NIKE EMPLOYEE PLANNING SERIES

The Nike ESPP Decision

How to use the 15% discount without letting Nike stock take over your financial plan

Nike's Employee Stock Purchase Plan can create meaningful value through its discount and lookback feature. But the discount answers how the shares are purchased; it does not answer whether keeping them is the right investment decision.

UNDERSTAND THE PURCHASE Nike's plan uses six-month offerings ending September 30 and March 31. Shares are purchased at 85% of the lower market price on the offering date or purchase date, subject to current plan and participant rules.

DECIDE BEFORE SHARES ARRIVE Choose an intentional policy: sell promptly, retain a defined percentage, or hold specific lots for a documented reason. Avoid allowing each purchase to become a new investment decision made under time pressure.

MEASURE TOTAL NIKE EXPOSURE Combine ESPP shares with vested RSUs, option value, Nike stock in the 401(k), other direct holdings, unvested awards, future grants, and the income already tied to your career.

From Discount to Deliberate Strategy

A purchase under a qualifying Section 423 ESPP may not create federal taxable income on the offering or purchase date. Tax consequences could arise when the shares are sold or otherwise disposed of. To receive qualifying-disposition treatment, the shares must be held more than two years from the offering date and more than one year from the purchase date. Holding longer may improve the character of part of the income, but it also adds market and concentration risk.

Keep every Form 3922, purchase confirmation, and sale record. Brokerage cost basis may not include compensation income created by an ESPP disposition, so reconcile the purchase price, ordinary-income component, and Form 1099-B before filing. If shares are sold, assign the proceeds a purpose: taxes, emergency reserves, debt reduction, retirement savings, diversified investments, or charitable giving.

> ***Planning principle:*** *The discount is compensation. Keeping the shares is a separate investment decision.*

QUESTIONS TO RESOLVE BEFORE YOU ACT

WHAT IS MY SALE POLICY? Choose prompt sale, staged sales, or intentional holding. Apply the policy each purchase period unless your goals, tax position, or risk capacity changes.

WHICH TAX LOT AM I USING? Match the offering date, purchase date, purchase price, market values, Form 3922, and sale confirmation before determining the tax result.

HOW MUCH NIKE DO I ALREADY OWN? Measure every source of Nike exposure before allowing the ESPP discount to create an unintended concentrated position.

COULD APPRECIATED SHARES FUND GIVING? After the required holding periods, a direct gift of highly appreciated shares to a qualified public charity or donor-advised fund may avoid capital gain on post-purchase appreciation and may support a fair-market-value deduction. A gift is a disposition, and the ESPP discount may still create ordinary income, so coordinate with a tax professional and the receiving custodian.

Educational overview. Current plan documents, participant instructions, transaction records, and professional tax advice control. Sources: NIKE, Inc. 2026 Proxy Statement; NIKE, Inc. Employee Stock Purchase Plan; IRS Publication 525; IRS Publication 526; and 26 U.S.C. Section 424. Reviewed August 2026.