

NIKE INC  
Form PRE 14A  
July 20, 2015

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))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

NIKE, INC.

(Name of registrant as specified in its charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required
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- Fee paid previously with preliminary materials.  
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  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:

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 17, 2015, 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,

Philip H. Knight  
Chairman of the Board  
July 27, 2015

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Notice of Annual Meeting  
of Shareholders

September 17, 2015

To the Shareholders of NIKE, Inc.

The annual meeting of shareholders of NIKE, Inc., an Oregon corporation, will be held on Thursday, September 17, 2015, 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 a Board of Directors for the ensuing year.
2. To approve executive compensation by an advisory vote.
3. To amend the Articles of Incorporation to increase the number of authorized shares of common stock.
4. To re-approve the Executive Performance Sharing Plan as amended.
5. To approve the amended and restated Stock Incentive Plan.
6. To consider a shareholder proposal as described in the accompanying proxy statement, if properly presented at the meeting.
7. To ratify the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm.
8. 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 20, 2015, 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,

John F. Coburn III

Vice President and Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders To Be Held on September 17, 2015. The proxy statement and NIKE, Inc.'s 2015 Annual Report to Shareholders is available electronically at [www.investorvote.com](http://www.investorvote.com) or [www.proxyvote.com](http://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.

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## CORPORATE GOVERNANCE

### Proxy Statement

#### Proxy Statement

We are furnishing proxy materials to our shareholders primarily via the Internet, instead of mailing printed copies of those materials to each shareholder. The Company expects to first provide notice and electronic delivery of this proxy statement and the enclosed proxy to shareholders on or about , 2015. 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 17, 2015, and at any adjournment thereof (the “Annual Meeting”). Shareholders may submit a proxy via the Internet to vote at the Annual Meeting by following the instructions on the notice.

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.

All valid proxies 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 No. 1), “FOR” the proposal regarding an advisory vote to approve executive compensation (Proposal No. 2), "FOR" the amendment of the Articles of Incorporation to increase the number of authorized shares of common stock (Proposal No. 3), "FOR" the re-approval of the Executive Performance Sharing Plan as amended (Proposal No. 4), "FOR" the approval of the amended and restated Stock Incentive Plan (Proposal No. 5), "AGAINST" the shareholder proposal regarding political contributions disclosure (Proposal No. 6), and “FOR” the ratification of the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm (Proposal No. 7).

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 John F. Coburn III, 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 20, 2015 will be entitled to vote at the Annual Meeting. On that date, shares of Class A Stock and 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 No. 1, the election of directors, by each of Class A Stock and Class B Stock separately constitutes a quorum of Class A Stock and Class B Stock, respectively, for action on Proposal No. 1. The holders of Class A Stock and the holders of Class B Stock will vote separately on Proposal No. 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 four directors, and holders of Class A Stock, voting separately, will elect nine directors. Under Oregon law, if a quorum of each class of common stock is present at the meeting, the four director nominees who receive the greatest number of votes cast by holders of Class B Stock and the nine director nominees who receive the greatest number of votes cast by holders of Class A Stock will be elected directors.

A majority of the votes entitled to be cast on Proposal Nos. 2, 4, 5, 6, and 7, 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 Proposal Nos. 2, 4, 5, 6, and 7. A majority of the votes entitled to be cast on Proposal 3 of each of the Class A Stock and Class B Stock separately will constitute a quorum for Proposal No.3. Holders of Class A Stock and holders of Class B Stock will vote separately on Proposal No. 3. If a quorum is present at the meeting, Proposal Nos. 2, 3, 4, 5, 6, and 7 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.

CORPORATE GOVERNANCE

Board of Directors

CORPORATE GOVERNANCE

Board of Directors

The Board of Directors is currently composed of eleven independent directors and four directors who are not independent under the New York Stock Exchange (the "NYSE") listing rules. There were five meetings of the Board of Directors during fiscal 2015. During fiscal 2015, all but one director attended at least 75 percent of the total number of meetings of the Board of Directors and committees on which he or she served. John R. Thompson, Jr. attended 60 percent of the meetings of the Board of Directors and committee (Corporate Responsibility and Sustainability) on which he served. Mr. Thompson was excused from two meetings due to illness and two meetings to attend the private funeral of legendary University of North Carolina at Chapel Hill basketball coach, Dean Smith, a dear friend of Mr. Thompson and endorser of NIKE. The Company encourages all directors to attend each annual meeting of shareholders, and all directors serving at the time of the 2014 Annual Meeting attended the 2014 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 2015, 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. Graf is an "audit committee financial expert" as defined in regulations adopted by the SEC.

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 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 to the Board of Directors.

The Compensation Committee evaluates the performance of the Chief Executive Officer ("CEO"), oversees the performance evaluations of our other Named Executive Officers, and recommends their compensation for approval by the independent members of the Board of Directors (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 table below provides information regarding the current membership of each standing Board committee and meetings held during fiscal 2015:

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## CORPORATE GOVERNANCE

## Board of Directors

Director Name	Audit	Compensation	Nominating and Corporate Governance	Corporate Responsibility	Finance	Executive
Elizabeth J. Comstock		ü			ü	
John G. Connors	ü				ü	
Timothy D. Cook		Chair	ü			
John J. Donahoe			ü		ü	
Alan B. Graf, Jr.	Chair		Chair			
Douglas G. Houser*			ü	ü		ü
Philip H. Knight						Chair
Travis A. Knight**						
John C. Lechleiter		ü		ü		
Mark G. Parker						ü
Michelle A. Peluso	ü			ü		
Johnathan A. Rodgers		ü		ü		
Orin C. Smith*	ü				Chair	
John R. Thompson, Jr.				ü		
Phyllis M. Wise			ü	Chair		
Meetings in Fiscal 2015	13	5	5	5	5	-

\* Messrs. Houser and Smith will retire from the Board of Directors effective September 17, 2015.

\*\* Mr. Travis Knight was elected to the Board of Directors effective June 30, 2015.

## 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 of Directors has determined that all directors have no material relationship with the Company and, therefore, are independent, except for Messrs. Philip Knight, Travis Knight, Parker, and Thompson. Mr. Philip Knight and Mr. Parker are executive officers of the Company. Mr. Travis Knight, appointed to the Board on June 30, 2015, is not independent pursuant to NYSE rules as he is Mr. Philip Knight's son. Mr. Thompson is not independent pursuant to NYSE rules, because the Company has a contract with his son, who is the head basketball coach at Georgetown University, to provide endorsement and consulting services to the Company, under which the Company paid him more than \$120,000 during fiscal 2015.

## 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. Travis Knight was appointed to the Board of Directors on June 30, 2015. Travis Knight was identified for appointment to the Board in connection with the succession planning for our Board of Directors. Shareholders may recommend director candidates for consideration by the Nominating and Corporate Governance



Committee by submitting a written recommendation to the Committee, c/o John F. Coburn III, 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.

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. The Board believes that a variety and balance of perspectives on the Board can result 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

## CORPORATE GOVERNANCE

### Board of Directors

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 of Directors. 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. Messrs. Houser and Smith, who have served on the Board since 1970 and 2004, respectively, have announced their retirement and will not stand for re-election to the Board at the 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 John F. Coburn III, 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 governance documents provide the Board 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 of Directors chose to separate the position of Chairman of the Board from the position of President and CEO, although this is not a permanent policy of the Board. The Chairman, Mr. Philip Knight, presides over meetings of the Board of Directors and shareholders. The 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 of Directors and its committees.

Given the particular experience and tenure of Mr. Philip Knight and Mr. Parker, the Board believes this leadership structure is appropriate for the Company because it separates the leadership of the Board from the duties of day-to-day leadership of the Company. This structure permits Mr. Parker to primarily focus his time and attention to the business, while Mr. Philip Knight directs his attention to the broad strategic issues considered by the Board of Directors.

Further, with his significant Company experience and ownership of Common Stock, Mr. Philip Knight is particularly well-suited as Chairman, helping to align the Board with the interests of shareholders. This structure works particularly well given the talent, experience and professional relationship of Messrs. Parker and Knight, but is not a permanent policy of the Board. Given the succession planning for the Board, in general, and NIKE's co-founder and Chairman in particular, the Board may choose to re-evaluate this structure in the future.

The chairs of Board committees 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 for the Company. The Nominating and Corporate Governance Committee has determined that given the current separation of the positions of Chairman and CEO, and the strong leadership of experienced chairs of each of the Board committees, a lead director would not improve the effectiveness of the Board at this time. A presiding director is appointed to chair

executive sessions of non-management directors (consisting of all directors other than Messrs. Knight and Parker). The position of presiding director is rotated among the chairs of the various Board committees, other than the Executive Committee. The current presiding director at the executive sessions is Mr. Cook. Executive sessions are regularly scheduled and held at least once each year. For all of these reasons, the Board believes this leadership structure is optimal and has worked well for many years.

#### 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