meetings at any time.

### EXECUTIVE SESSIONS OF NON-EMPLOYEE DIRECTORS

Executive sessions or meetings of non-employee directors without management present are held at least once each year. The responsibility to preside as chair of the executive sessions or meetings is rotated among the Chairs of the Board committees as designated by the Nominating and Corporate Governance Committee. This practice provides for leadership at all of the executive sessions or meetings of non-employee directors without the need to designate a lead director.

[Back to top](#)

## COMMITTEE MATTERS

### NAMES AND INDEPENDENCE OF BOARD COMMITTEES

The Company has six standing committees: Audit, Compensation, Nominating and Corporate Governance, Finance, Corporate Responsibility, and Executive. The purpose and responsibilities of each committee are described in charters adopted by the Board. The Audit, Compensation, and Nominating and Corporate Governance Committees are composed entirely of independent directors. The CEO chairs the Executive Committee. The Board may, from time to time, form a new committee or disband a current committee depending on the circumstances. In addition, the Board may form ad hoc committees from time to time, and determine the composition of the committees.

### COMMITTEE ASSIGNMENTS

The Nominating Corporate Governance Committee, after consultation with the Chairman of the Board, makes recommendations for approval by the Board with respect to assignment of directors to committees,

and the Chairs of committees. The Nominating Corporate Governance Committee annually reviews committee assignments.

## COMMITTEE MEETINGS

The Chair of each committee, in consultation with the committee members, determines the frequency, agenda, and length of committee meetings consistent with any requirements of the committee's charter. The schedule of all committee meetings is furnished to all directors.

[Back to top](#)

## MANAGEMENT REVIEW AND SUCCESSION

### EVALUATION OF CEO

The Compensation Committee is responsible for overseeing the performance evaluation of the CEO. The Compensation Committee considers (1) achievement against approved financial performance measures and targets (such as revenue, net income, and earnings per share), and (2) other factors such as leadership, achievement of strategic goals, market position, and brand strength, which are signals of Company success. The Compensation Committee endeavors to reflect the CEO's performance in the CEO's compensation.

### SUCCESSION PLANNING

The Board plans for succession of the Chairman, the CEO and certain other senior management positions in order to assure the orderly functioning and transition of the management of the Company, in the event of emergency or retirement of senior management. As part of this process, the Chairs of the Nominating and Corporate Governance Committee and the Compensation Committee, in consultation with the Chairman and CEO, assess management needs and abilities in the event a transition becomes necessary.

[Back to top](#)

## STOCK OWNERSHIP

The Board believes that significant stock ownership by directors and executive officers further aligns their interests with the interests of the Company's shareholders. Accordingly, the Board requires that (a) within five years after joining the Board, each non-employee director hold Company stock valued at five times his or her annual cash retainer, and (b) within five years after being appointed to his or her position, each executive officer hold Company stock valued at the following multiple of his or her annual base salary:

- 6x for the Chief Executive Officer
- 3x for the other Named Executive Officers (as listed in the Company's proxy statement)
- 2x for all other executive officers

Non-employee directors and executive officers serving as of June 20, 2013 are required to attain these ownership levels by June 20, 2018.

## POLICIES AND GUIDELINES

Copies of the current version of these Corporate Governance Guidelines, the Company's Code of Business Conduct and Ethics, and the charter of each committee of the Board shall be posted on the Company's internet website.