NIKE EMPLOYEE PLANNING SERIES

The September 1 Equity Decision

What Nike employees should know before RSUs and stock options vest

> *A vesting date is not just a portfolio event; it is a compensation, tax, and risk-management event. The right decision begins by treating RSUs and stock options as different assets rather than making one blanket choice about Nike stock.*

KNOW WHAT VESTS Download every grant notice and vesting schedule. Identify the award type, September 1 tranche, share or option count, exercise price, expiration date, settlement method, and tax-withholding instructions.

PLAN FOR TAXES BEFORE SEPTEMBER 1 RSU settlement generally creates wage income based on the value of the shares delivered. Shares withheld or sold for payroll taxes may not fully cover your ultimate federal and state tax liability.

SET A CONCENTRATION RULE Decide in advance how much Nike exposure you intend to keep. Include vested shares, ESPP holdings, Nike stock in the 401(k), unvested equity, future grants, and the income already tied to your career.

RSUs and Options Require Different Decisions

When an RSU vests and settles, shares are generally delivered after applicable withholding. Selling those shares soon after settlement does not erase the ordinary income already created; it mainly limits exposure to later Nike price movements. A useful test is: if Nike paid the same after-tax amount in cash on September 1, how much would you intentionally use to buy Nike stock that day?

An option vest usually creates the ability, not the obligation, to exercise. For a nonstatutory option, taxable compensation is generally triggered at exercise and is based on the difference between the market price and the exercise price. Compare waiting, a cashless exercise and sale, or an exercise and hold against the option's expiration, available exercise window, taxes, liquidity, trading restrictions, and your total Nike concentration. Confirm the option type and governing terms in each award agreement.

> ***Planning principle:*** *RSUs create ownership automatically; options create a choice. Do not use the same decision rule for both.*

QUESTIONS TO RESOLVE BEFORE SEPTEMBER 1

WHAT ACTUALLY VESTS? Confirm each September 1 tranche. Keep traditional RSUs and options separate from Performance RSUs and PSUs, whose schedules and conditions may differ.

HOW MUCH TAX IS BUILT IN? Estimate wage income, shares withheld, year-to-date compensation, marginal tax rates, and whether additional withholding or estimated payments may be needed.

HOW MUCH NIKE RISK ALREADY EXISTS? Measure direct shares, ESPP and 401(k) holdings, unvested awards, option value, future grants, and career income before choosing what to retain.

WHICH OPTIONS NEED ACTION? Rank vested options by expiration, exercise price, current spread, cash required, and tax cost. An underwater option has no current intrinsic value and may not require immediate action.

Educational overview. Current plan documents, grant notices, award agreements, tax records, and participant instructions control. Sources: NIKE, Inc. 2026 Form 10-K; NIKE, Inc. Stock Incentive Plan; IRS Topic 427; and IRS stock-based compensation guidance. Reviewed August 2026.

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