


## ADOBE SYSTEMS INCORPORATED

MEETING DATE	Thu, 09 Apr 2015 9:00 am	TYPE	AGM	ISSUE DATE	Thu, 26 Mar 2015
MEETING LOCATION	321 Park Avenue, San Jose, California 95110				
CURRENT INDICES	S&P500				
SECTOR	Prepackaged software				

PROPOSALS		ADVICE
<b>1a</b>	<b>Elect Amy L. Banse</b> Independent Non-Executive Director.	For
<b>1b</b>	<b>Elect Kelly J Barlow.</b> Non-Executive Director. Not considered independent as he is an affiliate of a major shareholder. There is insufficient independent representation on the board. Triodos opposes this resolution.	Oppose
<b>1c</b>	<b>Elect Edward W. Barnholt</b> Non-Executive Director. Not considered independent as he has served for longer than nine years on the Board. There is insufficient independent representation on the board. Triodos opposes this resolution.	Oppose
<b>1d</b>	<b>Elect Robert K. Burgess</b> Non-Executive Director. Not considered independent as he has served for longer than nine years on the Board. There is insufficient independent representation on the board. Triodos opposes this resolution.	Oppose
<b>1e</b>	<b>Elect Frank A. Calderoni</b> Independent Non-Executive Director.	For
<b>1f</b>	<b>Elect Michael R. Cannon</b> Non-Executive Director. Not considered independent as he has served for longer than nine years on the Board. There is insufficient independent representation on the board. Triodos opposes this resolution.	Oppose
<b>1g</b>	<b>Elect James E. Daley</b> Non-Executive Director. Not considered independent as he has served for longer than nine years on the Board. There is insufficient independent representation on the board. Triodos opposes this resolution.	Oppose
<b>1h</b>	<b>Elect Laura B Desmond</b> Independent Non-Executive Director.	For
<b>1i</b>	<b>Elect Charles M Geschke</b> Chairman (Non-Executive). Not considered independent as he is a Co-founder and a former Executive of the Company. There is insufficient independence on the Board. Triodos opposes this resolution.	Oppose
<b>1j</b>	<b>Elect Shantanu Narayen</b> President and CEO.	For
<b>1k</b>	<b>Elect Daniel L. Rosensweig</b> Independent Non-Executive Director.	For
<b>1l</b>	<b>Elect Robert Sedgewick</b> Non-executive Director. Not considered independent as he has served for longer than nine years on the Board. There is insufficient independence on the Board. Triodos opposes this resolution.	Oppose
<b>1m</b>	<b>Elect John E. Warnock</b> Co-Chairman (Non-Executive). Not considered independent as he is a Co-founder and a former Executive of the Company. There is insufficient independence on the Board. Triodos opposes this resolution.	Oppose

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| <b>2</b> | <b>Amend existing long term incentive plan</b><br>The Company seeks to amend the 2003 Equity Incentive Plan to increase the available share reserve by 10 million shares. The Company has said this change is required to order to attract new staff and that the current number of shares of common stock available for future grants, 38,762,689, is insufficient to meet future incentive pay needs. If this resolution were passed it would mean that 9.73% of shares were available for future grants and this is regarded as too high. The Company discloses it has a a median burn-rate compared to peers but does not provide any raw data for analysis. Based on the excessive potential dilution from this Plan, Triodos opposes this resolution.   | <b>Oppose</b> |
| <b>3</b> | <b>Appoint the auditors</b><br>KPMG proposed. Non-audit fees were approximately 25.6% of audit and audit related fees during the year under review, and approximately 32.49% over a three-year basis. There are concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the independent auditor. Triodos opposes this resolution.  | <b>Oppose</b> |
| <b>4</b> | <b>Advisory vote on executive compensation</b><br>The company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is BDD . Performance targets for incentive pay are not regarded as challenging and no raw data is disclosed which would enable a comparison of targets over several years. There are no non-financial performance criteria included in the incentive pay which means remuneration is not influenced by issues such as employee or customer satisfaction or energy efficiency, which is a crucial issue for technology companies. Compensation for the CEO is not adequately explained. Based on these concerns, Triodos opposes this resolution. | <b>Oppose</b> |
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## SUPPORTING INFORMATION FOR RESOLUTIONS

### **Proposal 4 - Advisory vote on executive compensation**

The Company performs worse than its peers in terms of compensation arrangements. The Compensation Committee has members which are not considered to be independent, which goes against best practice. Performance targets for incentive pay are not regarded as challenging and no raw data is disclosed which would enable a comparison of targets over several years. There are no non-financial performance criteria included in the incentive pay which means remuneration is not influenced by issues such as employee or customer satisfaction or energy efficiency, which is a crucial issue for technology companies. Compensation for the CEO is not adequately explained; Shantanu Narayen received a 5.3% salary increase from fiscal 2013 to fiscal 2014 but there was no adequate explanation for this. Also, only 6% of the CEO salary is from salary. There are no long-term incentive payments and equity incentive bonuses are based on Total Shareholder Return over a three year period, which is not considered an appropriate performance measure. The few positives include the fact that the Company has a claw-back system for bonuses and that performance criteria are not duplicated across the different incentive pay schemes. The Company has a poor compensation rating overall.

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