Triodos Investment Management

ADOBE SYSTEMS AGM Date: 10 April 2014

1.a Election of Amy L Banse **For**
Independent Non-Executive Director

1.b Election of Kelly J Barlow **Oppose**
Non-Executive Director, independent by Company but not considered independent due to his affiliation with a major stockholder, ValueAct Capital. There is insufficient independent representation on the Board.

1.c Election of Edward W Barnholt **For**
Independent Non-Executive Director

1.d Election of Robert K Burgess **Oppose**
Non-Executive Director, independent by Company but not considered independent as he served on the Board of Macromedia Inc. from November, 1996 until its acquisition by the Company in 2005. In total his length of service in both companies exceeds nine years. There is insufficient independent representation on the Board.

1.e Election of Frank A Calderoni **For**
Independent Non-Executive Director

1.f Election of Michael R Cannon **Oppose**
Non-Executive Director. Independent by Company, but not considered independent as he has served on the Board for over nine years. There is insufficient independent representation on the Board.

1.g Election of James E Daley **Oppose**
Non-Executive Director. Independent by Company, but not considered independent as he has served on the Board for over nine years. There is insufficient independent representation on the Board.

1.h Election of Laura B Desmond **For**
Independent Non-Executive Director

1.i Election of Charles M Geschke **Oppose**
Non-Executive Co-Chairman, independent by Company but not considered independent as he has served on the Board for over nine years, and is a founder and a former executive of the Company. There is insufficient independent representation on the Board.

1.j Election of Shantanu Narayen **For**
President and Chief Executive Officer.

1.k Election of Daniel L. Rosensweig **For**
Independent Non-Executive Director.

1.l Election of Robert Sedgewick **Oppose**
Non-Executive Director, independent by Company but not considered independent as he has served on the Board for over nine years. There is insufficient independent

representation on the Board.

1.m Election of John E Warnock **Oppose**

Non-Executive Co-Chairman, independent by Company but not considered independent as he has served on the Board for over nine years, and is a founder and a former executive of the Company. There is insufficient independent representation on the Board.

2 Amend annual share incentive plan **Oppose**

The Board is looking to approve an amendment to the 2003 Equity Incentive Plan to increase the number of shares reserved for issuance by 8.85 million of common stock. As of January 31, 2014, an aggregate of 36,123,517 shares of their common stock remained available for future grants under their 2003 Plan.
The increase in award limits are designed, primarily, to increase the potential compensation of the CEO, as well as other named executive officers in the near future. The contracts and compensation of the executive officers are already considered to be excessive. This request is made for the second consecutive year, and in 2013 the request was for the issuance of 17.5 million of common stock. These ongoing requests are viewed as overly dilutive.

3 Appoint the auditors **Oppose**

KPMG LLP proposed. Non-audit fees comprise 42.9% of the audit fee for the year under review, and 29.2% on a three year aggregate basis. There are concerns that this level of non-audit fees creates a potential for a conflict of interest on the part of the independent auditor.

4 Approve Pay Structure. **Oppose**

As a result of SEC legislation that has entered into force (Section 951 of The Dodd-Frank Wall Street Reform and Consumer Protection Act), the company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The detailed commentary on the disclosures made by the company are contained in the body of this report and the voting outcome for this resolution reflects the balance of our opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADC (in 2013 the rating was BDD)
Disclosure rating: A - Performance targets for both the year under review and year ahead have been disclosed. "Internal Pay Equity" is discussed in relation to compensation of Executives.
Balance rating: D - Restricted Stock Units vest in equal annual instalments over a period of two years which is considered to be too short a vesting period. Non-financial "Individual Goals" such as "innovate in Digital Media" and "Drive Marketing Business" have been added to the performance measures which frustrate shareholders ability to determine if metrics are sufficiently challenging. It is noted that stock options were not granted by Adobe to any executive officer in fiscal year 2013. GAAP Revenue targets have been removed from the Long Term Incentive objectives, and are now only included in the Short Term objectives.
Contracts rating: C - Change-in-control payments without good reason have been removed. However, good reason is not defined in an appropriate manner, and a Change-in-control automatically triggers accelerated vesting of all outstanding equity awards.
Based upon these concerns Triodos opposes this resolution.
It is noted that total CEO Compensation has risen by over 31% to USD 15.74m despite a fall in diluted EPS by almost two-thirds from USD 1.66 to USD 0.56.
In 2013 the vote against the Executive Compensation was 18.71%.