Triodos Investment Management

INTUIT INC.

MEETING DATE	Thu, 19 Jan 2017 8:00 am	TYPE AGM	ISSUE DATE Mon, 12 Dec 2016
MEETING LOCATION	2750 Coast Avenue, Building 6, Mountain View, California 94043		
CURRENT INDICES	S&P500		
SECTOR	Prepackaged software		

	PROPOSALS	ADVICE
1a	**Elect Eve Burton** Independent Non-Executive Director.	**For**
1b	**Elect Scott D. Cook** Non-Executive Director. Not independent as he is the Founder, former Chairman, CEO and President of the Company. There is insufficient independent representation on the Board. Triodos opposes this resolution.	**Oppose**
1c	**Elect Richard L Dalzell** Independent Non-Executive Director.	**For**
1d	**Elect Diane B. Greene** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. Triodos opposes this resolution.	**Oppose**
1e	**Elect Suzanne Nora Johnson** Lead Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. She is chair of the Remuneration committee which is not fully independent. Triodos opposes this resolution.	**Oppose**
1f	**Elect Dennis D. Powell** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Audit committee which is not fully independent. Triodos opposes this resolution.	**Oppose**
1g	**Elect Brad D. Smith** Chairman and CEO. Combined roles at the head of the Company which Triodos does not support. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal. Triodos opposes this resolution.	**Oppose**
1h	**Elect Raul Vazquez** Independent Non-Executive Director.	**For**
1i	**Elect Jeff Weiner** Independent Non-Executive Director.	**For**
2	**Appoint the Auditors** Ernst & Young LLP proposed. There were no non-audit fees for the year under review. The current auditor has been in place for less than five years. Triodos supports this resolution.	**For**

3 Approve the Amended and Restated 2005 Equity Incentive Plan **Oppose**

The Company has put forward a resolution requesting shareholders to approve the Amended and Restated 2005 Equity Incentive Plan to a.) increase the share reserve by an additional 23.11m shares; b.) reapprove the material terms of performance-based compensation for purposes of Section 162(m); and c.) amend certain terms of the 2005 Equity Incentive Plan. Under the Restated 2005 Plan, the aggregate grant date fair value of all awards granted to any non-employee director during any single calendar year, will not exceed $625,000, with such limit to be increased an additional $250,000 for any lead non-employee director or non-employee director who is chairman of the Board.

The Restated 2005 Plan permits the Company to grant non-qualified and incentive stock options, Stock Appreciation Rights (SARs), restricted stock awards, Restricted Stock Units (RSUs), cash-based awards to employees of the Company and its subsidiaries, non-employee directors of the Company and certain advisors and consultants of the Company and its subsidiaries. The Restated 2005 Plan will be administered by the Compensation Committee which has the power to select the individuals who receive awards, determine the number of shares covered thereby, and establish the terms of the awards. No more than 2.00m shares (3.00m for a new hire grant) may be made subject to awards to a single participant in any fiscal year. The maximum cash amount payable pursuant to all cash-based awards granted in any calendar year to any participant will not exceed $5.00m.

As performance conditions may be attached to awards at the Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. As a result, Triodos opposes this resolution.

4 Advisory Vote on Executive Compensation **Oppose**

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: CEB.

For fiscal 2016, annual cash awards were considered excessive. The CEO's actual bonus for fiscal 2016 was $2.33m, representing 232% of his base salary. There are important concerns over certain features of the equity awards. With respect to relative TSR RSUs, the use of a sole performance criterion is not considered appropriate in evaluating performance. Whilst the amount of reward derived from stock options is determined by share price growth, the awards of options have no performance conditions attached. Thus an increase in share price over the lifespan of an option (and falls are unusual) can reward executives even in circumstances of poor relative performance. Stock options and RSUs vest over three years which is not considered sufficiently long term. Estimated severance payments and benefits are excessive. Triodos opposes this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 4 - Advisory Vote on Executive Compensation

The Company has achieved: an average level of disclosure; a very poor balance for rewards; and a market best practice approach to contracts with executives. It is noted that 16.65% of votes cast at last year's AGM opposed this proposal. The Compensation Committee had noted that the majority of shares cast 'against' had been cast by a single affiliated stockholder group. The Company's management and Lead Independent Director engaged directly with that stockholder and as a result the Company has enhanced certain of its proxy disclosures. The Committee decided not to make any material changes to overall fiscal 2016 executive compensation policies and decisions.

Disclosure: C- Annual cash incentives are based on revenue, non-GAAP operating income and year-end deferred revenue balance goals. Payouts are subject to individual performance adjustments. The Company granted long-term incentives in the form of stock options, service-based restricted stock units (RSUs) and relative total shareholder return (TSR) RSUs. Relative TSR RSUs cliff vest after a three-year period and are earned based on the Company's three-year relative TSR compared to a pre-established peer group. With respect to service-based RSUs, the Company must achieve a one-year GAAP operating income hurdle before these awards begin to vest. The Company has disclosed the financial targets for its short-term and long-term incentives.

Balance: E- For fiscal 2016, annual cash awards were considered excessive. The CEO's actual bonus for fiscal 2016 was $2.33m, representing 232% of his base salary (200% maximum is considered as acceptable practice). In addition, maximum long-term award opportunities are limited to 200% of base salary. There are important concerns over certain features of the equity awards. With respect to relative TSR RSUs, the use of a sole performance criterion is not considered appropriate in evaluating performance. Whilst the amount of reward derived from stock options is determined by share price growth, the awards of options have no performance conditions attached. Thus an increase in share price over the lifespan of an option (and falls are unusual) can reward executives even in circumstances of poor relative performance. Stock options and RSUs vest over three years which is not considered sufficiently long term.

Contract: B- The Company has 'clawback' provisions for performance equity awards, and beginning in 2016, the Company have implemented such provisions for cash bonus payments. Estimated severance payments and benefits are excessive.

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