

NIKE EMPLOYEE STOCK PURCHASE PLAN

The Employee Stock Purchase Plan allows employees to purchase Nike stock at a significant discount.

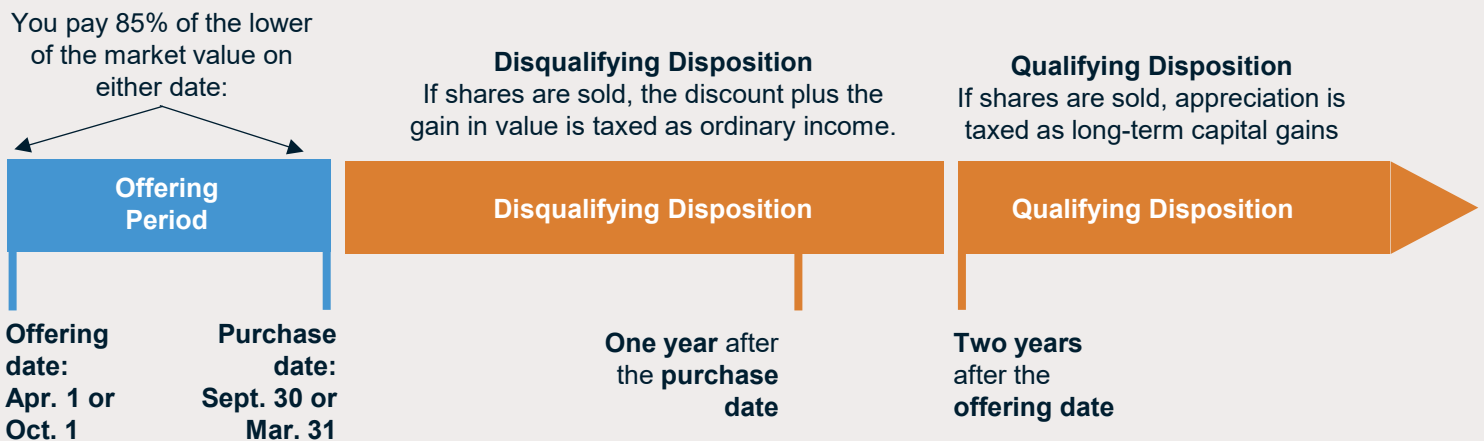
HOW DOES THE NIKE EMPLOYEE STOCK PURCHASE PLAN WORK?

Through the Nike Employee Stock Purchase Plan (ESPP), the company offers employees the opportunity to purchase a limited amount of Nike stock at a 15% (or greater) discount off the stock's market price.

Each calendar year, participating employees may use up to 10% of their eligible pay to purchase the lesser of \$25,000 or 500 shares of Nike stock.

There are two offering periods each year: one from April 1 to September 30 and the other from October 1 to March 31. The first day of each period is the offering date and the last day is the purchase price. Employees participating in the program pay 85% of the lower of the market value on either the offering date or the purchase date. This means you'll receive at least a 15% discount, and possibly more if the stock's value increased since the offering date.

You select when you want to sell your shares of Nike stock purchased through the ESPP. To have a qualifying disposition in which your appreciation will be taxed as long-term capital gains, you must hold the shares *at least two years past the offering date and one year after the purchase date*. If you sell them prior to that time, the discount and appreciation will be taxed as ordinary income. Your advisor can help review your personal situation to select when might be the most beneficial time to sell your Nike stock shares.



SHOULD I PARTICIPATE IN THE ESPP?

For most employees, it makes sense to make use of the Nike stock discount, but it's important to have a strategy to manage your purchased stock and address the tax impacts. Here are some questions to consider:

- How does Nike stock fit into your larger portfolio of investments?
- How concentrated a position of Nike stock are you willing to have in your portfolio?
- What's your expectation of the future growth of Nike stock?

Coldstream can help.

Equity compensation can be confusing, but when used appropriately it can be a tremendous benefit, helping you build long-term wealth and security. Our planners are in your corner; we have decades of experience working with Nike executives and can help you explore options and find the best ways to make your Nike benefits work for you.

Contact us to learn more about how we may be able to help. Reach out at 452.283.1600 or info@coldstream.com. We look forward to learning more about the legacy you want to create.

