Triodos Investment Management

INTUIT INC.

MEETING DATE	Thu, 18 Jan 2018 8:00 am	TYPE	AGM	ISSUE DATE	Tue, 19 Dec 2017
MEETING LOCATION	2750 Coast Avenue, Building 6, Mountain View, California 94043, OR http://investors.intuit.com				
CURRENT INDICES	S&P500				
SECTOR	Prepackaged software				

	PROPOSALS	ADVICE
1a	**Re-elect Eve Burton** Independent Non-Executive Director.	**For**
1b	**Re-elect Scott D. Cook** Non-Executive Director. Not considered independent as he is a co-founder of the Company and a beneficial owner of 4.82% of the outstanding share equity. He also served as Chairman of the Board from 1993 to 1998, CEO and President of the Company from 1984 to 1994. There is sufficient independent representation on the Board.	**For**
1c	**Re-elect Richard L Dalzell** Independent Non-Executive Director.	**For**
1d	**Elect Deborah Liu** Independent Non-Executive Director.	**For**
1e	**Re-elect Suzanne Nora Johnson** Lead Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board. She is chair of the Remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
1f	**Re-elect Dennis D. Powell** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board. He is chair of the Audit committee which is not fully independent which Triodos does not support.	**Oppose**
1g	**Re-elect Brad D. Smith** Chairman and CEO. Combined roles at the head of the Company. 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.	**Oppose**
1h	**Elect Thomas Szkutak** Independent Non-Executive Director.	**For**
1i	**Re-elect Raul Vazquez** Independent Non-Executive Director.	**For**
1j	**Re-elect Jeff Weiner** Independent Non-Executive Director.	**For**

2 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 use of non-GAAP measures is a concern as it prevents shareholders from being able to fully assess the challenging nature of the performance targets. Service- based RSUs and stock options have an annual vesting rate, which is not considered to be sufficiently long-term. The Company uses a sole performance metric to determine the payout for performance awards, which is a concern. Maximum long-term award opportunities are considered to be excessive.

The compensation rating is: CDC. Based on this rating, Triodos opposes this resolution.

It is noted that 15.76% voted against this resolution last year.

3 Approve the Frequency of Future Advisory Votes on Executive Compensation **1**

The Company is providing shareholders with an advisory vote on whether the advisory vote on executive compensation should be held every one, two or three years. The Board is required by Section 951 of The Dodd-Frank Wall Street Reform and Consumer Protection Act to offer this vote on the frequency of a say-on-pay proposal not less than every six years, although they have the option to offer this proposal more often.

The Board of Directors recommends an annual vote. It is considered that an annual vote on executive compensation is best practice for companies. Executive compensation comprises both fixed and variable pay elements, with the variable including share based incentive awards and cash bonuses over which the compensation committee have discretion. Decisions affecting the quantum and design of variable pay are made annually by the committee and it is therefore appropriate that shareholder approval is sought at the maximum frequency permitted by the new legislation. Contentious compensation payments and issues could occur in the intervening years between votes, if the frequency is less than annually.

Triodos recommends a one year frequency.

4 Amend Senior Executive Incentive Plan **Oppose**

It is proposed to amend the Senior Executive Incentive Plan. Approval is mainly being sought for the material terms of the peformance goals under the Plan. For purposes of Section 162(m), the material terms of the performance goals include (i) the employees eligible to receive compensation, (ii) the business criteria on which the performance goal may be based and (iii) the maximum amount of compensation that can be paid to an employee under the performance goal. The Compensation Committee administers the SEIP. The Committee has the sole discretion to determine the key employees who will receive awards and the amounts, terms and conditions of each award. No participant may be paid a cash award of more than USD 5,000,000 during any single Intuit fiscal year. The Compensation Committee may set performance periods and performance goals that differ from participant to participant, as appropriate for the participant's specific responsibilities.

It is considered that, as performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that awards under the Plan will not necessarily be subject to sufficiently robust performance targets (if any). As a result, shareholders cannot assess whether the Plan will operate to align participants' incentives with shareholders' interests. In addition, maximum award limits are considered excessive.

Triodos opposes this resolution.

5 Appoint the Auditors **For**

EY proposed. Non-audit fees represented 1.09% of audit fees during the year under review and 0.76% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: C- There is good disclosure of performance targets related to short- and long-term incentives. The Compensation Committee set revenue and non-GAAP operating income as performance targets for its annual bonus plan. In the first quarter of fiscal 2017, the Committee established a company GAAP operating income target of USD 600 million as the minimum performance hurdle for any Named Executive Officer to be eligible for any cash bonus under the Plan, and set the maximum payout to each participant in the SEIP at 250% of his or her target award.
The Committee grants 50% Relative TSR restricted stock units (RSUs), 25% Service-based (RSUs)and 25% Stock Options under its long-term incentive plan. The Company must achieve a one-year GAAP operating income hurdle before RSUs begin to vest.
Balance: D- The use of non-GAAP measures is a concern as it prevents shareholders from being able to fully assess the challenging nature of the performance targets. Service- based RSUs and stock options have an annual vesting rate, which is not considered to be sufficiently long-term. The Company uses a sole performance metric to determine the payout for performance awards, which is a concern. Maximum long-term award opportunities are considered to be excessive.
Contract: C- Contracts do not define 'good reason' in an appropriate manner. The Company has double-trigger provisions in place, which is welcomed.

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