

INTUIT INC  
Form DEF 14A  
October 31, 2008

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 240.14a-12

**INTUIT INC.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

Edgar Filing: INTUIT INC - Form DEF 14A

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

Table of Contents

**INTUIT INC.**

**NOTICE OF 2008 ANNUAL MEETING OF STOCKHOLDERS**

Dear Stockholder:

You are cordially invited to attend our 2008 Annual Meeting of Stockholders, which will be held at 8:30 a.m. Pacific Standard Time on December 16, 2008 at our offices at 2600 Casey Avenue, Building 9, Mountain View, California 94043. We will also offer a webcast of the annual meeting at [http://www.intuit.com/about\\_intuit/investors/webcast.jhtml](http://www.intuit.com/about_intuit/investors/webcast.jhtml).

We are holding the meeting to:

1. Elect eleven directors nominated by the Board of Directors to hold office until the next annual meeting of stockholders or until their respective successors have been elected;
2. Ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending July 31, 2009;
3. Approve an amendment to our 2005 Equity Incentive Plan; and
4. Consider any other matters that may properly be brought before the meeting.

Items 1 through 3 are more fully described in the attached proxy statement. We have not received notice of other matters that may be properly presented at the annual meeting.

Only stockholders who owned our stock at the close of business on October 21, 2008 may vote at the meeting, or at any adjournment or postponement of the meeting. For 10 days prior to the annual meeting, a list of stockholders eligible to vote at the meeting will be available for review during our regular business hours at our headquarters at 2700 Coast Avenue, Mountain View, California 94043. If you would like to view the stockholder list, please call Intuit Investor Relations at (650) 944-3560 to schedule an appointment.

Your vote is important. Whether or not you plan to attend the meeting, please cast your vote, as instructed in the Notice of Internet Availability of Proxy Materials, over the Internet or by telephone, as promptly as possible. You may also request a paper proxy card to submit your vote by mail, if you prefer. **We encourage you to vote via the Internet.** It is convenient and saves us significant postage and processing costs.

By order of the Board of Directors,

Laura A. Fennell  
*Senior Vice President, General  
Counsel and Corporate Secretary*

Mountain View, California  
October 31, 2008

---

INTUIT INC.

PROXY STATEMENT 2008 ANNUAL MEETING OF STOCKHOLDERS

	<b>Page</b>
<b><u>INFORMATION ABOUT THE MEETING, VOTING AND PROXIES</u></b>	2
<b><u>OUR BOARD OF DIRECTORS AND NOMINEES</u></b>	4
<b><u>Directors Standing for Election</u></b>	4
<b><u>CORPORATE GOVERNANCE</u></b>	7
<b><u>Board Responsibilities and Structure</u></b>	7
<b><u>Director Independence</u></b>	8
<b><u>Attendance at Board, Committee and Annual Stockholders Meetings</u></b>	8
<b><u>Board Committees and Charters</u></b>	8
<b><u>Acquisition Committee</u></b>	9
<b><u>Audit Committee</u></b>	9
<b><u>Compensation and Organizational Development Committee</u></b>	9
<b><u>Nominating and Governance Committee</u></b>	10
<b><u>Compensation Committee Interlocks and Insider Participation</u></b>	10
<b><u>DIRECTOR COMPENSATION</u></b>	11
<b><u>Overview</u></b>	11
<b><u>Director Summary Compensation Table</u></b>	11
<b><u>Option Grants to Non-Employee Directors During Fiscal Year 2008</u></b>	12
<b><u>Outstanding Option Awards for Directors at Fiscal Year-End 2008 (Exercisable and Unexercisable)</u></b>	13
<b><u>Annual Retainer for Non-Employee Directors</u></b>	13
<b><u>Automatic Option Grants to Non-Employee Directors Under the 2005 Equity Incentive Plan</u></b>	13
<b><u>Director Stock Ownership Requirement</u></b>	14
<b><u>STOCKHOLDER MATTERS</u></b>	14
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	15
<b><u>COMPENSATION AND ORGANIZATIONAL DEVELOPMENT COMMITTEE REPORT</u></b>	17
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	17
<b><u>EXECUTIVE COMPENSATION</u></b>	27
<b><u>Summary Compensation Table</u></b>	27
<b><u>Grants of Plan-Based Awards in Fiscal Year 2008</u></b>	29
<b><u>Outstanding Equity Awards at Fiscal 2008 Year-End</u></b>	30
<b><u>Options Exercises and Stock Vested in Fiscal Year 2008</u></b>	33
<b><u>Non-Qualified Deferred Compensation for Fiscal Year 2008</u></b>	33
<b><u>Potential Payments Upon Termination of Employment or Change in Control</u></b>	34
<b><u>TRANSACTIONS WITH RELATED PERSONS</u></b>	38
<b><u>AUDIT COMMITTEE REPORT</u></b>	39
<b><u>PROPOSAL NO. 1 ELECTION OF DIRECTORS</u></b>	40
<b><u>PROPOSAL NO. 2 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	40
<b><u>PROPOSAL NO. 3 APPROVAL OF AN AMENDMENT TO THE 2005 EQUITY INCENTIVE PLAN</u></b>	42
<b><u>Equity Compensation Plan Information</u></b>	47
<b><u>Equity Compensation Plans Not Approved by Security Holders</u></b>	48
<b><u>APPENDIX A</u></b>	A-1

Supplemental Information for the Compensation Discussion and Analysis Regarding Non-GAAP Financial Measures and Reconciliation of Non-GAAP Financial Measures to Most Directly Comparable GAAP Measures

**APPENDIX B**

2005 Equity Incentive Plan

B-1

**Table of Contents**

**INTUIT INC.  
P.O. Box 7850  
Mountain View, CA 94039-7850**

**PROXY STATEMENT FOR THE  
2008 ANNUAL MEETING OF STOCKHOLDERS**

**INFORMATION ABOUT THE MEETING, VOTING AND PROXIES**

**Date, Time and Place of Meeting**

Intuit's Board of Directors is asking for your proxy for use at the Intuit Inc. 2008 Annual Meeting of Stockholders (the Meeting) and at any adjournment or postponement of the Meeting for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. We are holding the Meeting on Tuesday, December 16, 2008 at 8:30 a.m. Pacific Standard Time at our offices at 2600 Casey Avenue, Building 9, Mountain View, California 94043. We have first released this proxy statement to Intuit stockholders beginning on October 31, 2008.

**Internet Availability of Proxy Materials**

As we did last year, we are now furnishing proxy materials to our stockholders on the Internet, rather than mailing printed copies of those materials to each stockholder. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request one. Instead, the Notice of Internet Availability will instruct you as to how you may access and review the proxy materials and cast your vote on the Internet. If you received a Notice of Internet Availability by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability.

We anticipate that the Notice of Internet Availability will be mailed to stockholders on or about October 31, 2008.

**Record Date, Outstanding Shares and Quorum**

Only holders of record of Intuit common stock at the close of business on October 21, 2008 (called the Record Date) will be entitled to vote at the Meeting. On the Record Date, we had approximately 322,534,622 shares outstanding and entitled to vote, held by approximately 792 stockholders of record and approximately 78,984 beneficial owners, who may hold their shares through banks, brokers or other nominees. We need a quorum to take action at the Meeting. We will have a quorum if a majority of the shares outstanding on the Record Date are present at the Meeting, either in person or by proxy.

If by the date of the Meeting we do not receive sufficient shares to constitute a quorum or approve one or more of the proposals, the Chair of the Meeting, or the persons named as proxies, may propose one or more adjournments of the Meeting to permit further solicitation of proxies. The persons named as proxies would typically exercise their authority to vote in favor of adjournment.

**Voting Rights**

Holders of our common stock are entitled to one vote for each share they owned on the Record Date. Cumulative voting for directors is not permitted. The Inspector of Elections appointed for the Meeting will tabulate all votes. The Inspector will separately tabulate yes and no votes, abstentions and broker non-votes for each proposal.





## **Table of Contents**

### **Voting and Revoking Proxies**

Intuit's Board of Directors is soliciting proxies to vote your shares at the Meeting. All stockholders have three options for submitting their vote prior to the Meeting:

via the Internet at *www.proxyvote.com*;

by phone (please see your Notice of Internet Availability for instructions); or

by requesting, completing and mailing in a paper proxy card, as outlined in the Notice of Internet Availability.

We encourage you to register your vote via the Internet. If you attend the Meeting, you may also submit your vote in person, and any votes that you previously submitted—whether via the Internet, by phone or by mail—will be superseded by the vote that you cast at the Meeting. If you properly submit your proxy, via the Internet, phone or mail, and do not revoke it prior to the Meeting, your shares will be voted in the manner described in this proxy statement or as you may otherwise direct.

If you sign and return your proxy card but do not give any voting instructions, your shares will be voted in favor of the election of each of the director nominees listed in Proposal 1 and in favor of Proposals 2 and 3. As far as we know, no other matters will be presented at the Meeting. However, if any other matters of business are properly presented, the proxy holders named on the proxy card are authorized to vote the shares represented by proxies according to their judgment.

Whether you submit your proxy via the Internet, by phone or by mail, you may revoke it at any time before voting takes place at the Meeting. If you are the record holder of your shares and you wish to revoke your proxy, you must deliver instructions to: Laura A. Fennell, Corporate Secretary, at Intuit Inc., P.O. Box 7850, Mail Stop 2700, Mountain View, California 94039-7850. You may also revoke a proxy by submitting a later-dated vote, in person at the Meeting. Please note that if a broker, bank or other nominee is the record holder of your shares and you wish to vote at the Meeting, you must bring to the Meeting a letter from the record holder confirming your beneficial ownership of the shares. If a broker, bank or other nominee is the record holder of your shares and you wish to revoke your proxy, you must contact the record holder of your shares directly.

### **Abstentions and Broker Non-Votes**

Any shares represented by proxies that are marked to abstain from voting on a proposal will be counted as present in determining whether we have a quorum. They will also be counted in determining the total number of shares entitled to vote on a proposal. A majority of votes cast is required to approve Proposals 2 and 3. Accordingly, abstentions are not counted for the purpose of determining the number of votes cast on these proposals.

If your shares are held in street name and you do not instruct your broker on how to vote your shares, your broker, in its discretion, may either leave your shares unvoted or vote your shares on routine matters. Proposal 1 (election of directors) and Proposal 2 (ratifying the appointment of our independent registered public accounting firm) should be treated as routine matters. If your broker votes on your behalf on these two proposals, your shares also will be counted as present for the purpose of determining a quorum. Proposal 3 is not considered a routine matter, and without your instruction, your broker cannot vote your shares. If a broker, bank, custodian, nominee or other record holder of Intuit stock indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular matter, these shares (called broker non-votes) will also be counted as present in determining whether we have a quorum but will not be counted for the purpose of determining the number of votes cast on a specific proposal.

**Soliciting Proxies**

Intuit will pay all expenses of soliciting proxies to be voted at the Meeting. After the proxies are initially distributed, Intuit and/or its agents may also solicit proxies by mail, electronic mail, telephone or in person. We have hired a proxy solicitation firm, Innisfree M&A Incorporated, to assist us in soliciting proxies. We will pay Innisfree a fee of \$7,500 plus their expenses, which we estimate will be approximately \$7,000. We will ask brokers, custodians, nominees and other record holders to prepare and send a Notice of Internet Availability of Proxy

## **Table of Contents**

Materials to people for whom they hold shares and forward copies of the proxy materials to beneficial owners who request paper copies.

## **Voting Results**

The preliminary voting results will be announced at the Meeting. The final voting results will be tallied by our Inspector of Elections and published in our quarterly report on Form 10-Q for the fiscal quarter ending January 31, 2009.

## **Delivery of Voting Materials to Stockholders Sharing an Address**

To reduce the expense of delivering duplicate materials to stockholders sharing the same address, we have adopted a procedure approved by the U.S. Securities and Exchange Commission (the SEC) called householding. Under this procedure, certain stockholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of the Notice of Internet Availability of Proxy Materials, annual report on Form 10-K and proxy materials, as applicable, sent to stockholders until such time as one or more of these stockholders notifies us that they wish to continue receiving individual copies. This procedure will reduce duplicate mailings and save printing costs and postage fees, as well as natural resources.

## **How to Obtain a Separate Set of Voting Materials**

If you received a househanded mailing this year, and you would like to have additional copies of our Notice of Internet Availability of Proxy Materials, annual report on Form 10-K and proxy materials, as applicable, mailed to you, please submit your request to Investor Relations, Intuit Inc., P.O. Box 7850, Mail Stop 2700, Mountain View, California, 94039-7850, or call (650) 944-3560. You may also contact us at the address or phone number above if you received multiple copies of the annual meeting materials and would prefer to receive a single copy in the future. If you would like to opt out of householding for future mailings, call (800) 542-1061 or send a written request to Investor Relations at the above address.

## **Annual Report on Form 10-K and Additional Materials**

The Notice of Annual Meeting, this proxy statement and our annual report on Form 10-K for the fiscal year ended July 31, 2008 have been made available to all stockholders entitled to vote at the Annual Meeting and who received the Notice of Internet Availability of Proxy Materials. The annual report on Form 10-K can also be viewed at [www.intuit.com/about\\_intuit/investors](http://www.intuit.com/about_intuit/investors).

**Paper copies of our annual report on Form 10-K (excluding exhibits) may be obtained without charge by writing to Investor Relations, Intuit Inc., P.O. Box 7850, Mail Stop 2700, Mountain View, California, 94039-7850, or by calling (650) 944-3560.**

## **OUR BOARD OF DIRECTORS AND NOMINEES**

Our Board currently consists of eleven directors, all of whom are standing for election. The nominees for election include seven independent directors, as defined in the applicable rules for companies traded on the NASDAQ Global Select Market (NASDAQ), three directors who are employees of Intuit, and one director who was an employee of Intuit during fiscal 2008. Stockholders elect all directors annually.

## **Directors Standing for Election**

Edgar Filing: INTUIT INC - Form DEF 14A

The authorized number of directors is currently eleven. Each of the incumbent directors listed below has been nominated for election by the Board of Directors upon recommendation by the Nominating and Governance Committee and has agreed to stand for election to a one-year term.

**Table of Contents**

Information concerning the nominees for director is provided below.

**Stephen M. Bennett (Age 54)**

**Former President and Chief Executive Officer, Intuit Inc.**

Mr. Bennett served as Intuit's President and Chief Executive Officer from January 2000 to January 2008 and has been a member of Intuit's Board of Directors since January 2000. Prior to joining Intuit, Mr. Bennett spent 23 years with General Electric Corporation. From December 1999 to January 2000, Mr. Bennett was an Executive Vice President and a member of the board of directors of GE Capital, the financial services subsidiary of General Electric Corporation. From July 1999 to November 1999, he was President and Chief Executive Officer of GE Capital e-Business, and he was President and Chief Executive Officer of GE Capital Vendor Financial Services from April 1996 through June 1999. Mr. Bennett also serves on the boards of directors of Qualcomm Incorporated and Sun Microsystems, Inc. He holds a Bachelor of Arts in Finance and Real Estate from the University of Wisconsin.

**Christopher W. Brody (Age 63)**

**Chairman, Vantage Partners LLC**

Mr. Brody has been an Intuit director since 1993 and is a member of the Acquisition Committee, the Compensation and Organizational Development Committee and the Nominating and Governance Committee. Mr. Brody has been Chairman of Vantage Partners LLC, a private investment firm, since January 1999. From 1971 through 1998, Mr. Brody was a partner of Warburg, Pincus & Co., a venture capital and private equity investment firm. Mr. Brody also serves as a director of several privately held companies. Mr. Brody holds a Bachelor of Arts in English Literature from Harvard College and a Master in Business Administration from Harvard Business School.

**William V. Campbell (Age 68)**

**Chairman of the Board of Directors, Intuit Inc.**

Mr. Campbell has been an Intuit director since 1994. He has served as Chairman of the Board since August 1998 and was Acting Chief Executive Officer from September 1999 until January 2000. He also served as Intuit's President and Chief Executive Officer from April 1994 through July 1998. Mr. Campbell also serves on the board of directors of Apple Inc. Mr. Campbell holds a Bachelor of Arts in Economics and a Masters of Science from Columbia University, where he is Chair of the Board of Trustees.

**Scott D. Cook (Age 56)**

**Chairman of the Executive Committee, Intuit Inc.**

Mr. Cook, a founder of Intuit, has been an Intuit director since 1984 and has been Chairman of the Executive Committee since August 1998. He served as Chairman of the Board of Intuit from February 1993 through July 1998. From April 1984 to April 1994, he served as Intuit's President and Chief Executive Officer. Mr. Cook also serves on the boards of directors of eBay Inc. and The Procter & Gamble Company. Mr. Cook holds a Bachelor of Arts in Economics and Mathematics from the University of Southern California and a Master in Business Administration from Harvard Business School.

**Diane B. Greene (Age 53)**

**Former President and CEO, VMware, Inc.**

Ms. Greene has been an Intuit director since August 2006 and is a member of the Audit Committee. She co-founded VMware, a developer and provider of software for virtualized desktops, servers, storage and networking, in 1998, and served as its chief executive officer and president until July 2008. Before co-founding VMware, Ms. Greene held

technical leadership positions at Silicon Graphics, Tandem, and Sybase and was chief executive officer of VXtreme. Ms. Greene is a member of The MIT Corporation, the board of trustees of the Massachusetts Institute of Technology, and serves on the Stanford School of Engineering Advisory Board. Ms. Greene holds a Bachelor of Arts in mechanical engineering from the University of Vermont, a Master of Science degree in naval architecture from the Massachusetts Institute of Technology and a Master of Science degree in computer science from the University of California, Berkeley.

**Table of Contents**

**Michael R. Hallman (Age 63)  
President, The Hallman Group**

Mr. Hallman has been an Intuit director since 1993 and is the Chairman of the Compensation and Organizational Development Committee. Mr. Hallman has been President of The Hallman Group, a management consulting firm, since October 1992. Mr. Hallman was President and Chief Operating Officer of Microsoft Corporation from March 1990 through April 1992. Mr. Hallman is also a director of InFocus Corporation, a maker of computer-operated projection products. Mr. Hallman holds both a Bachelor's and a Master's degree in Business Administration from the University of Michigan.

**Edward A. Kangas (Age 64)  
Non-employee Chairman, Tenet Healthcare**

Mr. Kangas has been a director of Intuit since July 2007 and is a member of the Compensation and Organizational Development Committee. He has been chairman of Tenet Healthcare, an owner/operator of acute care hospitals and related healthcare services, since July 2003 and served as a director since April 2003. From 1989 to 2000, Mr. Kangas was global chairman and chief executive officer of Deloitte. He also served as the managing partner of Deloitte & Touche (USA) from 1989 to 1994. Mr. Kangas is also a director of United Technologies Corporation, Eclipsys Corporation and Hovnanian Enterprises, Inc. He holds a Bachelor's degree and a Master's degree in Business Administration from the University of Kansas.

**Suzanne Nora Johnson (Age 51)  
Senior Director, The Goldman Sachs Group**

Ms. Nora Johnson has been a director of Intuit since July 2007 and is a member of the Acquisition Committee and the Audit Committee. From 1985 to 2007, she held senior management and other positions with The Goldman Sachs Group, including chairman of the firm's global markets institute, head of the global investments research division, senior director and member of the firm's management committee. Ms. Nora Johnson also serves on the boards of directors of American International Group, Inc., Pfizer Inc., and VISA Inc. Her non-profit board affiliations include the American Red Cross, the Brookings Institution, Carnegie Institution of Washington, the Markle Foundation and the University of Southern California. Ms. Nora Johnson earned a Bachelor's degree from the University of Southern California and a Juris Doctor from Harvard Law School.

**Dennis D. Powell (Age 60)  
Executive Advisor and former Chief Financial Officer, Cisco Systems, Inc.**

Mr. Powell has been an Intuit director since 2004 and is a member of the Acquisition Committee and the Chairman of the Audit Committee. He joined Cisco Systems, a provider of networking products and services, in 1997 and served as the Senior Vice President and Chief Financial Officer from May 2003 to February 2008, when he became an Executive Advisor to Cisco. From January 1997 to June 2002, he was Cisco's Vice President, Corporate Controller, and from June 2002 to May 2003, he was Senior Vice President, Corporate Finance. Prior to joining Cisco, Mr. Powell was employed by Coopers & Lybrand LLP for 26 years, most recently as a senior partner. Mr. Powell also serves on the boards of directors of Applied Materials, Inc., a provider of fabrication services, equipment and software, and VMware, Inc., a developer and provider of software for virtualized desktops, servers, storage and networking. Mr. Powell holds a Bachelor of Science in Business Administration with a concentration in accounting from Oregon State University.

**Stratton D. Sclavos (Age 47)  
Partner, Radar Partners**

Mr. Sclavos has been an Intuit director since 2001 and is a member of the Nominating and Governance Committee. He has been a partner at Radar Partners since November 2007. Previously, he served as President, Chief Executive Officer and a director of VeriSign, Inc., a provider of intelligent infrastructure services for networks, from July 1995 to May 2007, and Chairman of its board of directors from December 2001 to May 2007. Mr. Sclavos is also a director of Juniper Networks, Inc. (an internet infrastructure systems provider), and Salesforce.com (a



**Table of Contents**

provider of customer relationship management services). Mr. Sclavos holds a Bachelor of Science in Electrical and Computer Engineering from the University of California, Davis.

**Brad D. Smith (Age 44)  
President and Chief Executive Officer, Intuit Inc.**

Mr. Smith has been Intuit's President and Chief Executive Officer and a member of the Board of Directors since January 2008. He was Intuit's Senior Vice President and General Manager, Small Business Division from May 2006 to December 2007 and Senior Vice President and General Manager, QuickBooks from May 2005 to May 2006. He also served as Intuit's Senior Vice President and General Manager, Consumer Tax Group from March 2004 until May 2005 and as Vice President and General Manager of Intuit's Accountant Central and Developer Network from February 2003 to March 2004. Prior to joining Intuit in 2003, Mr. Smith was Senior Vice President of Marketing and Business Development of ADP, a provider of business outsourcing solutions, where he held several executive positions from 1996 to 2003. Mr. Smith holds a Bachelor's degree in Business Administration from Marshall University and a Master's degree in Management from Aquinas College.

**CORPORATE GOVERNANCE**

Our Board has adopted Corporate Governance Principles that are designed to assist the Board in observing practices and procedures that serve the best interests of Intuit and our stockholders. The Nominating and Governance Committee is responsible for overseeing these Corporate Governance Principles and periodically making recommendations to the Board regarding any changes. These Corporate Governance Principles address, among other things, our policy on succession planning and senior leadership development, retirement, Board performance evaluations, committee structure and stock ownership requirements.

We maintain a corporate governance page on our company website that includes key information about corporate governance matters, including copies of our Corporate Governance Principles, our code of conduct and ethics for all employees, including our company's senior executive and financial officers, our Board Code of Ethics and the charter for each Board committee. The link to this corporate governance page can be found at [www.intuit.com/about\\_intuit/investors/corporate\\_gov](http://www.intuit.com/about_intuit/investors/corporate_gov).

**Board Responsibilities and Structure**

The Board oversees management's performance on behalf of Intuit's stockholders. The Board's primary responsibilities are (1) to select, oversee and determine compensation for the Chief Executive Officer who, with senior management, runs Intuit on a day-to-day basis, (2) to monitor management's performance to assess whether Intuit is operating in an effective, efficient and ethical manner in order to create value for Intuit's stockholders, and (3) to periodically review Intuit's long-range plan, business initiatives, capital projects and budget matters.

The Board appoints the Chairman of the Board, who may be a current or former officer of Intuit if the Board determines that it is in the best interests of Intuit and its stockholders. However, if the Chairman is also the Chief Executive Officer, then the Board has determined that it will appoint a lead independent director. William V. Campbell, the current Chairman of the Board, is an employee of Intuit and previously served as Intuit's chief executive officer.

The Board and its committees meet throughout the year on a set schedule, and also hold special meetings and act by written consent from time to time as appropriate. The Board held seven meetings during fiscal 2008. The independent directors meet without management present at regularly scheduled executive sessions at each quarterly Board meeting. During fiscal 2008, the independent directors held four executive sessions. With respect to independent director

sessions, the independent directors may from time to time designate an independent director to serve as presiding director to chair these sessions. In addition, the presiding director may advise the Chairman of the Board with respect to agendas and information to be provided to the Board and may perform such other duties as the Board may from time to time delegate to assist it in fulfilling its responsibilities. The Board has delegated certain responsibilities and authority to the committees described below. Committees report regularly on their activities and actions to the full Board.

**Table of Contents**

**Director Independence**

Our Board currently includes seven independent directors, all of whom are standing for election. To be considered independent under NASDAQ rules, a director may not be employed by Intuit or engage in certain types of business dealings with Intuit. In addition, as required by NASDAQ rules, the Board has made a determination as to each independent director that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board reviewed and discussed information provided by the directors and by the company with regard to each director's business and personal activities as they relate to Intuit and Intuit's management. Based on this review, the Board has determined that Mr. Brody, Ms. Greene, Mr. Hallman, Mr. Kangas, Ms. Nora Johnson, Mr. Powell and Mr. Sclavos are independent directors.

In assessing director independence under NASDAQ rules, the Nominating and Governance Committee and the full Board review relevant transactions, relationships and arrangements that may affect the independence of our Board members. Ms. Greene, Ms. Nora Johnson, Mr. Powell and Mr. Sclavos are, or were during fiscal 2008, directors or executive officers of companies with which Intuit conducts business in the ordinary course. Consistent with NASDAQ independence standards, Intuit did not make payments to, or receive payments from, any of these companies for property or services in the current or any of the last 3 fiscal years that exceed 5% of Intuit's or any of the other parties consolidated gross revenues. Mr. Kangas and Ms. Nora Johnson sit on the boards of charitable foundations to which Intuit has made employee matching contributions in amounts that are immaterial to both Intuit and the foundations. Following review of these transactions and other relevant standards, the Board determined that each of these directors is independent under NASDAQ rules.

**Attendance at Board, Committee and Annual Stockholders Meetings**

The Board expects that each director will prepare for, attend and participate in all Board and applicable committee meetings and that each Board member will see that other commitments do not materially interfere with his or her service on the Board. Directors generally may not serve on the boards of more than six public companies, including Intuit's board. Any director, who has a principal job change, including retirement, must submit a letter of resignation to the Chairman of the Board. The Board, in consultation with the Nominating and Governance Committee, will review each offered resignation and determine whether or not to accept such resignation after consideration of the continued appropriateness of Board membership under the new circumstances.

No director attended less than 75% of the aggregate number of meetings of the Board and the committees on which he or she served, with the exception of Diane Greene who attended approximately 68% of the aggregate number of meetings of the Board and the committees on which she served during fiscal 2008. Three directors attended the 2007 Annual Meeting of Stockholders. Under the Corporate Governance Principles, all directors are encouraged to attend the annual meetings of Intuit's stockholders.

**Board Committees and Charters**

The Board currently has a standing Acquisition Committee, Audit Committee, Compensation and Organizational Development Committee and Nominating and Governance Committee. The members of each committee are appointed by the Board based on recommendations of the Nominating and Governance Committee. Each member of these committees is an independent director as determined by the Board in accordance with NASDAQ listing standards. Each committee has a charter and annually reviews its charter and makes recommendations to our Board for revision of its charter to reflect evolving best practices. Copies of each charter can be found on our website



**Table of Contents**

at [www.intuit.com/about\\_intuit/investors/corporate\\_gov](http://www.intuit.com/about_intuit/investors/corporate_gov). Current committee members are identified in the following table.

<b>Director</b>	<b>Acquisition Committee</b>	<b>Audit Committee</b>	<b>Compensation and Organizational Development Committee</b>	<b>Nominating and Governance Committee</b>
Stephen M. Bennett				
Christopher W. Brody	X		X	X
William V. Campbell				
Scott D. Cook				
Diane B. Greene		X		
Michael R. Hallman			Chair	
Edward A. Kangas			X	
Suzanne Nora Johnson	X	X		
Dennis D. Powell	X	Chair		
Stratton D. Sclavos				X
Brad D. Smith				

**Acquisition Committee**

The Acquisition Committee was established on January 16, 2008 to review and approve acquisition, divestiture and investment transactions proposed by Intuit's management in which the total consideration to be paid or received by Intuit does not exceed the limits that may be established by the Board from time to time.

In fiscal 2008, the Acquisition Committee held two meetings.

**Audit Committee**

The Audit Committee represents and assists the Board in its oversight of Intuit's financial reporting, internal controls and audit functions, and is directly responsible for the selection, retention, compensation and oversight of the work of Intuit's independent auditor.

Our Board has determined that each member of the Audit Committee is independent, as defined under applicable NASDAQ listing standards and SEC rules related to audit committee members, and is financially literate, as required by NASDAQ listing standards. The Audit Committee also includes at least one member Dennis D. Powell who has been determined by the Board to meet the qualifications of an audit committee financial expert, as defined by SEC rules, and to meet the qualifications of financial sophistication in accordance with NASDAQ listing standards. Stockholders should understand that these designations related to an Audit Committee member's experience and understanding do not impose upon him or her any duties, obligations or liabilities greater than those generally imposed on other members of the Audit Committee or the Board.

In fiscal 2008, the Audit Committee held twelve meetings. The responsibilities and activities of the Audit Committee are described in greater detail in Audit Committee Report on page 39.

**Compensation and Organizational Development Committee**

The Compensation and Organizational Development Committee (the Compensation Committee ) assists the Board in the review and approval of executive compensation and the oversight of organizational and management development for executive officers and other employees of Intuit. Each member of this committee is independent under NASDAQ listing standards and is an outside director as defined in the Internal Revenue Code of 1986, as amended (the Code ), and a Non-Employee Director, as defined in Rule 16(b)-3 under the Securities Exchange Act of 1934. The committee met ten times in fiscal 2008. The Compensation Committee held a portion of each meeting in closed session, with only the Compensation Committee members and, on certain occasions, William Campbell, the Chairman of the Board, and representatives of our outside compensation consultant, present.

**Table of Contents**

For more information on the responsibilities and activities of the Compensation Committee, including the committee's processes for determining executive compensation, see the Compensation and Organizational Development Committee Report on page 17 and Compensation Discussion and Analysis beginning on page 17.

The Compensation Committee is also responsible for reviewing the compensation for non-employee directors on an annual basis and making recommendations to the Board, in the event they determine changes are needed. As part of its review of non-employee director compensation, the Compensation Committee generally receives input from a variety of research sources including an independent compensation consultant, currently Watson Wyatt. The consultant regularly provides the Compensation Committee with general market practices and trends. In addition, we periodically measure and benchmark our non-employee director compensation against a certain peer group of companies.

**Nominating and Governance Committee**

The Nominating and Governance Committee reviews and makes recommendations to the Board regarding Board composition and appropriate governance standards. The Nominating and Governance Committee held two meetings in fiscal 2008.

The Committee has adopted a process to identify and evaluate candidates for director, whether recommended by management, Board members, or stockholders (if made in accordance with the procedures set forth under Stockholder Recommendations of Director Candidates below). The committee will evaluate candidates properly recommended by stockholders in the same manner as candidates recommended by others. The committee believes that all nominees for Board membership should possess the highest ethics, integrity and values and be committed to representing the long-term interests of Intuit's stockholders. In addition, nominees should have broad, high-level experience in business, government, education, technology or public interest. They should also have sufficient time to carry out their duties as directors of Intuit and have an inquisitive and objective perspective, practical wisdom and mature judgment. The committee will also consider additional factors such as independence, diversity, expertise and specific skills, and other qualities that may contribute to the Board's overall effectiveness when evaluating candidates for director. Intuit may also engage third-party search firms to provide assistance in identifying and evaluating Board candidates.

Consideration of director candidates typically involves a series of discussions, a review of available information concerning the candidate, qualifications for Board membership established by the Nominating and Governance Committee, the existing composition of the Board, and other factors the committee deems relevant. In conducting its review and evaluation, the committee may solicit the views of management, other Board members and other individuals it believes may have insight into a candidate.

**Compensation Committee Interlocks and Insider Participation**

No executive officer of Intuit during fiscal 2008 served, or currently serves, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on Intuit's Board or Intuit's Compensation and Organizational Development Committee.

**Table of Contents****DIRECTOR COMPENSATION****Overview**

Our non-employee directors receive a combination of equity and cash compensation for serving on our Board. Our three directors who are company employees – Mr. Smith, Mr. Cook and Mr. Campbell – do not receive board fees or equity for their Board service. In addition, Mr. Bennett did not receive board fees or equity for his Board service in fiscal 2008 because he was an employee or consultant of Intuit during the entire fiscal year. He will receive board fees and equity for his Board service beginning in fiscal 2009. The Compensation and Organizational Development Committee is responsible for reviewing the equity and cash compensation for non-employee directors on an annual basis and making recommendations to the Board, in the event they determine changes are needed. The Compensation and Organizational Development Committee last reviewed non-employee director compensation in October 2008 and determined that the current mix and size of equity and cash awards provide the appropriate incentive to attract and retain qualified non-employee board members. The following table summarizes the fiscal 2008 compensation earned by each member of the Board other than Mr. Smith and Mr. Bennett, whose compensation is described under Executive Compensation – beginning on page 27.

**Director Summary Compensation Table**

<b>Director Name</b>	<b>Board Fees Earned or Paid in</b>	<b>Option Awards</b>	<b>All Other Compensation</b>	<b>Total (\$)</b>
	<b>Cash (\$)</b>	<b>\$(1)</b>	<b>(\$)</b>	
Christopher W. Brody	62,500	305,113		367,613
William V. Campbell			2,100,000(2)	2,100,000
Scott D. Cook			906,263(3)	906,263
L. John Doerr(4)	10,000	72,514		82,514
Diane B. Greene	45,000	278,150		323,150
Michael R. Hallman	45,000	272,688		317,688
Edward A. Kangas	45,000	209,599		254,599
Suzanne Nora Johnson	52,500	221,572		274,072
Dennis D. Powell	67,500	303,637		371,137
Stratton D. Sclavos	40,000	229,486		269,486

(1) Amounts included in the Option Awards column above reflect total option-related expense recognized for financial statement reporting purposes for the fiscal year ended July 31, 2008 in accordance with Statement of Financial Accounting Standards No. 123R (SFAS 123R), assuming no forfeitures. In the case of an actual forfeiture due to termination of services, we have reduced the expense based on that forfeiture. The amounts in this column differ from amounts in the following table titled Option Grants to Non-Employee Directors During Fiscal Year 2008, because that table includes the full fair value as of the grant date (calculated in accordance with SFAS 123R) of options granted during fiscal 2008 only, irrespective of the years in which option-related expense is recognized. See Intuit's annual report on Form 10-K for the fiscal year ended July 31, 2008 for a complete



description of the SFAS 123R valuation.

- (2) Mr. Campbell is a full-time employee of Intuit. Mr. Campbell did not receive equity awards from Intuit during fiscal 2008. His compensation represents an annual salary of \$500,000; and an incentive bonus of \$600,000 awarded for service in fiscal 2008. This column also includes a contribution of \$1,000,000 made by Intuit to a donor-advised charitable fund in the name of Mr. Campbell and his wife. This is the final contribution pursuant to a commitment made by Intuit in 2003. Mr. Campbell derives no financial benefit from this contribution since all charitable contribution deductions accrue solely to Intuit.
- (3) Mr. Cook is a full-time employee of Intuit. His compensation represents an annual salary of \$500,000; an incentive bonus of \$400,000 awarded for service in fiscal 2008; a patent invention bonus of \$1,625; and premiums for Intuit's Executive Long-Term Disability Plan of \$4,638. Mr. Cook did not receive equity awards from Intuit during fiscal 2008.
- (4) Mr. Doerr left the Board in December 2007.

**Table of Contents****Option Grants to Non-Employee Directors During Fiscal Year 2008**

The following table shows each option grant made to our non-employee directors during fiscal 2008, including the grant date, number of shares, exercise price, and grant date fair value, as calculated under SFAS 123R. All options have an exercise price equal to the fair market value of Intuit's common stock on the date of grant.

<b>Director Name</b>	<b>Grant Date</b>	<b>Shares Subject to Option (#)</b>	<b>Exercise Price (\$)</b>	<b>Grant Date Fair Value (\$)</b>
Christopher W. Brody	11/25/07	22,500	29.17	184,766
	01/18/08	7,500	30.59	57,581
	01/18/08	7,500	30.59	57,581
	05/09/08	7,500	26.89	52,650
Total		45,000		352,578
L. John Doerr	11/25/07	22,500	29.17	184,766
	12/12/07	7,500	29.85	56,914
Total		30,000		241,680
Diane B. Greene	08/15/07	22,500	28.21	178,724
	08/15/07	7,500	28.21	55,328
Total		30,000		234,052
Michael R. Hallman	11/25/07	22,500	29.17	184,766
	01/18/08	10,000	30.59	76,775
Total		32,500		261,541
Edward A. Kangas	07/24/08	22,500	27.11	176,045
	07/24/08	7,500	27.11	54,222
Total		30,000		230,267
Suzanne Nora Johnson	05/09/08	7,500	26.89	52,650
	07/24/08	22,500	27.11	176,045
	07/24/08	7,500	27.11	54,222
Total		37,500		282,917
Dennis D. Powell	02/19/08	22,500	30.23	185,247
	02/19/08	10,000	30.23	75,634

Edgar Filing: INTUIT INC - Form DEF 14A

	05/09/08	7,500	26.89	52,650
Total		40,000		313,531
Stratton D. Sclavos	08/01/07	22,500	28.76	179,627
	12/12/07	7,500	29.85	56,914
Total		30,000		236,541

**Table of Contents****Outstanding Option Awards for Directors at Fiscal Year-End 2008 (Exercisable and Unexercisable)**

The following table provides information on the outstanding equity awards for our directors, other than Mr. Smith and Mr. Bennett, as of July 31, 2008.

<b>Director Name</b>	<b>Aggregate Shares Subject to Outstanding Options (#)</b>
Christopher W. Brody	497,500
William V. Campbell	720,000
Scott D. Cook	201,000
L. John Doerr	
Diane B. Greene	105,000
Michael R. Hallman	485,000
Edward A. Kangas	105,000
Suzanne Nora Johnson	112,500
Dennis D. Powell	252,500
Stratton D. Sclavos	319,000

**Annual Retainer for Non-Employee Directors**

Non-employee directors are paid an annual cash retainer of \$30,000, plus additional cash retainers based on their committee service. These annual retainers are paid in quarterly installments and are listed in the following table:

<b>Position</b>	<b>Annual Amount (\$)</b>
Board Member	30,000
Chair of Audit Committee	30,000
Member of Audit Committee, Compensation and Organizational Development Committee or Acquisition Committee	15,000
Nominating and Governance Committee Member	10,000

We reimburse non-employee directors for out-of-pocket expenses incurred in connection with attending Board and committee meetings.

**Automatic Option Grants to Non-Employee Directors Under the 2005 Equity Incentive Plan**

All options granted to non-employee directors in fiscal 2008 were made pursuant to a shareholder-approved non-discretionary formula set forth in our 2005 Equity Incentive Plan (the "Plan"). The exercise price for each option granted to a non-employee director is the fair market value of Intuit's stock on the grant date. Pursuant to the terms of the Plan's non-discretionary formula, each initial option grant is granted on the date a non-employee board member (who is not a former employee of Intuit) first becomes a member of the Board, each succeeding annual grant is

granted on the anniversary of such date and each option grant awarded for committee service is granted on the date the non-employee board member is appointed to a committee or the anniversary thereof. If Proposal No. 3 is approved, non-employee directors who are former employees of Intuit will be entitled to receive the automatic option grants for their Board and committee service. For more information, see Proposal No. 3 Approval of an

**Table of Contents**

Amendment to the 2005 Equity Incentive Plan beginning on page 42. The automatic option grant amounts are listed in the following table:

<b>Non-Employee Board Position</b>	<b>Shares Subject to Option (#)</b>
New Board Member (on date of joining Board)	67,500
Continuing Board Member (annual grant)	22,500
Board-designated Committee Chair (annual grant)	10,000
Other Committee Members (annual grant)	7,500

Initial non-employee director grants vest over four years, with 25% of the option shares vesting on the first anniversary of the grant date and the remaining 75% of the shares vesting pro rata over the next 36 months. Succeeding annual non-employee director grants vest over two years, with 50% of the option shares vesting on the first anniversary of the grant date and the remaining 50% vesting pro rata over the next 12 months. Committee grants vest pro rata over 12 months and are fully vested on the first anniversary of the grant date. The grants vest only while the recipient remains in service.

**Director Stock Ownership Requirement**

Each director is required to hold at least 10,000 shares of Intuit common stock by the later of July 2011 or five years from the date the director joined the Board. The shares must then be held throughout the director's tenure on the Board. If any director does not meet the stock ownership requirement within the designated time frame, 50% of his or her annual cash retainers will be made in the form of Intuit stock until compliance is achieved.

**STOCKHOLDER MATTERS****Stockholder Communications with the Board**

The Nominating and Governance Committee is responsible for receiving stockholder communications on behalf of the Board. Any stockholder may send communications by mail to the Board or individual directors c/o Corporate Secretary, Intuit Inc., P.O. Box 7850, Mail Stop 2700, Mountain View, California 94039-7850 or via our website at [www.intuit.com/about\\_intuit/investors/corporate\\_gov](http://www.intuit.com/about_intuit/investors/corporate_gov). The Board has instructed the Corporate Secretary to review this correspondence and determine, in his or her discretion, whether matters submitted are appropriate for Board consideration. The Corporate Secretary may also forward certain communications elsewhere in the company for review and possible response. In particular, communications such as product or commercial inquiries or complaints, job inquiries, surveys and business solicitations or advertisements or patently offensive or otherwise inappropriate material will not be forwarded to the Board.

**Stockholder Recommendations of Director Candidates**

As discussed above, our Nominating and Governance Committee will consider director candidates recommended by a stockholder. A stockholder seeking to recommend a candidate for the committee's consideration should submit the candidate's name and qualifications to: Nominating and Governance Committee, c/o Corporate Secretary, Intuit Inc., P.O. Box 7850, Mail Stop 2700, Mountain View, California 94039-7850 or via our website at [www.intuit.com/about\\_intuit/investors/corporate\\_gov](http://www.intuit.com/about_intuit/investors/corporate_gov). You may also find a copy of a document entitled "Process of Identifying and Evaluating Nominees for Director" on that web page.

**Stockholder Proposals and Nominations for the 2009 Annual Meeting of Stockholders**

Any stockholder who intends to present a proposal for inclusion in Intuit's 2009 proxy statement and form of proxy must submit the proposal, in writing, so that the Corporate Secretary receives it at our principal executive offices by July 3, 2009. Any stockholder who wishes to bring a proposal or nominate a person for election to the Board at the 2009 Annual Meeting of Stockholders must provide written notice of the proposal or nomination to Intuit's Corporate Secretary, at our principal executive offices, between August 31, 2009 and September 30, 2009. In addition, our stockholders must comply with the procedural requirements in our bylaws, which stockholders can obtain from us upon request. Our bylaws are also on file with the SEC.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT****Security Ownership Table**

The following table shows shares of Intuit's common stock that we believe are owned as of September 30, 2008 by:

Each Named Executive Officer (defined on page 17),

Each director,

All current directors and executive officers as a group, and

Each stockholder owning more than 5% of our common stock.

Unless indicated in the notes, each stockholder has sole voting and investment power for all shares shown, subject to community property laws that may apply to create shared voting and investment power. Unless indicated in the notes, the address of each beneficial owner is c/o Intuit Inc., P.O. Box 7850, Mountain View, California 94039-7850.

We calculated the Percent of Class based on 324,098,018 shares of common stock outstanding on September 30, 2008. In accordance with SEC regulations, we also include (1) shares subject to options that are currently exercisable or will become exercisable within 60 days of September 30, 2008, and (2) shares issuable upon settlement of restricted stock units that are vested, or will become vested within 60 days of September 30, 2008. Those shares are deemed to be outstanding and beneficially owned by the person holding such option for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
<b>Directors and Named Executive Officers:</b>		
Scott D. Cook(1)	22,718,244	7.0%
Brad D. Smith(2)	677,012	*
R. Neil Williams		*
Kiran M. Patel(3)	932,693	*
Alexander M. Lintner(4)	156,729	*
Sasan K. Goodarzi(5)	186,200	*
Stephen M. Bennett(6)	2,732,513	*
Christopher W. Brody(7)	853,000	*
William V. Campbell(8)	870,588	*
Diane B. Greene(9)	68,905	*
Michael R. Hallman(10)	618,339	*
Edward A. Kangas(11)	32,500	*
Suzanne Nora Johnson(12)	36,250	*
Dennis D. Powell(13)	220,937	*
Stratton D. Sclavos(14)	315,937	*



Edgar Filing: INTUIT INC - Form DEF 14A

All current directors and executive officers as a group (18 people)(15)	30,813,641	9.3%
<b>Other 5% Stockholders:</b>		
PRIMECAP Management Company(16)	26,742,087	8.3%
Capital World Investors(17)	26,488,000	8.2%
Delaware Management Holdings(18)	18,065,008	5.6%
Vanguard Chester and Primecap Funds(19)	16,700,000	5.2%

\* Indicates ownership of 1% or less.

**Table of Contents**

- (1) Includes 22,517,244 shares held by trusts, of which Mr. Cook is a trustee, and 201,000 shares issuable upon exercise of options.
- (2) Includes 670,413 shares issuable upon exercise of options and upon settlement of vested restricted stock units held by Mr. Smith.
- (3) Includes 926,693 shares issuable upon exercise of options and upon settlement of vested restricted stock units held by Mr. Patel.
- (4) Includes 148,442 shares issuable upon exercise of options and upon settlement of vested restricted stock units held by Mr. Lintner.
- (5) Includes 182,775 shares issuable upon exercise of options and upon settlement of vested restricted stock units held by Mr. Goodarzi.
- (6) Includes 2,731,700 shares issuable upon exercise of options held by Mr. Bennett.
- (7) Includes 435,000 shares issuable upon exercise of options held by Mr. Brody. Vantage Partners Inc., of which Mr. Brody is chairman and a stockholder, holds 283,000 shares.
- (8) Includes 720,000 shares issuable upon exercise of options held by Mr. Campbell.
- (9) Represents shares issuable upon exercise of options held by Ms. Greene.
- (10) Includes 427,083 shares issuable upon exercise of options held by Mr. Hallman. A family partnership of which Mr. Hallman is a partner holds 175,200 shares.
- (11) Represents shares issuable upon exercise of options held by Mr. Kangas.
- (12) Represents shares issuable upon exercise of options held by Ms. Nora Johnson.
- (13) Represents shares issuable upon exercise of options held by Mr. Powell.
- (14) Includes 309,937 shares issuable upon exercise of options held by Mr. Sclavos. A trust of which Mr. Sclavos is a co-trustee holds the remaining 6,000 shares.
- (15) Includes 7,491,564 shares issuable upon exercise of options and upon settlement of vested restricted stock units. Represents shares and options held by the individuals described in Notes 1 - 14, plus an additional 13,865 outstanding shares and 379,929 shares issuable upon exercise of options and upon settlement of vested restricted stock units held by other executive officers.
- (16) Ownership information for PRIMECAP Management Company ( PRIMECAP ) is based on a Schedule 13G filed with the SEC by PRIMECAP, reporting ownership as of December 31, 2007. PRIMECAP reported sole voting power as to 6,140,287 shares and sole dispositive power as to 26,742,087 shares. The address of PRIMECAP is 225 South Lake Ave. #400, Pasadena, California 91101.
- (17) Ownership information for Capital World Investors ( Capital World ), a division of Capital Research and Management Company ( CRMC ), is based on a Schedule 13G filed with the SEC by Capital World, reporting

ownership as of December 31, 2007. Capital World reported sole voting power as to 13,000 shares and sole dispositive power as to 26,488,000 shares and reported that it is deemed to be the beneficial owner of the 26,488,000 shares as a result of CRMC acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. The address of Capital World is 333 South Hope Street, Los Angeles, California 90071.

- (18) Ownership information for Delaware Management Holdings ( Delaware Holdings ) is based on a Schedule 13G filed with the SEC by Delaware Holdings as of December 31, 2007. Delaware Holdings reported sole voting power as to 18,009,009 shares, shared voting power as to 353 shares and sole dispositive power as to 18,065,008 shares. The address of Delaware Holdings is 2005 Market Street, Philadelphia, Pennsylvania 19103.
- (19) Ownership information for Vanguard Chester and Primecap Funds ( Vanguard ) is based on a Schedule 13G filed with the SEC by Vanguard, reporting ownership as of December 31, 2007. Vanguard reported sole voting power as to 16,700,000 shares. The address of Vanguard is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

**Table of Contents**

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act requires Intuit's directors, executive officers, and greater-than-10% stockholders to file forms with the SEC to report their ownership of Intuit shares and any changes in ownership. Anyone required to file forms with the SEC must also send copies of the forms to Intuit. We have reviewed all forms provided to us. Based on that review and on written information given to us by our executive officers and directors, we believe that all Section 16(a) filing requirements were met during fiscal 2008.

**COMPENSATION AND ORGANIZATIONAL DEVELOPMENT COMMITTEE REPORT**

Set out below is the Compensation Discussion and Analysis, which is a discussion of Intuit's executive compensation programs and policies written from the perspective of how we and management view and use such policies and programs. We strive to ensure that Intuit's compensation programs are fiscally responsible, market responsive and performance based. Guided by these principles we regularly review and monitor senior management's compensation, as well as their potential for larger leadership roles, to produce the greatest value for Intuit's three stakeholders employees, customers and stockholders. To this end, the Compensation and Organizational Development Committee has reviewed the components of compensation paid to each of Intuit's officers for fiscal 2008, including annual base salary, target incentive bonus and equity compensation.

Given our role in providing guidance on program design, administering those programs and policies, and in making specific compensation decisions for senior executives, the Compensation and Organizational Development Committee participated in the preparation of the Compensation Discussion and Analysis and reviewed and discussed the Compensation Discussion and Analysis with management. Based on the review and discussions, we recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Michael R. Hallman (Chair)  
Christopher W. Brody  
Edward A. Kangas

**COMPENSATION DISCUSSION AND ANALYSIS**

The Compensation and Organizational Development Committee (the Compensation Committee) oversees Intuit's compensation plans and policies, approves the compensation of our executive officers and administers our stock compensation plans. This Compensation Discussion and Analysis (CD&A) contains a discussion and analysis of the compensation approved by the Compensation Committee and paid for fiscal 2008 to the executive officers named below (the Named Executive Officers) and included in the Summary Compensation Table on page 27:

Brad D. Smith, President and Chief Executive Officer

R. Neil Williams, Senior Vice President and Chief Financial Officer

Kiran M. Patel, Senior Vice President and General Manager, Consumer Tax Group

Alexander M. Lintner, Senior Vice President, Strategy and Corporate Development and President, Global Business Division

Sasan K. Goodarzi, Senior Vice President and General Manager, Financial Institutions Division

Stephen M. Bennett, Board Member and former President and Chief Executive Officer

**Compensation Philosophy and Objectives**

The Compensation Committee awards compensation to our executives based primarily on the following areas of corporate and individual performance: revenue growth, operating income growth, and progress toward operational and strategic plans that position Intuit for continued growth. Tying rewards to success in advancing these three objectives demonstrates the Compensation Committee's focus on performance-based compensation. Our compensation packages are designed to help Intuit acquire, retain and motivate talented executives with proven

**Table of Contents**

experience in achieving these objectives, and a large portion of each executive's cash bonus and long-term equity compensation is tied to the accomplishment of these objectives. We carefully manage equity compensation to provide competitive rewards that are commensurate with results delivered, while limiting dilution to stockholders as much as possible. The majority of our restricted stock units granted to senior executives vest only upon achievement of designated financial targets, and our stock options provide value to our executives only if Intuit's stock price increases following the date of grant.

In making compensation decisions for our senior executives, the Compensation Committee considered the following measures of Intuit's strong fiscal 2008 financial performance:

Net revenue growth of 15%

Non-GAAP operating income growth of 12%

Historically, we have used non-GAAP operating income in making compensation decisions because we believe it best measures Intuit's financial performance. On a GAAP basis, Intuit's operating income grew 2% over fiscal 2007. Appendix A to this proxy statement includes a reconciliation of non-GAAP operating income to the most comparable GAAP measure.

Compensation varies each year among our senior executives and varies year-over-year for each executive based on the individual's performance. The Compensation Committee conducts its annual review process near the end of Intuit's fiscal year and determines each executive's base salary for the coming year, incentive cash bonus for the prior year and the amount of any long-term equity awards. These compensation decisions are based on objective criteria of revenue and operating income growth, and on more subjective criteria of overall leadership in the executive's business or functional area and the executive's impact on Intuit's operational and strategic plans, including development of talent and leadership and employee engagement.

Using these criteria, the Compensation Committee rewarded the key executives for Intuit's strong performance in fiscal 2008 and provided incentives designed to retain and motivate our most talented and experienced executives for the longer term.

**Elements of Compensation**

Each major component of compensation is structured to provide significant differentiation among our executive officers based on individual performance and to incentivize both short and long-term performance. Intuit's primary compensation components are:

Base salary,

Annual cash incentive awards; and

Long term incentives in the form of stock options and restricted stock units ( RSUs ).

The Compensation Committee believes that a mix of both cash and equity incentives is appropriate, as cash incentives reward executives in the near term for achieving strong performance, while equity incentives motivate executives to sustain strong performance and increase stockholder value in the longer term. In determining the amount of the cash and equity incentives, the Compensation Committee considers each officer's total compensation for both the short and long-term to assess the retentive value of the compensation package. The percentage of a Named Executive Officer's potential compensation award that is performance-based is determined primarily by the executive's role and scope of

responsibilities at Intuit. Our Named Executive Officers have the ability to directly influence overall company performance and, as a result, have a greater portion of their pay tied to short and long-term incentive programs than most other Intuit employees.

Significant changes in our senior leadership team during fiscal 2008 also affected the compensation decisions for certain of our executive officers. In particular, Intuit announced in August 2007 that Mr. Smith would become Intuit's new CEO, succeeding Mr. Bennett in January 2008. In September 2007, Mr. Goodarzi was promoted to Senior Vice President to lead our Financial Institutions Division, and in January 2008, Mr. Williams became Intuit's new CFO. The effects of these decisions on compensation are discussed in more detail later in this CD&A.

**Table of Contents****Competitive Data**

In fiscal 2008, as in prior years, the Compensation Committee engaged Watson Wyatt to provide a comprehensive market study of compensation paid to Mr. Smith and Intuit's senior leadership team. The data for this study came from two sources: (1) annual reports and proxy statements of a peer group of comparable companies described below; and (2) published surveys of companies in the technology sector with revenue in a comparable range, as described below. The peer group and survey companies approved by the Compensation Committee are primarily technology companies, most of which compete with Intuit for business or for executive personnel. These companies also have one or more of the following attributes that make them similar to Intuit:

Industry software development and business services

Maturity/Complexity established business and market presence

Size generally 0.5 - 2.5 times both Intuit's revenue and market capitalization (with Intuit at approximately the median of the peer group)

Labor Market companies with which Intuit competes for top executive talent in comparable positions

Watson Wyatt and representatives of Intuit's Human Resources/Compensation and Legal departments then reviewed this data with the Compensation Committee. The following companies make up the peer group for which Watson Wyatt provided data:

Adobe	Fiserv	Verisign
Autodesk	H&R Block	VMware
ADP	Metavante	Western Union
BMC Software	Network Appliance	Yahoo
Cadence Design Systems	Paychex	
Ebay	Qualcomm	
Electronic Arts	Symantec	

Several changes were made to our select peer group this year. Three companies that were included in our peer group for fiscal 2007, BEA Systems, Checkfree and First Data Corp., were acquired by other companies in the last year and were accordingly excluded from our 2008 peer group. Two companies, Cisco Systems and Sun Microsystems, significantly exceed our revenue parameter and were excluded as a result. Two other 2007 peer group companies, McAfee and Synopsys, were excluded due to their smaller size and growth rates. DST Systems was also eliminated due to its lesser degree of comparability in business and location.

Five new companies were added to our 2008 peer group to replace or better represent comparable companies to Intuit. Autodesk, Metavante, Western Union, VMware, and Qualcomm were selected based on their relevant size, industry and market focus.

Data from the following surveys were also used by Watson Wyatt to provide additional compensation information to the Compensation Committee:

*Radford/Aon Total Compensation Survey:* Software companies with revenue greater than \$1 billion and other companies between \$1 billion and \$3 billion in revenue



Edgar Filing: INTUIT INC - Form DEF 14A

*Watson Wyatt Data Services Top Management Compensation Survey:* Companies, excluding financial services, regressed to Intuit's revenue size

*Mercer Top Management Compensation Survey:* High-technology companies, regressed to Intuit's revenue size

The data from the peer group companies was averaged with the survey data above to create the benchmarks reviewed by the Compensation Committee ( *Watson Wyatt's Fiscal 2008 Study* ). This benchmarking data provided to the Compensation Committee also included an assessment of Intuit's financial performance for the short and long-term as compared to the companies in the peer group above.

## **Table of Contents**

The Compensation Committee used this competitive data as one of several factors in its decisions regarding compensation. Generally the data was used as a reference point in determining whether each executive's compensation level and opportunity properly reflects the executive's role and scope of responsibilities. In establishing compensation levels, the Compensation Committee also gave significant weight to factors related to the individual's accomplishments, skills and capabilities as well as their leadership skills and performance.

The Compensation Committee reviewed Intuit's executive compensation programs and practices, and analyzed, for each Intuit Named Executive Officer, all existing elements of compensation (including base pay, cash bonus awards and long-term compensation in the form of equity awards) during the fourth quarter of fiscal 2008. The Compensation Committee compared these compensation components separately, and in total, to compensation at the peer group companies in an effort to set aggregate total compensation for each Named Executive Officer in the top quartile of peers surveyed. As a result, according to the competitive data reviewed, Intuit's base pay and cash incentive compensation opportunities for our Named Executive Officers, were highly competitive with the market, and Intuit's total compensation opportunities were in the top quartile of the peer companies for analogous positions at peer companies.

### **Specific Elements of Compensation: Base Pay**

Intuit provides base salaries to all of its employees, including the Named Executive Officers, to provide them, throughout the year, with the security of a fixed cash payment for services rendered. For Named Executive Officers, as is the case for all other employees, base salaries are evaluated at year-end and may be increased to reflect strong or outstanding performance. In the event of a promotion during the year, base salaries may be increased at mid-year to reflect increased responsibilities.

Mr. Smith was promoted to President and Chief Executive Officer effective January 1, 2008. In October 2007, we entered into a new employment contract with Mr. Smith which specified the terms of his compensation as CEO, including an increase in his base salary from \$600,000 to \$800,000. The Committee analyzed Mr. Smith's compensation at that time and determined it was appropriate in light of the competitive market for CEO talent and Mr. Smith's expanded responsibilities as CEO.

Mr. Goodarzi was promoted to Senior Vice President and General Manager of our Financial Institutions Division effective September 1, 2007, and the Compensation Committee approved a salary increase from \$425,000 to \$540,000 (and a bonus target increase from 50% to 65%) at that time, to reflect Mr. Goodarzi's expanded role and responsibilities as leader of this significant business unit, which required Mr. Goodarzi to relocate from Texas to California.

Mr. Lintner's role was also expanded during 2008 to include leadership of our newly created Global Business Division, in addition to leadership of our Strategy and Corporate Development Group. In consideration of the expanded responsibilities of Mr. Lintner in this dual role, the Compensation Committee approved an increase in his salary from \$560,000 to \$585,000, effective in August 2008.

In July 2008, near the end of our fiscal year, the Compensation Committee reviewed the base salaries of our Named Executive Officers and determined that the salaries of Mr. Smith, Mr. Patel, and Mr. Goodarzi were appropriately competitive and would not be increased, based on the committee's evaluation of the competitive data. The Compensation Committee increased Mr. Williams' salary from \$550,000 to \$600,000, effective in August 2008, based on the committee's determination that Mr. Williams had performed at an outstanding level during his first seven months at Intuit.

### **Cash Incentive Bonus Awards**

Each of Intuit's Named Executive Officers has an annual bonus target that is a stated percentage of base pay, which is determined by the executive's role within Intuit. Mr. Smith has a bonus target of 120% of base salary; Messrs. Williams and Patel, each have a bonus target of 75% of base salary; Mr. Goodarzi has a bonus target of 65% of base salary and Mr. Lintner has a bonus target of 60% of base salary. The bonus targets of the Named Executive Officers were all set by the Compensation Committee based on the scope and significance of their roles as the leaders of Intuit, its most significant business units or its major functions. The bonus targets for Mr. Patel and

**Table of Contents**

Mr. Lintner remained unchanged from fiscal 2007. Mr. Smith's target increased from 75% to 120% in connection with his appointment as CEO. Mr. Goodarzi's target increased from 50% to 65% in connection with his promotion to Senior Vice President and General Manager of Intuit's Financial Institutions Division. The Named Executive Officer target amounts are used as a guideline for the determination of bonus awards and are at or near market median, but actual bonus payments for fiscal 2008 exceeded these targets, based on individual and overall company performance.

In general, annual bonuses are paid out under one of Intuit's two performance bonus plans: (1) the Senior Executive Incentive Plan (SEIP) or (2) the Intuit Performance Incentive Plan (IPI). The SEIP is a bonus plan administered by the Compensation Committee for a select group of senior executives and is a stockholder-approved plan designed to comply with the exception under Section 162(m) of the Internal Revenue Code to the non-deductibility of compensation over \$1,000,000 per year for specified individuals. Each year, the Compensation Committee sets a performance target which must be achieved in order for participants to receive a cash bonus award under the SEIP. By contrast, the IPI is a broad-based discretionary cash bonus plan that is approved and funded on an annual basis by the Compensation Committee based on Intuit's performance. Unlike the SEIP, there is no specific performance hurdle that must be achieved for bonus payments to be made under the IPI. Individual payout amounts are based on performance criteria, including personal job performance, Intuit's desire to retain the specific employee and Intuit's business and financial performance. Messrs. Smith, Patel, Lintner and Goodarzi participated in the SEIP, while Mr. Williams participated in the IPI for 2008.

Whether a bonus is paid under the SEIP or IPI, the Compensation Committee believes that it is important to exercise judgment and discretion, within the boundaries of the plan guidelines, in determining bonus payments. For this reason, annual bonuses are not paid out according to a pre-determined mathematical formula, but rather with careful analysis and balancing of many factors, including the overall corporate performance, based on revenue and operating income growth, and individual performance, based on leadership and impact on operational and strategic plans for growth. The factors are not assigned specific weights.

During the first quarter of fiscal 2008, the Compensation Committee established a target of \$2.8 billion in Company revenue as the performance hurdle for the SEIP. At the close of fiscal 2008, the Compensation Committee certified that Intuit had exceeded the revenue target, and the committee exercised its discretion to determine the specific cash bonuses to be paid to SEIP participants, subject to a limitation of \$5,000,000 per executive.

Though no other performance was required for SEIP participants to receive a bonus under this plan in fiscal 2008, the Compensation Committee also considered the following key financial measures in determining the actual incentive bonuses awarded to individual executives.

<b>Annual Financial Measures for Fiscal 2008</b>	<b>Performance</b>
Total Revenue	\$3.071 billion
Annual Growth Rate	15%
Operating Income (Non-GAAP)	\$856 million
Annual Growth Rate	12%

The Committee determined that Intuit's performance in these areas was strong and used this as a factor in determining the Named Executive Officer's annual bonus amounts.

The Compensation Committee also considered each Named Executive Officer's leadership and impact on progress toward one-year operational and longer-term strategic plans in the context of the executive's respective business unit or functional area. The committee's goal in setting cash bonus amounts was to reward leaders for their roles in building

and reinforcing operational and strategic plans that position Intuit for growth and enhance stockholder value over time.

In determining the amount of Mr. Smith's annual cash incentive bonus award for fiscal 2008 under the SEIP, the Compensation Committee considered his impact on one-year operational and longer-term strategic plans. In

**Table of Contents**

particular, the Compensation Committee determined that Mr. Smith had delivered outstanding performance on the following one-year operational goals which were established by the committee earlier in the year:

Building Intuit's competitive advantage and driving growth, including market share gains for TurboTax, QuickBooks and the payments business;

Enhancing the customer experience, including improved customer recommendation scores in the Consumer Tax Group and Accounting Professionals Division;

Talent acquisition and management, particularly in key executive and technical roles;

Continued best-in-class employee engagement scores and enhancement of engineering culture by focusing on innovation, particularly in connected services; and

Development of a collaborative management environment that empowers leaders and encourages both effectiveness and efficiency.

The Committee also determined that Mr. Smith had delivered outstanding progress toward the following longer-term goals which were established by the committee earlier in the year:

Mr. Smith made progress on the execution of a long-term strategic plan to accelerate growth and innovation;

He created three-year strategic plans for each major business unit and began executing the underlying objectives;

He created and began executing a plan to develop leadership and engineering talent by assessing talent company-wide and putting in place initiatives to retain key technical talent to pursue a new technology roadmap; and

He motivated and aligned employees to a renewed focus on growth and innovation, building a foundation for increased employee engagement.

The Compensation Committee evaluated Mr. Smith's performance based on his leadership and achievement of these short-term and long-term goals and, after consulting with the Board of Directors without Mr. Smith present, the committee applied its judgment to determine that Mr. Smith would receive a cash incentive bonus of \$1,700,000 for fiscal 2008. The committee determined that this bonus award was consistent with Mr. Smith's outstanding performance of the goals described above. Mr. Smith's bonus exceeds that of the other Named Executive Officers because of his responsibility as the leader of Intuit as a whole.

The Compensation Committee also determined the cash bonuses paid to our other executive officers, based on Intuit's revenue and operating income growth and each executive's leadership and progress toward one-year operational and longer-term strategic plans in the context of their respective business units or functional areas. In evaluating executive performance, the Compensation Committee considered: (1) the performance evaluation and pay recommendations made by the CEO; (2) the assessment of these individuals and their roles in Intuit provided by other members of management, including our Senior Vice President of Human Resources; and (3) the scope of the executive's responsibilities.

Based on these criteria, the Compensation Committee determined that Mr. Patel played a major leadership role throughout the year as leader of our Consumer Tax Group for the entire year and as acting Chief Financial Officer for

five months of the year. Based on this assessment, the Compensation Committee awarded Mr. Patel an incentive bonus of \$800,000.

The Compensation Committee determined that Mr. Lintner delivered outstanding performance in both his role as Senior Vice President of Strategy and Corporate Development and his expanded role in leading the Global Business Division. The committee determined that his strategic business guidance and business development expertise were key to Intuit's achievement of its long-term objectives. Based on its review, the Compensation Committee determined that Mr. Lintner would receive a cash bonus of \$485,000.

## **Table of Contents**

In connection with Mr. Goodarzi's expanded responsibilities as the general manager of our Financial Institutions Division, and based on his leadership of that division, Mr. Goodarzi received a cash bonus of \$395,000 under the SEIP.

The Compensation Committee also awarded Mr. Williams a cash bonus of \$400,000, as guaranteed under his employment agreement dated November 2, 2007. This bonus was paid under Intuit's IPI Plan, rather than the SEIP, because Mr. Williams joined Intuit after the performance targets had been established for the SEIP.

## **Long-Term Equity Incentives**

Stock options and RSUs are a critical component of Intuit's efforts to attract and retain executive officers and other employees. Generally, Intuit limits its option and RSU grants to new-hires, executive promotions and annual performance awards. Intuit grants stock options to provide a long-term incentive for executives to remain with Intuit. Stock options provide value only if Intuit's stock price increases (which benefits all stockholders), and only if the executive remains with Intuit until his or her options vest. Intuit's standard practice is to grant options that vest over a three-year period, with the first third of the options vesting on the one-year anniversary of the grant date and the remaining options vesting monthly over the following two years.

RSUs also provide a long-term incentive for executives to remain with Intuit, but because they do not have an exercise price, RSUs provide some amount of value to recipients regardless of Intuit's stock price. Because of the different structure of RSUs, Intuit awarded less than 30% of its total equity grants as RSUs in fiscal 2008. In general, RSUs granted to our Named Executive Officers, other than the CEO, vest after three years, but only if an initial performance hurdle is satisfied by the end of the first year.

## **Stock Options and Performance-Based RSU Grants for Fiscal 2008**

In July 2008, the Compensation Committee determined the number of stock options and performance-based RSUs to be awarded to each Named Executive Officer, based on the individual and company performance for fiscal 2008 and on the share reserve available under our equity plan. The stock options were granted at the end of fiscal 2008, and the RSUs were granted at the beginning of fiscal 2009, with vesting of the RSUs dependent on the achievement of performance targets in fiscal 2009.

The Compensation Committee awarded Mr. Smith 185,000 stock options and 65,000 performance-based RSUs in recognition of his fiscal 2008 performance. These RSUs vest 50% after three years and 50% after five years, but, as is the case with the other performance-based RSUs, only if an initial performance hurdle is satisfied by the end of the first year. The Compensation Committee also awarded Messrs. Williams, Patel, Lintner and Goodarzi options to purchase 50,000, 75,000, 50,000 and 30,000 shares, respectively, and performance-based RSUs representing 17,000, 25,000, 17,000, and 10,000 shares, respectively. The Compensation Committee considered several factors in determining the size of the equity awards, including: (1) each Named Executive Officer's role and scope of responsibilities; (2) his current cash compensation; (3) his fiscal 2008 performance ratings; and (4) his current Intuit equity holdings. In setting Mr. Goodarzi's equity awards, the Compensation Committee also took into account the fact that he had received stock options and RSUs earlier in fiscal 2008, at the time of his promotion to Senior Vice President.

In addition to the equity awards described above, in early fiscal 2009, the Compensation Committee granted Mr. Patel a special retention award of 100,000 RSUs. The Compensation Committee considered the important leadership role held by Mr. Patel as the general manager of Intuit's Consumer Tax business. In particular, during Mr. Patel's first year as leader of that business, Consumer Tax revenue grew by 14% year-over-year. This special retention award vests over a period of five years, which is longer than Intuit's standard three-year vesting schedule.



The Compensation Committee also awarded Mr. Williams 100,000 stock options and 30,000 RSUs when he joined Intuit in January 2008 under the terms of his employment agreement.

In addition to the equity awards noted above, in February 2008, in recognition of Mr. Smith's promotion to President and CEO, the Compensation Committee granted him an option to purchase 260,000 shares which vests as to 50% of the shares after three years and 50% after five years. Mr. Smith also received 130,000 RSUs which vest as to 50% of the shares after two years and as to 50% after four years. The Compensation Committee granted these

## **Table of Contents**

awards to help create a total compensation package for Mr. Smith that is commensurate with other comparable CEO packages offered by the companies that comprise Intuit's peer group and the survey companies (as discussed above under "Competitive Data"). The Compensation Committee also wanted to create greater retention value for Mr. Smith and to tie a larger portion of his compensation to the value of Intuit's stock. In light of Mr. Smith's promotion to the role of President and Chief Executive Officer, the Compensation Committee has created a total compensation package for Mr. Smith that is specifically tailored to provide him with both short and long-term incentives, which provide retentive value over and above the awards he received as a Senior Vice President of Intuit. Mr. Smith's equity awards are his primary long-term incentive and the terms of these awards differ from those of the other Named Executive Officers, because of the Compensation Committee's desire to tie a larger portion of the CEO's compensation more closely to Intuit's performance.

### **Achievement of Targets for 2008 Performance-Based RSUs**

At the end of fiscal 2008, the Compensation Committee certified that Intuit had achieved the performance hurdles established for the performance-based RSUs awarded in August 2007. The hurdles were revenue growth of 10% from fiscal 2007 to fiscal 2008 and non-GAAP operating income growth of 10% from fiscal 2007 to fiscal 2008. Because these hurdles were achieved or exceeded, the performance-based RSUs awarded in August 2007 to certain of the Named Executive Officers (as reported in our 2007 proxy statement) will vest on August 1, 2010, so long as the officers continue to provide service to Intuit through that date.

### **Transition Compensation for Mr. Bennett**

On August 21, 2007, Intuit entered into a Transition Agreement with Mr. Bennett providing for certain payments and benefits for Mr. Bennett in connection with his resignation as President and Chief Executive Officer of Intuit. Under the agreement, Mr. Bennett became a full-time consultant to Intuit until July 31, 2008, at a monthly rate of \$91,700, equal to his previous base salary. On January 1, 2008, Intuit paid Mr. Bennett \$550,000, equal to six months of his base salary, and he received an annual bonus of \$1,760,000 in August 2008 in connection with his services to Intuit during fiscal 2008. Mr. Bennett was also granted 50,000 stock options and 50,000 RSUs, all of which vested on July 31, 2008. Under the agreement, Mr. Bennett also received accelerated vesting of restricted stock, RSUs and stock options on various dates between January 1, 2008 and August 1, 2008. The summary of these benefits is qualified in its entirety by reference to the text of the Transition Agreement, which was filed with the SEC on a Form 8-K on August 22, 2007.

### **Intuit's Management Stock Purchase Program**

On January 1, 2007, as a method of encouraging ownership of Intuit's stock by executives, Intuit launched a Management Stock Purchase Program (MSPP) which replaced Intuit's prior matching award program. Under the MSPP, employees with a title of director or above (including the Named Executive Officers) may elect to defer up to 15% of their annual incentive bonus, which is converted into RSUs, based on the fair market value of Intuit's stock on the date the bonus is awarded. These RSUs are fully vested on the grant date, but are not issued in the form of shares until the earlier of the third anniversary of the grant date or the termination of employment with Intuit. Intuit also grants the employee an additional RSU for every RSU purchased through this deferral, up to set maximums. These matching RSUs vest as to 100% of the shares three years after the grant date, or on the recipient's death or disability. This three-year vesting period is intended to assist Intuit in retaining key talent. The RSUs granted pursuant to the MSPP are issued under the 2005 Equity Incentive Plan.

### **Employee Benefits**

Each of our employees with a title of director or above (including the Named Executive Officers) is eligible to participate in a number of programs which make up Intuit's total compensation package, including health and welfare benefits, executive relocation benefits, our 401(k) Plan with a company-sponsored match component, our Employee Stock Purchase Plan, our Non-Qualified Deferred Compensation Plan and our MSPP. The Non-Qualified Deferred Compensation Plan and the MSPP provide an opportunity for deferral of compensation, in compliance with Section 409A of the Internal Revenue Code. As described in more detail above, the MSPP also encourages eligible employees to own Intuit stock. When determining executive compensation, the Compensation Committee

## **Table of Contents**

considers all the components noted above and may use any and all of these programs to provide the appropriate level of total compensation to executives. Intuit's only material perquisites for Named Executive Officers in fiscal 2008 relate to relocation benefits.

### **Role of Executive Officers, the Board and Compensation Consultants in Compensation Determinations**

The Compensation Committee received support from Intuit's Human Resources Department in analyzing and establishing Intuit's compensation programs for fiscal 2008. In order to provide comprehensive support to the Compensation Committee, a representative of the Human Resources Department, usually the Senior Vice President of Human Resources or the Vice President in charge of compensation attended all regular meetings of the Compensation Committee. In addition, an Intuit attorney also attended all regular meetings of the Compensation Committee, in order to provide guidance regarding the legal implications for Intuit of certain compensation decisions. Mr. Campbell, the Chairman of the Board and an Intuit employee, also regularly participated in Compensation Committee meetings, providing management input on organizational development and succession planning. Both Mr. Smith, our CEO, and Mr. Williams, our CFO, have provided the Compensation Committee with guidance and perspective from time to time, as did their predecessors, Mr. Bennett and Mr. Patel, respectively. The CFO provided analysis regarding Intuit's achievement of financial performance hurdles and aided the Compensation Committee in determining appropriate revenue and operating income targets for the fiscal year for the SEIP and the performance-based RSUs. Additionally, the CFO provided analysis regarding the financial impact of equity awards which the Compensation Committee considered when making decisions regarding executive's long-term incentives. Mr. Smith provided recommendations to the Compensation Committee regarding the cash and equity compensation of his executive staff (including Messrs. Williams, Patel, Lintner and Goodarzi), succession planning, organizational development and how to use incentive compensation to drive Intuit's growth. In addition, Mr. Smith provided a written self-review to the Compensation Committee in order to aid their evaluation of his performance for the 2008 fiscal year.

The Compensation Committee determines the compensation for Mr. Smith after conferring with the Board, without Mr. Smith present. The Compensation Committee met ten times in fiscal 2008 and held a portion of each meeting in closed session, with only the committee members, and on certain occasions, William Campbell, Chairman of the Board, and representatives of our outside compensation consultant present. In determining compensation for the Named Executive Officers other than the CEO, the Compensation Committee considered Mr. Smith's recommendations. The Compensation Committee is, however, solely responsible for making the final decisions on compensation for the Named Executive Officers including the CEO.

In making compensation decisions, the Compensation Committee also has the authority to engage the services of outside advisers, experts and others to assist the Compensation Committee, and, as noted above, has engaged Watson Wyatt. For this purpose, Watson Wyatt attended some of the meetings of the Compensation Committee, responding to committee members' inquiries and refining their analysis based on these questions, but its day-to-day contact was Intuit's VP in charge of compensation.

The Compensation Committee also periodically reviews Intuit's key management from the perspectives of leadership development, organizational development and succession planning through Intuit's High Performance Organization Review. As part of this process, the Compensation Committee also meets with key senior executives. The systemic assessment of Intuit's organization and talent planning helped the Compensation Committee to evaluate Intuit's effort at hiring, developing and retaining executives, with the goal of creating and growing Intuit's bench strength at the most senior executive levels.

### **Accounting and Tax Implications of Our Compensation Policies**

In designing our compensation programs, the Compensation Committee considers the financial accounting and tax consequences to Intuit as well as the tax consequences to our employees. We account for equity compensation paid to our employees under SFAS 123R, which requires us to estimate and record an expense over the service period of the award. The SFAS 123R cost of outstanding equity awards is considered by management as part of our equity grant recommendations to the Compensation Committee. Beginning in fiscal

## **Table of Contents**

2006, we generally reduced our use of stock options and increased our use of restricted stock awards in order to reduce our SFAS 123R expense.

Under Section 162(m) of the Internal Revenue Code, compensation in excess of \$1,000,000 per year to those executives whose compensation is detailed in the Summary Compensation Table (see page 27) is not tax deductible to Intuit unless certain requirements are met. The \$1,000,000 limit does not apply to compensation that is considered performance-based under applicable tax rules. Intuit has taken steps to ensure that most of the executive compensation paid under its incentive programs, including the stockholder approved SEIP and performance-based RSUs, is tax deductible. We believe it is important to preserve flexibility in administering compensation programs as corporate objectives may not always be consistent with the requirements for full deductibility. Accordingly, Intuit has not adopted a policy that all compensation must qualify as deductible under Section 162(m) and, while Intuit strives to award executive compensation that meets the deductibility requirements, Intuit may enter into compensation arrangements under which payments are not deductible under Section 162(m).

We also consider the tax impact to employees in designing our pay programs, particularly our equity pay programs. For example, while employees generally control the timing of taxation with respect to stock options, the timing of taxation of restricted stock is generally not within the employee's control. As a result, as part of our restricted stock grant program, we provide a net issue opportunity to employees to assist them with the tax withholding requirements that apply to restricted stock.

## **Stock Ownership**

Intuit has a mandatory share ownership program that applies to senior vice presidents, the CEO and members of the Board. This program requires senior vice presidents to hold a minimum of 10,000 to 15,000 shares each, depending on their base salary levels, requires the CEO to hold a minimum of 100,000 shares, and requires Board members to hold a minimum of 10,000 shares. Individuals who are subject to these requirements must comply within five years after the date the individual is appointed to a position which is subject to the share ownership program. Unvested RSUs held by an executive officer are counted as shares when determining the number of shares owned.

## **Intuit's Equity Granting Policy**

Stock options and restricted stock units may be granted by either the Compensation Committee or, pursuant to the terms of its Charter, by its delegates, the CEO and the Senior Vice President of Human Resources. These individuals, acting independently, each have authority to grant stock options and RSUs to employees below the level of Vice President, up to a certain number of shares per individual specified by the Compensation Committee. The CEO and the Senior Vice President of Human Resources, acting jointly, may grant such awards to employees at the level of Vice President, up to a certain number of shares per individual specified by the Compensation Committee, provided such employees do not report to the CEO or to a committee of the Board. Equity grants made to Senior Vice Presidents or above, to individuals who report to the CEO or to a committee of the Board, or to individuals who receive amounts above the stated share limit per individual must be approved by the Compensation Committee.

*Timing of Grants.* Equity awards are typically granted on regularly scheduled grant dates on the seventh business day of each month. The only exceptions to this are specifically approved by the Compensation Committee. The CEO and Senior Vice President of Human Resources do not have discretion to set other grant dates for awards made pursuant to their delegated authority. Our annual performance-related awards are made on a prospective date determined by the Compensation Committee well in advance of the close of the fiscal year based on Intuit's annual performance review cycle, the Compensation Committee's meeting schedule, the existing share reserve under our 2005 Equity Incentive Plan and the equity award utilization during each fiscal year.

*Option Exercise Price.* The exercise price of a newly granted option (i.e., not an option assumed or substituted in connection with a corporate transaction) is the closing price on the NASDAQ stock market on the date of grant.

**Table of Contents****EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table shows compensation earned during fiscal 2008 by our CEO, our CFO, our three other most highly compensated executive officers for fiscal 2008 and one former executive officer. We call these individuals our Named Executive Officers. For information about employment contracts, termination of employment and change-of-control arrangements between Intuit and the Named Executive Officers, see Potential Payments Upon Termination of Employment or Change in Control beginning on page 34.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(2)	All Other Compensation (\$)	Total (\$)
D. Smith President and Chief Executive Officer	2008	761,539		1,152,966	954,987	1,700,000(3)	81,586(4)	4,651,000
	2007	596,154		342,605	794,825	765,000	84,240	2,582,824
Neil Williams Senior Vice President and Chief Financial Officer	2008	296,154	400,000(5)	141,713	139,849		7,731(6)	985,747
An M. Patel Senior Vice President and General Manager, Consumer Tax Support and Former Chief Financial Officer	2008	700,000		383,985	1,569,140	800,000(3)	686,835(7)	4,139,960
	2007	699,038		139,220	1,350,831	683,000	428,861	3,300,950
Alexander M. Bennett Senior Vice President, Strategy and Corporate Development and Former President, Global Business Division	2008	559,231		358,121	563,302	485,000(3)	12,814(8)	1,978,468
	2007	538,461	170,000	181,149	419,082	460,000	14,156	1,782,748
An K. Goodarzi Senior Vice President and General Manager, Financial Institutions Division	2008	526,923		274,689	338,905	395,000	1,224,555(9)	2,760,072
	2007	495,000		8,653,322	945,782	1,760,000	1,496,974(10)	13,351,088



Director and Senior President Chief Executive Officer	2007	1,100,000	6,689,217	1,195,807	3,250,000	490,995	12,726,000
--	------	-----------	-----------	-----------	-----------	---------	------------

- (1) The expense for the stock awards and option awards above was computed in accordance with SFAS 123R (excluding risk of forfeiture). See Intuit's annual report on Form 10-K for the fiscal year ended July 31, 2008 for a complete description of the SFAS 123R valuation. The actual number of stock awards or stock options granted in fiscal 2008 is shown in the "Grants of Plan Based Awards in Fiscal Year 2008" table included in this proxy statement.
- (2) All amounts represent the payments made for fiscal 2008 performance under Intuit's Senior Executive Incentive Plan (SEIP) which were paid in August 2008. The SEIP is described in more detail in "Compensation Discussion and Analysis" beginning on page 17.
- (3) The amount includes a deferral of the amounts set forth in the table below at the recipients' election under Intuit's Management Stock Purchase Program (MSPP). Under the terms of the MSPP, a participant may elect to use a stated portion of their annual bonus (or SEIP award) to purchase restricted stock units (RSUs) under Intuit's 2005 Equity Incentive Plan (the 2005 Plan). Intuit then matches these purchased RSUs with

**Table of Contents**

another grant of RSUs which vest three years from the date of grant. The MSPP is described in greater detail on page 24.

**MSPP Deferrals:**

Name	Fiscal 2008 MSPP Contribution (\$)
Brad D. Smith	170,000
Kiran M. Patel	80,000
Alexander M. Lintner	48,500

- (4) Includes matching contributions under Intuit's 401(k) plan of \$10,000; premiums for Intuit's Executive Long-Term Disability Plan of \$2,819; reimbursement for legal services of \$9,793; and \$58,974 in the aggregate for a mortgage subsidy paid pursuant to the terms of Mr. Smith's employment agreement.
- (5) Represents payments made for fiscal 2008 under the Intuit Performance Incentive Plan ( IPI ) which were paid in August 2008. The IPI is described in more detail in Compensation Discussion and Analysis beginning on page 17.
- (6) Includes matching contributions under Intuit's 401(k) plan of \$7,731.
- (7) Includes an annual contribution by Intuit to the Intuit Inc. Executive Deferred Compensation Plan of \$350,000 in fiscal 2008; matching contributions under Intuit's 401(k) plan of \$10,000; premiums for Intuit's Executive Long-Term Disability Plan of \$4,986; and \$321,849 in relocation benefits (of which \$8,628 was tax gross-up).
- (8) Includes matching contributions under Intuit's 401(k) plan of \$9,654; and premiums for Intuit's Executive Long-Term Disability Plan of \$3,160.
- (9) All Other Compensation for Mr. Goodarzi is comprised primarily of relocation-related expenses in connection with Mr. Goodarzi's move from Texas to California at the request of Intuit due to his promotion to Senior Vice President and General Manager, Financial Institutions Division. This includes \$195,497 for moving costs and temporary housing for Mr. Goodarzi in California (of which \$8,755 was tax gross-up); \$523,066 to compensate Mr. Goodarzi for losses he recognized in connection with the sale of his Texas home (which he originally purchased in connection with an Intuit-requested move from Colorado to Texas) due to a declining real estate market; and \$291,045 for tax gross-up on the amount of compensation paid to cover the loss on the home sale. This amount also includes matching contributions under Intuit's 401(k) plan of \$12,895; premiums for Intuit's Executive Long-Term Disability Plan of \$2,053; and Intuit contributions to the Intuit Inc. 2005 Executive Deferred Compensation Plan of \$200,000 pursuant to Mr. Goodarzi's employment agreement.
- (10) Includes premiums for Intuit's Executive Long-Term Disability Plan of \$4,194; an annual contribution by Intuit to Mr. Bennett's non-qualified deferred compensation plan account of \$175,000; \$125,880 of imputed interest on Mr. Bennett's \$4,375,000 mortgage loan from Intuit that would have been payable in 2008 had the loan not been interest free for a portion of the fiscal year; \$550,000 lump sum payment in connection with Mr. Bennett's resignation as President and Chief Executive officer of Intuit; and \$641,900 paid to Mr. Bennett for his services as a full-time consultant of Intuit pursuant to Mr. Bennett's transition agreement. See Potential Payments Upon Termination of Employment or Change in Control beginning on page 34 for more information. Pursuant to Mr. Bennett's January 24, 2000 employment agreement, Intuit provided Mr. Bennett with a \$4,375,000

relocation loan on February 17, 2000 to purchase a home close to Intuit's corporate offices. The entire loan balance was paid in July 2008. The Sarbanes-Oxley Act of 2002 prohibits us from making future loans to executive officers and from materially amending any outstanding loans to executive officers.

**Table of Contents****Grants of Plan-Based Awards in Fiscal Year 2008**

The following table provides information about equity awards granted under our 2005 Equity Incentive Plan to the Named Executive Officers during fiscal 2008 and cash awards for which the Named Executive Officers were eligible in fiscal 2008 under our cash incentive plans.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)		Estimated Future Payouts Under Equity Incentive Plan Awards		Grant Date Fair Value of Stock and Option Awards \$(2)
		Target (\$)	Maximum (\$)	Target (#)	Maximum (#)	
Brad D. Smith	08/24/07	960,000	5,000,000	34,000(3)	34,000	948,600
	08/24/07			4,241(4)	4,241	41,850
	02/11/08			130,000(5)	130,000	3,900,000
R. Neil Williams	02/11/08	412,500		30,000(6)	30,000	900,000
Kiran M. Patel	08/24/07	525,000	5,000,000	25,000(3)	25,000	697,500
	08/24/07			3,407(7)	3,407	41,850
Alexander M. Lintner	08/24/07	336,000	5,000,000	17,000(3)	17,000	474,300
	08/24/07			3,478(8)	3,478	41,850
Sasan K. Goodarzi	08/24/07	351,000	5,000,000	15,000(9)	15,000	418,500
	10/09/07			10,000(10)	10,000	322,300
Stephen M. Bennett	08/24/07	1,760,000	1,760,000	50,000(11)	50,000	1,395,000

(1) All of the Named Executive Officers (except Mr. Williams) were eligible for an incentive bonus under Intuit's Senior Executive Incentive Program (SEIP), a stockholder approved plan designed to comply with the exception under Section 162(m) of the Internal Revenue Code to the non-deductibility of compensation over \$1,000,000 per year for specified individuals. Mr. Williams received an incentive bonus under the Intuit Performance Incentive Plan (IPI). The SEIP and the IPI are described more fully in the Compensation Discussion and Analysis beginning on page 17.

(2) Calculated in accordance with SFAS 123R.

(3) Because the specified performance targets were achieved, this restricted stock unit award will vest as to 100% of the shares on August 1, 2010.

(4) Represents a MSPP purchase of 2,741 shares and an Intuit match of 1,500 shares. The 1,500 share match will vest as to 100% of the shares on August 24, 2010.

(5) These restricted stock units vest as to 50% of the stock units on January 1, 2010; the remaining 50% of the stock units are scheduled to vest on January 1, 2012.

- (6) These restricted stock units vest as to 50% of the stock units on February 1, 2010; the remaining 50% of the stock units are scheduled to vest on February 1, 2011.
- (7) Represents a MSPP purchase of 1,907 shares and an Intuit match of 1,500 shares. The 1,500 share match will vest as to 100% of the shares on August 24, 2010.
- (8) Represents a MSPP purchase of 1,978 shares and an Intuit match of 1,500 shares. The 1,500 share match will vest as to 100% of the shares on August 24, 2010.
- (9) These restricted stock units vest as to 50% of the stock units on August 1, 2009; the remaining 50% of the stock units are scheduled to vest on August 1, 2010.
- (10) Because the specified performance targets were achieved, this restricted stock unit award will vest as to 100% of the shares on September 1, 2010.
- (11) These restricted stock units vested as to 100% of the stock units on July 31, 2008.

**Table of Contents**

The following table provides information about stock options granted under our 2005 Equity Incentive Plan to the Named Executive Officers during fiscal 2008.

<b>Name</b>	<b>Grant Date</b>	<b>All Other Option Awards: Number of Securities Underlying Options (#)</b>	<b>Exercise or Base Price of Option Awards (\$/share)</b>	<b>Grant Date Fair Value of Stock and Option Awards \$(1)</b>
Brad D. Smith	02/11/08	260,000(2)	30.00	2,309,502
	07/23/08	185,000(3)	27.68	1,850,000
R. Neil Williams	02/11/08	100,000(4)	30.00	848,880
	07/23/08	50,000(5)	27.68	415,620
Kiran M. Patel	07/23/08	75,000(5)	27.68	623,430
Alexander M. Lintner	07/23/08	50,000(5)	27.68	415,620
Sasan K. Goodarzi	10/09/07	20,000(6)	32.23	182,664
	07/23/08	30,000(5)	27.68	249,372
Stephen M. Bennett	08/24/07	50,000(7)	27.90	366,855

(1) Calculated in accordance with SFAS 123R.

(2) This option vests as to 50% of the underlying shares on January 1, 2011; the remaining 50% of the shares are scheduled to vest on January 1, 2013.

(3) This option vests as to 50% of the underlying shares on July 23, 2011; the remaining 50% of the shares are scheduled to vest on July 23, 2013.

(4) This option vests as to 33 1/3% of the underlying shares on January 7, 2009, and vests as to 2.778% of the shares each month thereafter.

(5) This option vests as to 33 1/3% of the underlying shares on July 23, 2009, and vests as to 2.778% of the shares each month thereafter.

(6) This option vests as to 33 1/3% of the underlying shares on September 10, 2008, and vests as to 2.778% of the shares each month thereafter.

(7) This option vested as to 100% of the underlying shares as of July 31, 2008.

**Outstanding Equity Awards at Fiscal 2008 Year-End**

The following table provides information with respect to outstanding stock options held by the Named Executive Officers as of July 31, 2008.

## Option Awards

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Awards		
			Option Exercise Price (\$)	Option Grant Date	Option Expiration Date
Brad D. Smith	80,000		21.12	02/10/03	02/10/10
	20,000		21.43	08/01/03	08/01/10
	50,000		21.07	03/22/04	03/22/11
	70,000		18.72	07/30/04	07/30/11
	200,000		22.33	06/09/05	06/09/12
	120,000		24.00	07/29/05	07/28/12
	66,665	33,335(1)	31.29	07/26/06	07/25/13
	33,330	66,670(2)	30.07	07/25/07	07/24/14
		260,000(3)	30.00	02/11/08	02/10/15
		185,000(4)	27.68	07/23/08	07/22/15
Total	639,995	545,005			

**Table of Contents**

Name	Option Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Grant Date	Option Expiration Date
R. Neil Williams		100,000(5)	30.00	02/11/08	02/10/15
		50,000(6)	27.68	07/23/08	07/22/15
Total		150,000			
Kiran M. Patel	802,775	47,225(7)	21.71	10/11/05	10/11/12
	33,332	16,668(1)	31.29	07/26/06	07/25/13
	24,998	50,002(2)	30.07	07/25/07	07/24/14
		75,000(6)	27.68	07/23/08	07/22/15
Total	861,105	188,895			
Alexander M. Lintner	78,244	5,556(8)	22.81	09/12/05	09/12/12
	33,332	16,668(1)	31.29	07/26/06	07/25/13
	16,665	33,335(2)	30.07	07/25/07	07/24/14
		50,000(6)	27.68	07/23/08	07/22/15
Total	128,241	105,559			
Sasan K. Goodarzi	60,000		20.70	06/07/04	06/07/11
	60,000		24.00	07/29/05	07/28/12
	29,999	15,001(1)	31.29	07/26/06	07/25/13
	14,999	30,001(2)	30.07	07/25/07	07/24/14
		20,000(9)	32.23	10/09/07	10/08/14
		30,000(6)	27.68	07/23/08	07/22/15
Total	164,998	95,002			
Stephen M. Bennett	31,700		17.97	04/28/00	04/28/10
	1,000,000		17.03	02/09/01	02/09/11
	450,000		21.99	07/31/02	07/31/09
	450,000		22.16	09/25/02	09/25/09
	450,000		18.72	07/31/04	07/31/11
	200,000		24.00	07/29/05	07/28/12
	100,000		31.29	07/26/06	07/25/13
	50,000		27.90	08/24/07	08/23/14
Total	2,731,700				



- (1) This option vested as to  $33\frac{1}{3}\%$  of the underlying shares on July 26, 2007, and vests as to 2.778% of the shares each month thereafter.
- (2) This option vested as to  $33\frac{1}{3}\%$  of the underlying shares on July 25, 2008, and vests as to 2.778% of the shares each month thereafter.
- (3) This option vests as to 50% of the underlying shares on January 1, 2011; the remaining 50% of the shares are scheduled to vest on January 1, 2013.
- (4) This option vests as to 50% of the underlying shares on July 23, 2011; the remaining 50% of the shares are scheduled to vest on July 23, 2013.
- (5) This option vests as to  $33\frac{1}{3}\%$  of the underlying shares on January 7, 2009, and vests as to 2.778% of the shares each month thereafter.
- (6) This option vests as to  $33\frac{1}{3}\%$  of the underlying shares on July 23, 2009, and vests as to 2.778% of the shares each month thereafter.

**Table of Contents**

- (7) This option vested as to 331/3% of the underlying shares on September 12, 2006, and vests as to 2.778% of the shares each month thereafter.
- (8) This option vested as to 331/3% of the underlying shares on August 8, 2006, and vests as to 2.778% of the shares each month thereafter.
- (9) This option vests as to 331/3% of the underlying shares on September 10, 2008, and vests as to 2.778% of the shares each month thereafter.

The following table provides information with respect to outstanding restricted shares and restricted stock units held by the Named Executive Officers as of July 31, 2008. The market value of the awards is determined by multiplying the number of unvested shares or units by \$27.33, the closing price of Intuit's common stock on NASDAQ on July 31, 2008.

Name	Grant Date	Stock Awards			
		Time-Based Vesting Awards	Market Value of	Performance-Based Vesting Awards	Equity Incentive Plan Awards:
		Number of Shares or Units of Stock that have not Vested (#)	Shares or Units of Stock that have not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not Vested (#)	Market or Payout Value of Unearned Shares, Units or Other Rights that have not Vested (\$)
Brad D. Smith	09/15/04	230(1)	6,286		
	12/15/04	250(1)	6,833		
	03/15/05	250(1)	6,833		
	06/15/05	272(1)	7,434		
	09/15/05	82(1)	2,241		
	03/15/06	256(1)	6,996		
	06/15/06	214(1)	5,849		
	08/24/07	1,500(2)	40,995		
	02/11/08	130,000(3)	3,552,900		
	08/25/06			34,000(4)	929,220
	08/24/07			34,000(5)	929,220
R. Neil Williams	02/11/08	30,000(6)	819,900		
Kiran M. Patel	09/22/05	3,000(1)	81,990		

Edgar Filing: INTUIT INC - Form DEF 14A

	08/24/07	1,500(2)	40,995		
	08/25/06			12,500(4)	341,625
	08/24/07			25,000(5)	683,250
Alexander M. Lintner	08/30/05	1,700(1)	46,461		
	12/15/05	298(1)	8,144		
	03/15/06	256(1)	6,996		
	06/15/06	254(1)	6,942		
	08/24/07	1,500(2)	40,995		
	08/25/06			17,000(4)	464,610
	08/24/07			17,000(5)	464,610
Sasan K. Goodarzi	08/25/06	11,000(7)	300,630		
	08/24/07	15,000(8)	409,950		
	10/09/07			10,000(9)	273,300
Stephen M. Bennett					

(1) These restricted stock units automatically vest on the fourth anniversary of the grant date.

(2) These restricted stock units automatically vest on the third anniversary of the grant date.

**Table of Contents**

- (3) These restricted stock units vest as to 50% of the stock units on January 1, 2010; the remaining 50% of the stock units are scheduled to vest on January 1, 2012.
- (4) Because the specified performance targets were achieved, this restricted stock unit award will vest as to 100% of the shares on August 1, 2009.
- (5) Because the specified performance targets were achieved, this restricted stock unit award will vest as to 100% of the shares on August 1, 2010.
- (6) These restricted stock units vest as to 50% of the stock units on February 1, 2010; the remaining 50% of the stock units are scheduled to vest on February 1, 2011.
- (7) These restricted stock units vested as to 50% of the stock units on August 1, 2008; the remaining 50% of the stock units are scheduled to vest on August 1, 2009.
- (8) These restricted stock units vest as to 50% of the stock units on August 1, 2009; the remaining 50% of the stock units are scheduled to vest on August 1, 2010.
- (9) Because the specified performance targets were achieved, this restricted stock unit award will vest as to 100% of the shares on September 1, 2010.

**Option Exercises and Stock Vested in Fiscal Year 2008**

The following table shows information about stock option exercises and vesting of RSUs and restricted shares for each of the Named Executive Officers during fiscal 2008, including the value realized upon exercise or vesting.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Brad D. Smith			218	6,409
R. Neil Williams				
Kiran M. Patel				
Alexander M. Lintner				
Sasan K. Goodarzi				
Stephen M. Bennett	168,300	2,025,144	415,000(1)	12,272,434

- (1) This includes 170,000 shares that vested under Mr. Bennett's July 30, 2003 award of 850,000 restricted stock units; 100,000 shares that vested under Mr. Bennett's July 29, 2005 award; 50,000 shares that vested under Mr. Bennett's August 25, 2006 award of 100,000 restricted stock units; 50,000 shares that vested under Mr. Bennett's August 24, 2007 award; and 45,000 restricted shares with respect to Mr. Bennett's January 24, 2000 restricted stock grant.

**Non-Qualified Deferred Compensation for Fiscal Year 2008**

The following table shows the non-qualified deferred compensation activity for each of the Named Executive Officer during fiscal 2008.

<b>Name</b>	<b>Executive Contributions in Fiscal 2008 (\$)(1)</b>	<b>Intuit Contributions in Fiscal 2008 (\$)(2)</b>	<b>Aggregate Earnings in Fiscal 2008 (\$)(3)</b>	<b>Aggregate Balance at July 31, 2008 (\$)(4)</b>
Brad D. Smith	191,250		(30,617)	424,964
R. Neil Williams				
Kiran M. Patel	614,700	344,925	(133,723)	1,802,277
Alexander M. Lintner	34,615		(93)	34,522
Sasan K. Goodarzi	321,169	196,723	37,629	1,235,442
Stephen M. Bennett		172,463	25,141	648,241

(1) This amount in this column is included in the Summary Compensation Table in the Non-Equity Incentive Plan Compensation column.

**Table of Contents**

- (2) Amounts shown in this column are included in the Summary Compensation Table in the All Other Compensation column. Amounts in this column reflect the net amount of Intuit's contribution, after tax withholding.
- (3) None of these amounts are included in the Summary Compensation Table because they are not preferential or above market.
- (4) These amounts reflect the accumulation of each Named Executive Officer's aggregate balance as of August 1, 2007 plus the amounts noted for each Named Executive Officer in each of the three prior columns.

In 2007, we adopted a new Non-Qualified Deferred Compensation Plan (the "NQDCP") that became effective January 1, 2008. We adopted the NQDCP to meet the requirements of the new restrictions on deferred compensation under Section 409A of the Internal Revenue Code. The NQDCP was designed to generally track the provisions of our 2005 Non-Qualified Deferred Compensation Plan, effective January 1, 2005, and the original Executive Deferred Compensation Plan that became effective March 15, 2002. All deferrals for compensation that would otherwise be payable on or after January 1, 2008 and employer contributions made on or after January 1, 2008 are credited to participants under the new NQDCP. No new deferrals or contributions will be made to the 2005 Non-Qualified Deferred Compensation Plan or the original plan. The NQDCP and the 2005 Non-Qualified Deferred Compensation Plan provide that executives who meet minimum compensation requirements are eligible to defer up to 50% of their salaries and up to 90% of their bonuses. We have agreed to credit the participants' contributions with earnings that reflect the performance of certain independent investment funds. We may also make discretionary employer contributions to participant accounts in certain circumstances. The timing, amounts and vesting schedules of employer contributions are at the sole discretion of the Compensation and Organizational Development Committee or its delegate. The benefits under this plan are unsecured and are general assets of Intuit. Participants are generally eligible to receive payment of their vested benefit at the end of their elected deferral period or after termination of their employment with Intuit for any reason or at a later date to comply with the restrictions of Section 409A. Discretionary company contributions and the related earnings vest completely upon the participant's disability, death or a change of control of Intuit.

**Potential Payments Upon Termination of Employment or Change in Control**

Described below are the individual arrangements Intuit has entered into with each of our Named Executive Officers and the estimated payments and benefits that would be provided under such arrangements, assuming that the executive's employment terminated under certain circumstances as of July 31, 2008, and using the closing price of our common stock on July 31, 2008 (\$27.33 per share).

As a general matter, certain benefits which are included in the tables provided below are provided to all recipients of Intuit equity awards, not solely to Named Executive Officers. For example, Intuit's options and RSUs generally provide for 100% acceleration of vesting upon termination due to death or disability. Additionally, Intuit's options generally provide for one year of accelerated vesting upon a recipient's involuntary termination within one year following a change in control (or CIC), as defined in our 2005 Equity Incentive Plan. Intuit's RSUs generally provide for pro rata accelerated vesting upon a recipient's involuntary termination within one year following a change in control or upon a recipient's retirement, as defined in the applicable plan document. None of the Named Executive Officers would have been eligible for retirement, for purposes of such RSU vesting acceleration, had they been terminated as of July 31, 2008.

Intuit does not provide for any special severance payments or acceleration equity upon a Named Executive Officer's termination for cause or resignation without good cause. Upon termination of employment for any reason, participants in the NQDCP will be eligible to receive their vested benefits under that plan, as described above under "Non-Qualified

Deferred Compensation for Fiscal Year 2008.

In April 2007, Intuit put in place a Long-Term Executive Disability Plan (the Executive Disability Plan ) for employees with the title of director or above. Under the Executive Disability Plan, if a participant suffers a long-term disability, as defined in the applicable plan document, this insured plan provides for salary restoration up to \$8,000 per month over the benefits provided by Intuit's Long-Term Disability Plan for all employees, until the earlier of the cessation of the disability or the participant reaching age 65. Under terms of the Executive Disability Plan, each of Mr. Smith, Mr. Patel, Mr. Lintner, Mr. Goodarzi and Mr. Bennett would have been entitled to receive

**Table of Contents**

\$96,000 for fiscal 2008 for salary restoration if he had suffered a long-term disability. The amounts are not included in the tables below. Mr. Williams was not eligible to receive benefits under the plan during fiscal 2008.

**Brad D. Smith**

On October 1, 2007, Intuit entered into a new employment agreement with Mr. Smith, which superseded Mr. Smith's prior September 6, 2005 employment agreement and provided that Mr. Smith became the President and Chief Executive Officer of Intuit, effective January 1, 2008.

Mr. Smith can terminate the employment agreement at any time upon written notice to the Board of Directors. Intuit may terminate Mr. Smith's employment upon the written recommendation of the Board of Directors. Under the circumstances described below, Mr. Smith is entitled to receive severance benefits subject to his execution of a valid and binding release agreement.

If Intuit terminates Mr. Smith other than for Cause (which includes gross negligence, willful misconduct, fraud and certain criminal convictions) or if Mr. Smith terminates his employment for Good Reason (which includes relocation or a reduction in duties, title or compensation), Mr. Smith is entitled to (1) severance pay equal to 12 months of his then-current salary and 100% of his then-current target bonus, (2) vesting of a pro rata portion of the shares issuable under the 260,000 stock options granted in 2008, based on the portion of time he has provided services over the full five year vesting period, and (3) vesting of a pro rata portion of the shares issuable under the 130,000 restricted stock units granted in 2008, based on the portion of time he has provided services over the full four year vesting period.

The estimated payments or benefits which would have been paid to Mr. Smith in the event of his termination on July 31, 2008 under the specified circumstances are as follows:

<b>Brad D. Smith</b>	<b>Involuntary Termination or Termination Without Cause</b>		
	<b>Without Cause (\$)</b>	<b>Termination Without Cause after CIC (\$)</b>	<b>Death or Disability (\$)</b>
<b>Incremental Amounts Payable Upon Termination Event</b>			
Total Cash Severance	1,760,000	1,760,000	
Total Benefits & Perquisites			
Total Severance	1,760,000	1,760,000	
Gain on Accelerated Stock Options			
Value of Accelerated Restricted Stock/ RSUs	1,292,500	1,331,156	5,494,806
Total Value of Accelerated Long-Term Incentives	1,292,500	1,331,156	5,494,806
<b>Total Severance, Benefits &amp; Accelerated Equity</b>	<b>3,052,500</b>	<b>3,091,156</b>	<b>5,494,806</b>

**R. Neil Williams**

On November 2, 2007, Intuit entered into an employment agreement with Mr. Williams, which provided that Mr. Williams become Senior Vice President and Chief Financial Officer of Intuit, effective January 7, 2008.



If Intuit terminates Mr. Williams other than for Cause (which includes gross negligence, willful misconduct, fraud and certain criminal convictions) or if Mr. Williams terminates his employment for Good Reason (which includes relocation or a reduction in duties, title or compensation), Mr. Williams is entitled to (1) severance pay equal to 12 months of his then-current salary and 100% of his then-current target bonus, (2) vesting of a pro rata portion of the shares issuable under the 100,000 stock options granted in 2008, based on the portion of time he has provided services over the full three year vesting period, and (3) vesting of a pro rata portion of the shares issuable under the 30,000 restricted stock units granted in 2008, based on the portion of time he has provided services over the full three year vesting period; provided he signs a release and waiver of claims.

**Table of Contents**

The estimated payments or benefits which would have been paid to Mr. Williams in the event of his termination on July 31, 2008 under the specified circumstances are as follows:

<b>R. Neil Williams</b>	<b>Involuntary Termination or Termination Without Cause (\$)</b>	<b>Termination Without Cause after CIC (\$)</b>	<b>Death or Disability (\$)</b>
<b>Incremental Amounts Payable Upon Termination Event</b>			
Total Cash Severance	962,500	962,500	
Total Benefits & Perquisites			
Total Severance	962,500	962,500	
Gain on Accelerated Stock Options			
Value of Accelerated Restricted Stock/ RSUs	136,650	136,650	819,900
Total Value of Accelerated Long-Term Incentives	136,650	136,650	819,900
<b>Total Severance, Benefits &amp; Accelerated Equity</b>	<b>1,099,150</b>	<b>1,099,150</b>	<b>819,900</b>

***Kiran M. Patel***

On September 2, 2005, Intuit entered into an employment agreement with Mr. Patel. Under the terms of this agreement, if Intuit terminates Mr. Patel's employment other than for Cause (which includes gross negligence, willful misconduct, fraud and certain criminal convictions), or Mr. Patel terminates his employment for Good Reason (which includes relocation or a reduction in duties, title or compensation), or if within one year after any change of control of Intuit, Mr. Patel is not a Section 16 officer of the surviving entity or acquirer or his employment ends for reasons other than cause or his resignation, then in each case, Mr. Patel will be entitled to the following separation benefits provided he signs a release and waiver of claims: (1) a single lump sum severance payment equal to 18 months of his then current salary, (2) one and one-half times his target bonus for the then current fiscal year and (3) accelerated vesting of his 850,000-share new hire option equal to the number of shares that would have vested over the next 18 successive months.

The estimated payments or benefits which would have been paid to Mr. Patel in the event of his termination on July 31, 2008 under the specified circumstances are as follows:

<b>Kiran M. Patel</b>	<b>Involuntary Termination or Termination Without Cause (\$)</b>	<b>Termination Without Cause after CIC (\$)</b>	<b>Death or Disability (\$)</b>
<b>Incremental Amounts Payable Upon Termination Event</b>			
Total Cash Severance	1,837,500	1,837,500	

## Total Benefits &amp; Perquisites

Total Severance	1,837,500	1,837,500	
Gain on Accelerated Stock Options	265,641	265,641	265,641
Value of Accelerated Restricted Stock/ RSUs	497,634	550,016	1,147,860
Total Value of Accelerated Long-Term Incentives	763,275	815,657	1,413,501
<b>Total Severance, Benefits &amp; Accelerated Equity</b>	<b>2,600,775</b>	<b>2,653,157</b>	<b>1,413,501</b>

*Alexander M. Lintner*

On June 24, 2005, Intuit entered into an employment agreement with Mr. Lintner. Under that agreement, if Intuit terminates Mr. Lintner's employment other than for Cause (which includes gross negligence, willful misconduct, fraud and certain criminal convictions), then Mr. Lintner will be entitled to a single lump sum severance payment equal to six months of his then current salary provided he signs a release and waiver of claims.

**Table of Contents**

The estimated payments or benefits which would have been paid to Mr. Lintner in the event of his termination on July 31, 2008 under the specified circumstances are as follows:

<b>Alexander M. Lintner</b>	<b>Involuntary Termination or Termination Without Cause</b>	<b>Termination Without Cause after CIC (\$)</b>	<b>Death or Disability (\$)</b>
<b>Incremental Amounts Payable Upon Termination Event</b>	<b>Without Cause (\$)</b>	<b>after CIC (\$)</b>	<b>Death or Disability (\$)</b>
Total Cash Severance	280,000	280,000	
Total Benefits & Perquisites			
Total Severance	280,000	280,000	
Gain on Accelerated Stock Options		25,141	25,141
Value of Accelerated Restricted Stock/ RSUs	498,159	548,337	1,038,759
Total Value of Accelerated Long-Term Incentives	498,159	573,478	1,063,900
<b>Total Severance, Benefits &amp; Accelerated Equity</b>	<b>778,159</b>	<b>853,478</b>	<b>1,063,900</b>

***Sasan K. Goodarzi***

On October 9, 2007, Intuit entered into an amendment of Mr. Goodarzi's May 18, 2004 employment agreement and provided that Mr. Goodarzi became Senior Vice President and General Manager of the Financial Institutions Division of Intuit, effective September 10, 2007.

Under his amended agreement, Mr. Goodarzi's base salary is \$540,000 and his target bonus is 65% of his base salary, retroactive to August 1, 2007. He is paid a bonus, subject to the terms and conditions of Intuit's SEIP. We also agreed to make a fully vested employer contribution of \$200,000 on Mr. Goodarzi behalf to the Intuit Inc. 2005 Executive Deferred Compensation Plan (the "NQDCP") and another \$200,000 contribution if Mr. Goodarzi was employed by Intuit on October 9, 2008, all pursuant to the terms of that plan. In addition, we agreed to provide Mr. Goodarzi with relocation assistance pursuant to our Executive Relocation Policy and mortgage assistance towards the repayment of principal and interest up to \$1,200,000 to affect an approximate 5% reduction off his interest rate for the first year of his mortgage, 4% interest reduction for the second year, 3% interest reduction for the third year, 2% interest reduction for the fourth year and 1% interest reduction for the fifth year. Pursuant to this agreement, on the seventh business day of October 2007, Mr. Goodarzi was granted a stock option for 20,000 shares that vests over three years and 10,000 restricted stock units that will vest after three years provided certain performance criteria are met.

If Intuit terminates Mr. Goodarzi other than for Cause (which includes gross negligence, willful misconduct, certain criminal convictions and failure to follow lawful instructions within the scope of his employment), Mr. Goodarzi is entitled to severance pay equal to 12 months of his then-current salary provided he signs a release.

The estimated payments or benefits which would have been paid to Mr. Goodarzi in the event of his termination on July 31, 2008 under the specified circumstances are as follows:

<b>Sasan K. Goodarzi</b>	<b>Involuntary Termination or Termination Without Cause</b>	<b>Termination Without Cause after CIC (\$)</b>	<b>Death or Disability (\$)</b>
<b>Incremental Amounts Payable Upon Termination Event</b>	<b>Without Cause (\$)</b>	<b>after CIC (\$)</b>	<b>Disability (\$)</b>
Total Cash Severance	540,000	540,000	
Total Benefits & Perquisites			
Total Severance	540,000	540,000	
Gain on Accelerated Stock Options			
Value of Accelerated Restricted Stock/ RSUs	68,325	385,657	983,880
Total Value of Accelerated Long-Term Incentives	68,325	385,657	983,880
<b>Total Severance, Benefits &amp; Accelerated Equity</b>	<b>608,325</b>	<b>925,657</b>	<b>983,880</b>

**Table of Contents**

***Stephen M. Bennett***

On August 21, 2007 (the Agreement Date ), Intuit entered into a Transition Agreement (the Transition Agreement ) with Mr. Bennett which provided that Mr. Bennett would continue to act as President and CEO of Intuit until January 1, 2008, then would become a full-time consultant to Intuit until July 31, 2008. This agreement superseded the prior July 30, 2003 employment agreement with Mr. Bennett. Mr. Bennett received a lump sum payment of \$550,000 and was eligible for his annual bonus for fiscal 2008 in the amount of \$1,760,000. With respect to the restricted stock granted to Mr. Bennett on January 24, 2000, the remaining 45,000 restricted shares which would have vested in 2008, 2009 and 2010 vested on January 1, 2008. With respect to RSUs granted to Mr. Bennett prior to fiscal 2007, 172,221 RSUs that would otherwise not have vested until July 31, 2008 vested on January 1, 2008. Mr. Bennett's remaining 147,779 unvested RSUs vested as originally scheduled on July 31, 2008. In addition, the Transition Agreement included Mr. Bennett's general release of claims against Intuit. For more detailed information on compensation paid to Mr. Bennett in fiscal 2008, please see the Summary Compensation Table on page 27.

**TRANSACTIONS WITH RELATED PERSONS**

The Audit Committee is responsible for review, approval or ratification of specific transactions between Intuit (or its subsidiaries) in which a related person has a direct or indirect material interest. Under SEC rules, related persons include directors, officers, nominees for director, 5% stockholders and their immediate family members. The Audit Committee adopted a written set of procedures and guidelines, which are described below, to evaluate these transactions and obtain approval or ratification by the Audit Committee.

*Identification of Related Persons.* Information about our directors and executive officers and persons related to them is collected and updated through annual Director & Officer Questionnaires and quarterly director affiliation summaries. Directors and executives provide the names of the entities with which they are affiliated, including board memberships, executive officer positions, charitable organizations, and affiliations of immediate family members.

*Audit Committee Annual Pre-Approval.* On an annual basis, Intuit's procurement and legal departments prepare requests for pre-approval of transactions or relationships involving related persons or parties with which Intuit is expected to do business during the upcoming fiscal year. The Audit Committee reviews these requests during its regular fourth quarter meeting and generally pre-approves annual spending levels for each transaction or relationship.

*Periodic Approvals.* During the year, the list of known related persons is circulated to appropriate Intuit employees and is used to identify transactions with related persons. When Intuit identifies an actual or potential transaction with a related person that was not pre-approved by the Audit Committee, Intuit's Legal and Compliance Organization collects information regarding the transaction, including the identity of the other party, the value of the transaction, and the size and significance of the transaction to both Intuit and the other party. This information is provided to the Audit Committee, which, in its discretion may approve, ratify, rescind, place conditions upon, or take any other action with respect to the transaction.

*Monitoring of Approved Transactions and Relationships.* Following approval by the Audit Committee, Intuit personnel review and monitor the transactions and relationships from time to time. If spending levels approach the limits approved by the Audit Committee, Intuit prepares and submits a new approval request to the Audit Committee for review at its next meeting.

*Compensation Decisions.* The Audit Committee generally does not review executive or director compensation transactions or arrangements, as these are approved by the Compensation Committee or the Board, as appropriate. Since the beginning of fiscal 2008, there have been no transactions in excess of \$120,000 between Intuit (or its subsidiaries) and a related person in which the related person had a direct or indirect material interest.



**Table of Contents**

**AUDIT COMMITTEE REPORT**

We, the members of the Audit Committee, assist the Board of Directors in fulfilling its responsibilities by overseeing Intuit's accounting and financial reporting processes, the qualifications, independence and performance of Intuit's independent auditor, the performance of Intuit's internal audit department and Intuit's internal controls. We also are responsible for selecting, evaluating and setting the compensation of Intuit's independent auditor. Intuit's management is responsible for the preparation, presentation and integrity of Intuit's financial statements, including setting accounting and financial reporting principles and designing Intuit's system of internal control over financial reporting. The Audit Committee has selected the independent registered public accounting firm of Ernst & Young LLP as Intuit's independent auditor, with responsibility for performing an independent audit of Intuit's consolidated financial statements and for expressing opinions on the conformity of Intuit's audited financial statements with generally accepted accounting principles and on the effectiveness of Intuit's internal control over financial reporting based on their audit. The Audit Committee oversees the processes, although members of the Audit Committee are not engaged in the practice of auditing or accounting.

During the fiscal year ended July 31, 2008, the Audit Committee carried out the duties and responsibilities as outlined in its charter, including the following specific actions:

Reviewed and discussed Intuit's quarterly earnings announcements, consolidated financial statements, and related periodic reports filed with the SEC, with management and the independent auditor;

Reviewed with management its assessment of the effectiveness of Intuit's internal control over financial reporting;

Reviewed with the independent auditor and management the audit scope and plan;

Reviewed the internal audit plan with the internal auditor; and

Met in periodic executive sessions with each of the independent auditor, representatives of management, and the internal auditor.

We reviewed and discussed with management and representatives of Ernst & Young the audited financial statements for the fiscal year ended July 31, 2008 and Ernst & Young's opinion on the audited financial statements and the effectiveness of Intuit's internal control over financial reporting. Ernst & Young represented that its presentations included the matters required to be discussed with the Audit Committee by Statement on Auditing Standards No. 61, as amended, as adopted by the PCAOB in Rule 3200T.

The Audit Committee recognizes the importance of maintaining the independence of Intuit's independent auditor, both in fact and appearance. Consistent with its charter, the Audit Committee has evaluated Ernst & Young's qualifications, independence and performance. The Audit Committee has established a policy pursuant to which all services, audit and non-audit, provided by the independent auditor must be pre-approved by the Audit Committee or its delegate. Intuit's pre-approval policy is more fully described in this proxy statement under the caption "Proposal No. 2 Ratification of Selection of Independent Registered Public Accounting Firm." The Audit Committee has concluded that provision of the services described in that section is compatible with maintaining the independence of Ernst & Young. In addition, we have received the written disclosures and the letter from Ernst & Young required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," as adopted by the PCAOB in Rule 3600T, and discussed with Ernst & Young the firm's independence.



Based on the reports, discussions and review described in this report, and subject to the limitations on our role and responsibilities referred to in this report and in the charter, we recommended to the Board of Directors that the audited financial statements be included in Intuit's Annual Report on Form 10-K for fiscal 2008. We also selected Ernst & Young LLP as Intuit's independent registered public accounting firm for fiscal 2009.

AUDIT COMMITTEE MEMBERS

Diane B. Greene  
Suzanne Nora Johnson  
Dennis D. Powell, Chairman

**Table of Contents**

**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**

Each of our directors stands for election on an annual basis. We do not have a classified or staggered Board. The Nominating and Governance Committee, consisting solely of independent directors, as determined by the Board under applicable NASDAQ listing standards, recommended the directors for nomination by our full Board. Based on that recommendation, our Board has nominated those directors for election at the Meeting.

**Nominees**

The following eleven incumbent directors are nominated for election to the Board: Stephen M. Bennett, Christopher W. Brody, William V. Campbell, Scott D. Cook, Diane B. Greene, Michael R. Hallman, Edward A. Kangas, Suzanne Nora Johnson, Dennis D. Powell, Stratton D. Sclavos and Brad D. Smith.

Each nominee, if elected, will serve until the next annual meeting of stockholders and until a qualified successor is elected, unless the nominee resigns or is removed from the Board before then. Although we know of no reason why any of the nominees would not be able to serve, if any nominee is unavailable for election, the proxies will vote your shares to approve the election of any substitute nominee proposed by the Board. Please see **Directors Standing for Election** beginning on page 4 of this proxy statement for information concerning each of our incumbent directors standing for election.

Directors will be elected by a plurality of the votes cast by the shares of common stock present (either in person or by proxy) at the Meeting. Broker non-votes will have no effect on the outcome of the election of directors. This means that the eleven nominees with the most votes will be elected.

**The Board recommends that you vote  
FOR the election of each of the nominated directors.**

**PROPOSAL NO. 2**

**RATIFICATION OF SELECTION OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Intuit's Audit Committee has selected Ernst & Young LLP as the independent registered public accounting firm to perform the audit of Intuit's consolidated financial statements and the effectiveness of internal control over financial reporting for the fiscal year ending July 31, 2009, and as a matter of good corporate governance we are asking stockholders to ratify this selection. Representatives of Ernst & Young are expected to attend the Meeting. They will have the opportunity to make a statement at the Meeting if they wish to do so, and they will be available to respond to appropriate questions from stockholders.

**The Audit Committee's Policy on Pre-Approval of Services Performed by the Independent Registered Public Accounting Firm**

It is the policy of the Audit Committee to pre-approve near the beginning of each fiscal year all audit and permissible non-audit services to be provided by the independent registered public accounting firm during that fiscal year. The Audit Committee authorizes specific projects within categories of services, subject to a budget for each project. The

Audit Committee may also pre-approve particular services during the fiscal year on a case-by-case basis. The independent auditor and management periodically report to the Audit Committee the actual fees incurred versus the pre-approved budget.

**Table of Contents****Fees Paid to Ernst & Young LLP**

The following table shows fees that we paid (or accrued) for professional services rendered by Ernst & Young for fiscal 2008 and 2007:

<b>Fees Category</b>	<b>Fiscal 2008</b>	<b>Fiscal 2007</b>
Audit Fees	\$ 3,676,000	\$ 3,604,000
Audit-Related Fees	433,000	1,876,000
Tax Fees		
All Other Fees		
<b>Total All Fees</b>	<b>\$ 4,109,000</b>	<b>\$ 5,480,000</b>

***Audit Fees***

These fees consist of amounts for professional services rendered in connection with the integrated audit of our financial statements and internal control over financial reporting, review of the interim financial statements included in quarterly reports, and statutory and regulatory filings or engagements. Fiscal 2007 audit fees included procedures performed in support of our issuance of \$1 billion in senior notes in connection with our acquisition of Digital Insight.

***Audit-Related Fees***

These fees consist of amounts for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements that are not reported under Audit Fees. For fiscal 2008, these fees primarily related to an audit of Superior Bankcard Services, LLC (a joint venture in which Intuit participates) and Statement on Auditing Standards No. 70 (SAS 70) attestation services performed for our Digital Insight subsidiary. The higher fees in fiscal 2007 were primarily due to the fees for audit of our Intuit Distribution Management Solutions (IDMS) and Intuit Real Estate Solutions businesses. We completed the sale of IDMS in August 2007.

***Tax Fees***

Intuit paid no tax fees to Ernst & Young in fiscal 2008 or fiscal 2007.

***All Other Fees***

Intuit paid no other fees to Ernst & Young in fiscal 2008 or fiscal 2007.

For more information about Ernst & Young, please see the Audit Committee Report on page 39.

Proposal No. 2 must be approved by a majority of the votes cast on the proposal. Abstentions and broker non-votes will not affect the outcome of the vote on this proposal. If the selection of Ernst & Young is not ratified, the Board will consider whether it should select another independent registered public accounting firm.

**The Board recommends that you vote  
FOR the ratification of the selection of Ernst & Young LLP.**



Table of Contents

**PROPOSAL NO. 3**

**APPROVAL OF AN AMENDMENT TO THE 2005 EQUITY INCENTIVE PLAN**

**General**

In October 2004, we asked our stockholders to approve the 2005 Equity Incentive Plan (the *Plan*), which we designed to reflect our commitment to having best practices in both compensation and corporate governance. At that time, we committed to submitting the Plan to our stockholders for re-approval on an annual basis. Annual approval gives our stockholders the opportunity to consider and review our equity compensation program each year and to vote on continuation of the Plan. When originally approved in 2004, the Plan's term ran through December 9, 2006. In 2005, 2006 and 2007, the stockholders approved amendments to the Plan in order to (1) extend the term of the plan, which now runs through December 9, 2009; (2) increase the number of shares available under the Plan; and (3) amend certain other provisions of the Plan.

We are now asking our stockholders to approve an amendment to the Plan to (1) extend the term of the plan by an additional year, through December 9, 2010; (2) provide for the addition of 10,000,000 shares to cover awards under the Plan through its amended term; (3) amend certain terms of the Plan related to non-employee director automatic option grants; (4) amend certain terms of the Plan to provide that stock options and stock appreciation rights may not be granted with an exercise price that is less than fair market value on the grant date thereof; and (5) amend the current terms of the Plan to eliminate the potential for deferred settlement of stock appreciation rights.

We believe that our ability to attract and retain qualified, high-performing employees is vital to our success and growth as a company. Equity compensation is also a very effective retention tool that encourages and rewards employee performance that aligns with stockholders' interests.

Proposal No. 3 must be approved by a majority of the votes cast on the proposal. Abstentions and broker non-votes will not affect the outcome of the vote on this proposal.

**The Board of Directors recommends that you vote  
FOR the amendment to the Intuit Inc. 2005 Equity Incentive Plan.**

Approval of the amendment to the Plan enables Intuit to achieve the following objectives:

1. *The continued ability of Intuit to offer stock-based incentive compensation to Intuit's eligible employees and non-employee directors, while maintaining net annual dilution at less than 3% of total shares outstanding.* We are requesting approval of 10,000,000 additional shares for the Plan. The additional shares we are requesting should meet our annual needs, but not result in a share burn rate in excess of 3%. We are continually improving our use of equity awards to carefully manage this increasingly limited resource while providing for both grants to new hires and retention grants for current employees.

2. *Furthering compensation and governance best practices through continuing use of the Plan.* The Plan prohibits stock option repricing and does not contain an evergreen feature (evergreen features provide for automatic replenishment of authorized shares available under an equity plan). In order to continue these best practices, we are requesting the term of the Plan be extended by one year, resulting in the ability to continue granting awards under the Plan through 2010.

3. *To provide automatic option grants to all non-employee director, regardless of whether they are former employees of Intuit.* The Plan currently only provides automatic option grants to non-employee directors of Intuit if they have never been employees of Intuit. In order to permit the award of automatic option grants to all non-employee directors of Intuit, we are requesting an amendment to the Plan to provide that the automatic option grants for board membership and board committee membership apply to all non-employee directors regardless of whether they have been employees of Intuit in the past. For more information about automatic option grants to non-employee directors, please see *Automatic Option Grants to Non-Employee Directors Under the 2005 Equity Incentive Plan* on page 13.

4. *To follow best practices of requiring that stock options and stock appreciation rights have an exercise price that is not less than fair market value on the grant date.* The Plan currently allows Intuit to grant stock

## **Table of Contents**

option and stock appreciation rights at less than their fair market value. Intuit has not previously granted stock appreciation rights and has a practice of granting stock options with exercise prices at least equal to fair market value of the underlying stock on the grant date. In order to continue this best practice, we are requesting an amendment to the Plan to provide that stock options and stock appreciation rights may not be granted with an exercise price that is less than fair market value on the grant date, except in the case of certain options granted in connection with a merger or other acquisition as a substitute or replacement award for options held by optionees of the acquired entity.

*5. To eliminate the ability to allow for deferred settlement of stock appreciation rights.* The Plan currently allows Intuit to provide for the deferred settlement of stock appreciation rights, although Intuit has not previously granted stock appreciation rights. In order to ensure compliance with Section 409A of the Internal Revenue Code, we are requesting an amendment to eliminate the possibility of such deferred settlement.

## **Background on Stock Compensation at Intuit**

We believe that employee stock ownership is a significant contributing factor in achieving superior financial performance. Historically, Intuit has granted stock options and, more recently, RSUs to the vast majority of its newly hired employees, and this has been a vital component of Intuit's overall compensation philosophy. Recognizing that stock-based compensation is a valuable and limited resource, Intuit has actively managed its use of stock-based compensation. To that end and consistent with our general pay-for-performance compensation philosophy, only our higher performing employees receive annual equity awards.

We believe that stock options align employees' interests directly with those of other stockholders, because the employee only realizes value from an option if the stock price increases after the date of the award. We also believe that restricted stock units align employees' interests directly with those of other stockholders, as they provide greater value to employees as Intuit's stock price increases. Without stock-based compensation, Intuit would be at a disadvantage against competitor companies to provide a market-competitive total compensation package necessary to attract, retain and motivate the employee talent critical to the future success of Intuit.

We strongly believe that our stock-based incentive programs and emphasis on employee stock ownership have been integral to our success in the past and will continue to be important to our ability to achieve consistently superior performance in the years ahead. Therefore, we consider approval of the amendment to the Plan vital to Intuit's continued success.

## **Purpose of the Plan**

The Plan as proposed to be amended will allow Intuit, under the direction of the Compensation and Organizational Development Committee (the "Compensation Committee"), to make broad-based grants of stock options, restricted stock awards, restricted stock units, stock appreciation rights and stock bonus awards to employees and non-employee directors. The purpose of these stock awards is to attract and retain talented employees and non-employee directors, further align their interests and those of our stockholders and continue to link employee compensation with Intuit's performance.

## **Key Terms of the Plan**

The following is a summary of the key provisions of the Plan, assuming that stockholders approve this Proposal No. 3. This summary does not purport to be a complete description of all the provisions of the Plan, and it is



**Table of Contents**

qualified in its entirety by reference to the full text of the Plan. A copy of the Plan has been filed as Appendix B to this proxy statement, and the following description of the Plan is qualified in its entirety by reference to that Appendix.

<i>Plan Term:</i>	December 9, 2004 to December 9, 2010
<i>Eligible Participants:</i>	<p>Employees of Intuit and its subsidiaries, non-employee directors of Intuit and consultants of Intuit and its subsidiaries are eligible to receive awards under the Plan. As of September 30, 2008, there were approximately 7,900 individuals eligible to participate in the Plan. The Compensation Committee will determine which individuals will participate in the Plan.</p> <p>From August 1, 2007 through July 31, 2008, we granted options and RSU awards for 11,365,843 shares under the Plan. The number of awards received by each of our Named Executive Officers, including Mr. Smith, is provided in the table titled "Grants of Plan-Based Awards in Fiscal Year 2008" beginning on page 29. During this period, we granted awards for 1,330,383 shares to individuals serving as executive officers on the dates the awards were granted (14 people), 275,000 shares to all non-employee directors as a group and 9,760,460 shares to all employees (including all current officers, other than our executive officers). The closing price of Intuit's Common Stock on the NASDAQ Stock Market on September 30, 2008 was \$31.61.</p>
<i>Shares Authorized:</i>	56,000,000, subject to adjustment only to reflect stock splits and similar events
<i>Award Types:</i>	<ol style="list-style-type: none"> <li>(1) Non-qualified and incentive stock options</li> <li>(2) Restricted stock awards</li> <li>(3) Restricted stock units</li> <li>(4) Stock appreciation rights</li> <li>(5) Stock bonus awards</li> </ol>
<i>Share Limit on Awards:</i>	In any fiscal year, no more than 50% of the shares subject to equity awards granted in such fiscal year may have an exercise price or purchase price per share that is less than fair market value on the applicable date of grant.
<i>162(m) Share Limits:</i>	<p>So that awards may qualify under Section 162(m) of the Internal Revenue Code, which permits performance-based compensation meeting the requirements established by the IRS to be excluded from the limitation on deductibility of compensation in excess of \$1 million paid to certain senior executives, the Plan limits awards to individual participants as follows:</p> <ol style="list-style-type: none"> <li>(1) No more than 6,000,000 shares may be made subject to awards granted to an employee in the year of his or her hire; and</li> <li>(2) No more than 4,000,000 shares may be made subject to awards granted to an employee in any other year.</li> </ol> <p>These limits are greater than the number of options that Intuit has granted to any individual in the past. We do not currently intend to significantly increase our equity awards to executive officers.</p>
<i>Vesting:</i>	Determined by the Compensation Committee. Options generally vest over three years.
<i>Award Terms:</i>	Stock options and stock appreciation rights will have a term no longer than seven years. The Compensation Committee may make the grant, issuance, retention and/or vesting of restricted stock awards, restricted stock units and stock bonus awards contingent upon continued employment with Intuit, the passage of time, or such performance criteria and the level of achievement versus such criteria as it deems appropriate.
<i>Repricing Prohibited:</i>	

Repricing, or reducing the exercise price of a stock option or stock appreciation right without stockholder approval is prohibited. The Plan also prohibits the repurchase of any outstanding underwater option (an option with an exercise price greater than the then-current fair market value of the stock).

**Table of Contents**

**Non-Employee Director Awards**

The Plan provides for stock option grants to non-employee directors according to a non-discretionary formula, as described more fully under **Director Compensation** beginning on page 11. If the amendment to the Plan is approved, all non-employee directors will receive automatic annual option grants, regardless of their status as former employees of Intuit.

**New Plan Benefits**

Intuit's executive officers and directors have an interest in approval of the Plan amendment because it relates to the issuance of equity awards for which executive officers and directors may be eligible. In the aggregate, 312,500 options will be granted automatically in fiscal 2009 to our non-employee directors pursuant to the Plan option grant formula for non-employee directors. The exercise prices of these options will be 100% of the fair market value of our stock on the date of grant.

Future awards under the Plan to executive officers and employees, and any additional future discretionary awards to non-employee directors in addition to those granted automatically pursuant to the grant formula, are made at the discretion of the Compensation Committee or its delegates and cannot be determined at this time.

**Eligibility Under Section 162(m)**

Awards may, but need not, include performance criteria that satisfy Section 162(m) of the Internal Revenue Code. To the extent that awards are intended to qualify as performance-based compensation under Section 162(m), the performance criteria will be selected from one of the following criteria, either individually, alternatively or in any combination, applied to either the company as a whole or to a business unit or subsidiary, either individually, alternatively, or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Compensation Committee in the award:

Net revenue and/or net revenue growth

Operating income and/or operating income growth

Earnings per share and/or earnings per share growth

Return on equity

Adjusted operating cash flow return on income

Individual business objectives

Earnings before income taxes and amortization and/or earnings before income taxes and amortization growth

Net income and/or net income growth

Total stockholder return and/or total stockholder return growth

Operating cash flow return on income

Economic value added

To the extent that an award under the Plan is designated as a performance award, but is not intended to qualify as performance-based compensation under Section 162(m), the performance criteria can include the achievement of strategic objectives as determined by the Board.

Notwithstanding satisfaction of any performance criteria described above, to the extent specified at the time of grant of an award, the number of shares of common stock, stock options or other benefits granted, issued, retainable and/or vested under an award on account of satisfaction of performance criteria may be reduced by the Compensation Committee on the basis of such further considerations as the Compensation Committee in its sole discretion determines.

## **Table of Contents**

### **Transferability**

Awards granted under the Plan are not transferable except by will or the laws of descent and distribution except that the Compensation Committee may consent to permit the transfer of a non-qualified stock option. The Plan specifically prohibits transfers by an individual for consideration.

### **Administration**

The Compensation Committee will administer the Plan. The Compensation Committee will select the individuals who receive awards, determine the number of shares covered thereby, and, subject to the terms and limitations expressly set forth in the Plan, establish the terms, conditions and other provisions of the awards. The Compensation Committee may interpret the Plan and establish, amend and rescind any rules relating to the Plan, including adoption of rules, procedures or sub-plans applicable to particular subsidiaries or employees in particular locations. The Compensation Committee may delegate to a committee of one or more Intuit officers the ability to grant awards and take certain other actions with respect to participants who are not executive officers or directors (Intuit's Equity Granting Policy is described in the Compensation Discussion and Analysis beginning on page 17.)

### **Amendments**

The Board may terminate, amend or suspend the Plan, provided that no action may be taken by the Board (except those described in Adjustments ) without stockholder approval to amend the Plan in any manner that requires stockholder approval pursuant to the Internal Revenue Code or the regulations promulgated thereunder or pursuant to the Securities Exchange Act of 1934 or any rule promulgated thereunder or pursuant to NASDAQ rules.

### **Adjustments**

In the event of a stock dividend, recapitalization, stock split, combination of shares, extraordinary dividend of cash or assets, reorganization, or exchange of Intuit's common stock, or any similar event affecting Intuit's common stock, the Compensation Committee shall adjust the number and kind of shares available for grant under the Plan, and subject to the various limitations set forth in the Plan, the number and kind of shares subject to outstanding awards under the Plan, and the exercise or settlement price of outstanding stock options and of other awards.

The impact of a merger or other reorganization of Intuit on outstanding awards granted under the Plan shall be specified in the agreement relating to the merger or reorganization, subject to the limitations and restrictions set forth in the Plan. Such agreement may provide for, among other things, assumption of outstanding awards, accelerated vesting or accelerated expiration of outstanding awards, or settlement of outstanding awards in cash. With regard to each outstanding stock option, in the event an employee is terminated within one year of a merger or other specified transaction, the stock option will vest as to the number of shares that would have vested if the employee had remained employed for 12 months following his or her date of termination.

### **U.S. Tax Consequences**

Stock option grants under the Plan may be intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code or may be non-qualified stock options governed by Section 83 of the Internal Revenue Code. Generally, no federal income tax is payable by a participant upon the grant of a stock option and no deduction is taken by the company. Intuit's practice has been to grant non-qualified stock options. Under current tax laws, if a participant exercises a non-qualified stock option, he or she will have taxable income equal to the difference between the market price of the common stock on the exercise date and the stock option grant price. Intuit will be entitled to a corresponding deduction on its income tax return. A participant will have no taxable income upon exercising an

incentive stock option after the applicable holding periods have been satisfied (except that alternative minimum tax may apply), and Intuit will receive no deduction when an incentive stock option is exercised. The treatment for a participant of a disposition of shares acquired through the exercise of an option depends on how long the shares were held and on whether the shares were acquired by exercising an incentive stock option or a non-qualified stock option. Intuit may be entitled to a deduction in the case of a disposition of shares acquired under an incentive stock option before the applicable holding periods have been satisfied.

**Table of Contents**

Restricted stock awards, stock bonus awards and restricted stock units are governed by Section 83 of the Internal Revenue Code. For restricted stock awards generally, no taxes are due when the award is initially made, but the award becomes taxable when it is no longer subject to a substantial risk of forfeiture (i.e., becomes vested or transferable). Income tax is paid on the value of the stock at ordinary rates when the restrictions lapse, and then at capital gain rates when the shares are sold. For stock bonus awards and restricted stock units, the award becomes taxable when the shares are issued. Income tax is paid on the value of the stock or units when the shares are issued, and then at capital gain rates when the shares are sold.

As described above, awards granted under the Plan may qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code in order to preserve federal income tax deductions by Intuit with respect to annual compensation required to be taken into account under Section 162(m) that is in excess of \$1 million and paid to one of Intuit's five most highly compensated executive officers. To so qualify, options and other awards must be granted under the Plan by a committee consisting solely of two or more outside directors (as defined under regulations) and satisfy the Plan's limit on the total number of shares that may be awarded to any one participant during any calendar year. In addition, for awards other than options to qualify as performance-based compensation, the issuance or vesting of the award, as the case may be, must be contingent upon satisfying one or more of the performance criteria described above, as established and certified by a committee consisting solely of two or more outside directors.

The Plan has been drafted in order to avoid the application of taxes, under Section 409A of the Internal Revenue Code, on any participants.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth certain information, as of July 31, 2008, concerning securities authorized for issuance under all of Intuit's equity compensation plans, excluding the additional shares we are proposing to add to the 2005 Equity Incentive Plan in Proposal No. 3.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (#) (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$) (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#) (c)</b>
Equity compensation plans approved by security holders	53,343,872(1)	25.02(2)	10,085,184(3)
Equity compensation plans not approved by security holders	2,445,276(4)	16.71(2)	

<b>Total</b>	55,789,148	24.70(2)	10,085,184
--------------	------------	----------	------------

- (1) Represents 48,312,395 shares issuable upon exercise of options and 5,031,477 shares issuable under RSU awards, which are settled for shares of Intuit common stock on a one-for-one basis.
- (2) RSUs have been excluded for purposes of computing weighted-average exercise prices.
- (3) Represents 7,975,824 shares available for issuance under our 2005 Equity Incentive Plan and 2,109,360 shares available for issuance under our Employee Stock Purchase Plan.
- (4) Represents (i) outstanding options to purchase 467,069 shares at a weighted-average exercise price of \$20.95, which were granted under our 1998 Option Plan for Mergers and Acquisitions; (ii) outstanding options to purchase 1,426,509 shares at a weighted-average exercise price of \$15.32, which were assumed in connection with corporate acquisitions; and (iii) 551,698 shares issuable under RSU awards, which were assumed in connection with corporate acquisitions.



**Table of Contents**

**EQUITY COMPENSATION PLANS NOT APPROVED BY SECURITY HOLDERS**

**1998 Option Plan for Mergers and Acquisitions**

In November 1998, our Board adopted the 1998 Option Plan for Mergers and Acquisitions (the 1998 Plan ) to grant non-qualified stock options to individuals Intuit hires as a result of acquisitions of, or mergers with, other companies. The 1998 Plan terminated on December 9, 2004 when stockholders approved the 2005 Equity Incentive Plan. Options granted prior to that date remain outstanding pursuant to their original terms and conditions. Intuit no longer grants any equity awards under the 1998 Plan.

*Shares Subject to the 1998 Plan.* As of July 31, 2008, an aggregate of 467,069 shares remained issuable upon exercise of options granted under the 1998 Plan. If any option granted under the 1998 Plan expires or terminates for any reason without being exercised in full, the unexercised shares will not be available for grant by Intuit. All outstanding options are subject to adjustment for any future stock dividends, splits, combinations, or other changes in capitalization as described in the 1998 Plan.

*Other Plan Terms.* Options under the 1998 Plan could only be granted to employees, officers, consultants, independent contractors and advisors of Intuit or any parent, subsidiary or affiliate of Intuit hired as a result of a merger or acquisition and within 18 months following the completion of that acquisition or merger. If Intuit were acquired and the acquiring corporation did not assume or replace the awards granted under the 1998 Plan, or if Intuit were to liquidate or dissolve, all outstanding awards would become fully vested at such time and on such conditions as the Board determined, and the awards would expire at the closing of the transaction or at the time of dissolution or liquidation. If Intuit were acquired and the acquiring company assumed the outstanding options under the 1998 Plan, options granted on or after May 31, 2002 would accelerate as to 12 months of vesting if the optionee were terminated within one year following the acquisition.

Table of Contents

APPENDIX A

INTUIT INC.

**Supplemental Information for the Compensation Discussion and Analysis in the  
Proxy Statement for the 2008 Annual Meeting of Stockholders**

**INFORMATION REGARDING NON-GAAP FINANCIAL MEASURES AND  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
TO MOST DIRECTLY COMPARABLE GAAP MEASURES**

The Compensation Discussion and Analysis ( CD&A ) beginning on page 17 of this proxy statement contains a non-GAAP financial measure non-GAAP operating income. Table 1 on page A-2 of this proxy statement reconciles the non-GAAP financial measure in the CD&A to the most directly comparable financial measure prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same names and may differ from non-GAAP financial measures with the same or similar names that are used by other companies.

We believe that these non-GAAP financial measures provide meaningful supplemental information regarding Intuit's operating results primarily because they exclude amounts that we do not consider part of ongoing operating results when assessing the performance of the organization, our operating segments or our senior management. Segment managers are not held accountable for share-based compensation expenses, acquisition-related costs, or the other excluded items that may impact their business units' operating income (loss) and, accordingly, we exclude these amounts from our measures of segment performance. We also exclude these amounts from our budget and planning process. We believe that our non-GAAP financial measures also facilitate the comparison of results for current periods and guidance for future periods with results for past periods. We exclude the following items from our non-GAAP financial measures:

*Share-based compensation expenses.* Our non-GAAP financial measures exclude share-based compensation expenses, which consist of expenses for stock options, restricted stock, restricted stock units and purchases of common stock under our Employee Stock Purchase Plan. Segment managers are not held accountable for share-based compensation expenses impacting their business units' operating income (loss) and, accordingly, we exclude share-based compensation expenses from our measures of segment performance. While share-based compensation is a significant expense affecting our results of operations, management excludes share-based compensation from our budget and planning process. We exclude share-based compensation expenses from our non-GAAP financial measures for these reasons and the other reasons stated above. We compute weighted average dilutive shares using the method required by SFAS 123R for both GAAP and non-GAAP diluted net income per share.

*Amortization of purchased intangible assets and acquisition-related charges.* In accordance with GAAP, amortization of purchased intangible assets in cost of revenue includes amortization of software and other technology assets related to acquisitions and acquisition-related charges in operating expenses includes amortization of other purchased intangible assets such as customer lists, covenants not to compete and trade names. Acquisition activities are managed on a corporate-wide basis and segment managers are not held

accountable for the acquisition-related costs impacting their business units' operating income (loss). We exclude these amounts from our measures of segment performance and from our budget and planning process. We exclude these items from our non-GAAP financial measures for these reasons, the other reasons stated above and because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories.

Non-GAAP Operating income. We exclude share-based compensation expenses, amortization of purchased intangible assets and acquisition-related charges from our GAAP operating income from continuing operations in arriving at our non-GAAP operating income primarily because we do not consider them part of ongoing operating

A-1

---

**Table of Contents**

results when assessing the performance of the organization, our operating segments and senior management or when undertaking our budget and planning process. We believe that the exclusion of these expenses from our non-GAAP financial measures also facilitates the comparison of results for current periods and guidance for future periods with results for prior periods. In addition, we exclude amortization of purchased intangible assets and acquisition-related charges from non-GAAP operating income because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories.

We refer to these non-GAAP financial measures in assessing the performance of Intuit's ongoing operations and for planning and forecasting in future periods. These non-GAAP financial measures also facilitate our internal comparisons to Intuit's historical operating results. We have historically reported similar non-GAAP financial measures and believe that the inclusion of comparative numbers provides consistency in our financial reporting. We compute non-GAAP financial measures using the same consistent method from quarter to quarter and year to year.

**TABLE 1****INTUIT INC.**

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
TO MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURES**

	<b>Twelve Months Ended July 31,</b>	
	<b>2008</b>	<b>2007</b>
	<b>(In thousands) (Unaudited)</b>	
<b>GAAP operating income from continuing operations</b>	<b>\$ 650,767</b>	<b>\$ 637,570</b>
Amortization of purchased intangible assets	56,011	30,926
Acquisition-related charges	35,518	19,964
Share-based compensation expense	113,237	76,313
<b>Non-GAAP operating income</b>	<b>\$ 855,533</b>	<b>\$ 764,773</b>

**Table of Contents**

**APPENDIX B**

**INTUIT INC.**

**2005 EQUITY INCENTIVE PLAN**

**(As amended on December , 2008)**

1. *PURPOSE.* The purpose of the Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent or Subsidiaries by offering them an opportunity to participate in the Company's future performance through awards of Options, Restricted Stock, Stock Bonuses, Stock Appreciation Rights (SARs) and Restricted Stock Units. Capitalized terms not defined in the text are defined in Section 26.

2. *SHARES SUBJECT TO THE PLAN.*

2.1 *Number of Shares Available.* Subject to Sections 2.2 and 21, 56,000,000 Shares are available for grant and issuance under the Plan. Shares that are subject to: (a) issuance upon exercise of an Option or SAR granted under this Plan but cease to be subject to the Option or SAR for any reason other than exercise of the Option; (b) an Award granted under this Plan but are forfeited or are repurchased by the Company at the original issue price; or (c) an Award granted under this Plan that otherwise terminates without Shares being issued, will return to the pool of Shares available for grant and issuance under this Plan. In any fiscal year of the Company no more than fifty percent (50%) of the Shares subject to Awards granted in such fiscal year may have an Exercise Price or Purchase Price per Share that is less than Fair Market Value on the applicable date of grant. In order that ISOs may be granted under this Plan, no more than 56,000,000 shares shall be issued as ISOs. The Company may issue Shares which are authorized but unissued or treasury shares pursuant to the Awards granted under this Plan. At all times the Company will reserve and keep available a sufficient number of Shares to satisfy the requirements of all outstanding Options and SARs granted under the Plan and all other outstanding but unvested Awards granted under the Plan.

2.2 *Adjustment of Shares.* If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification, extraordinary dividend of cash or stock or similar change in the capital structure of the Company, without consideration, then (a) the number of Shares reserved for issuance under the Plan and the limits that are set forth in Section 2.1; (b) the Exercise Prices of and number of Shares subject to outstanding Options and SARs; (c) the number of Shares subject to other outstanding Awards; (d) the 4,000,000 and 6,000,000 maximum number of shares that may be issued to an individual in any one calendar year set forth in Section 3; and (e) the number of Shares that are granted as Options to Non-Employee Directors as set forth in Section 10, will be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities laws; provided that fractions of a Share will not be issued but will either be replaced by a cash payment equal to the Fair Market Value of such fraction of a Share or will be rounded up to the nearest whole Share, as determined by the Committee; and provided further that the Exercise Price of any Option may not be decreased to below the par value of the Shares.

3. *ELIGIBILITY.* ISOs may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary. All other Awards may be granted to employees (including officers and directors who are also employees), non-employee directors and consultants of the Company or any Parent or Subsidiary; provided that such consultants, contractors and advisors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. The Committee (or its designee under 4.1(c)) will from time to time determine and designate among the eligible persons who will be granted one or more Awards under the Plan. A person may be granted more than one Award under the Plan. However, no person will be eligible to receive

more than 4,000,000 Shares issuable under Awards granted in any calendar year, other than new employees of the Company or of a Parent or Subsidiary (including new employees who are also officers and directors of the Company or any Parent or Subsidiary), who are eligible to receive up to a maximum of 6,000,000 Shares issuable under Awards granted in the calendar year in which they commence their employment.

B-1

---

**Table of Contents**

4. *ADMINISTRATION.*

4.1 *Committee Authority.* The Plan shall be administered by the Committee or by the Board acting as the Committee. Except for automatic grants to Non-Employee Directors pursuant to Section 10 hereof, and subject to the general purposes, terms and conditions of the Plan, the Committee will have full power to implement and carry out the Plan. Without limiting the previous sentence, the Committee will have the authority to:

(a) construe and interpret the Plan, any Award Agreement and any other agreement or document executed pursuant to the Plan;

(b) prescribe, amend and rescind rules and regulations relating to the Plan or any Award, including determining the subplans, forms and agreements used in connection with the Plan; provided that the Committee may delegate to the President, the Chief Financial Officer or the officer in charge of Human Resources, in consultation with the General Counsel, the authority to approve revisions to the forms and agreements used in connection with the Plan that are designed to facilitate Plan administration both domestically and abroad, and that are not inconsistent with the Plan or with any resolutions of the Committee relating to the Plan;

(c) select persons to receive Awards; provided that the Committee may delegate to one or more Executive Officers (who would also be considered officers under Delaware law) the authority to grant an Award under the Plan to Participants who are not Insiders;

(d) determine the terms of Awards;

(e) determine the number of Shares or other consideration subject to Awards;

(f) determine whether Awards will be granted singly, in combination, or in tandem with, in replacement of, or as alternatives to, other Awards under the Plan or any other incentive or compensation plan of the Company or any Parent or Subsidiary;

(g) grant waivers of Plan or Award conditions;

(h) determine the vesting, exercisability, transferability, and payment of Awards;

(i) correct any defect, supply any omission, or reconcile any inconsistency in the Plan, any Award or any Award Agreement;

(j) determine whether an Award has been earned;

(k) amend the Plan; or

(l) make all other determinations necessary or advisable for the administration of the Plan.

4.2 *Committee Interpretation and Discretion.* Except for automatic grants to Non-Employee Directors pursuant to Section 10 hereof, any determination made by the Committee with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Participant. The Committee may delegate to one or more

Executive Officers, the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and Participant. Notwithstanding any provision of the Plan to the contrary, administration of the Plan shall at all times be limited by the requirement that any administrative action or exercise of discretion shall be void (or suitably modified when possible) if necessary to avoid the application to any Participant of immediate taxation and/or tax penalties under Section 409A of the Code.

5. *OPTIONS*. The Committee may grant Options to eligible persons and will determine (a) whether the Options will be ISOs or NQSOs; (b) the number of Shares subject to the Option, (c) the Exercise Price of the Option, (d) the period during which the Option may be exercised, and (e) all other terms and conditions of the Option,



**Table of Contents**

subject to the provisions of this Section 5 and the Plan. Options granted to Non-Employee Directors pursuant to Section 10 hereof shall be governed by that Section.

5.1 Form of Option Grant. Each Option granted under the Plan will be evidenced by a Stock Option Agreement that will expressly identify the Option as an ISO or NQSO. Except as otherwise required by the terms of Options to Non-Employee Directors as provided in the terms of Section 10 hereof, the Stock Option Agreement will be substantially in a form and contain such provisions (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan.

5.2 Date of Grant. The date of grant of an Option will be the date on which the Committee makes the determination to grant the Option, unless a later date is otherwise specified by the Committee. The Stock Option Agreement, and a copy of the Plan and the current Prospectus for the Plan (plus any additional documents required to be delivered under applicable laws), will be delivered to the Participant within a reasonable time after the Option is granted. The Stock Option Agreement, Plan, the Prospectus and other documents may be delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5.3 Exercise Period and Expiration Date. An Option will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the Stock Option Agreement governing such Option, subject to the provisions of Section 5.6, and subject to Company policies established by the Committee (or by individuals to whom the Committee has delegated responsibility) from time to time with respect to vesting during leaves of absences. The Stock Option Agreement shall set forth the last date that the Option may be exercised (the Expiration Date ); provided that no Option will be exercisable after the expiration of seven years from the date the Option is granted; and provided further that no ISO granted to a Ten Percent Stockholder will be exercisable after the expiration of five years from the date the Option is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of Shares subject to the Option as the Committee determines.

5.4 Exercise Price. The Exercise Price of an Option will be determined by the Committee when the Option is granted and, subject to the limit of Section 2.1, may not be less than 100% of Fair Market Value on the date of grant); provided in addition, that the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than 110% of the Fair Market Value of the Shares on the date of grant; provided, however, that the Exercise Price with respect to an Option that is granted in connection with a merger or other acquisition as a substitute or replacement award for options held by optionees of the acquired entity may be less than 100% of the Fair Market Value of the Shares on the date such Option is granted if such Exercise Price is based on a formula set forth in the terms of the options held by such optionees or in the terms of the agreement providing for such merger or other acquisition. Payment for the Shares purchased must be made in accordance with Section 11 of the Plan and the Stock Option Agreement.

5.5 Procedures for Exercise. A Participant or Authorized Transferee may exercise Options by following the procedures established by the Company's Stock Administration Department, as communicated and made available to Participants through the stock pages on the Intuit Legal Department intranet web site, and/or through the Company's electronic mail system.

5.6 Termination.

(a) Vesting. Any Option granted to a Participant will cease to vest on the Participant's Termination Date, if the Participant is Terminated for any reason other than total disability (as defined in this Section 5.6(a)) or death. Any

Option granted to a Participant who is an employee who has been actively employed by the Company or any Subsidiary for one year or more or who is a director, will vest as to 100% of the Shares subject to such Option, if the Participant is Terminated due to total disability or death. For purposes of this Section 5.6(a), total disability shall mean: (i) (A) for so long as such definition is used for purposes of the Company's group life insurance and accidental death and dismemberment plan or group long term disability plan, that the Participant is unable to perform each of the material duties of any gainful occupation for which the Participant is or becomes reasonably fitted by training, education or experience and which total disability is in fact preventing the Participant from

B-3

---

**Table of Contents**

engaging in any employment or occupation for wage or profit; or, (B) if such definition has changed, such other definition of total disability as determined under the Company's group life insurance and accidental death and dismemberment plan or group long term disability plan; and (ii) the Company shall have received from the Participant's primary physician a certification that the Participant's total disability is likely to be permanent. Any Option held by an employee who is Terminated by the Company, or any Subsidiary or Parent within one year following the date of a Corporate Transaction, will immediately vest as to such number of Shares as the Participant would have been vested in twelve months after the date of Termination had the Participant remained employed for that twelve month period.

(b) Post-Termination Exercise Period. Following a Participant's Termination, the Participant's Option may be exercised to the extent vested as set forth in Section 5.6(a):

(i) no later than 90 days after the Termination Date if a Participant is Terminated for any reason except death or Disability, unless a longer time period, not exceeding five years, is specifically set forth in the Participant's Stock Option Agreement; provided that no Option may be exercised after the Expiration Date of the Option; or

(ii) no later than (A) twelve months after the Termination Date in the case of Termination due to Disability or (B) eighteen months after the Termination Date in the case of Termination due to death or if a Participant dies within three months of the Termination Date, unless a longer time period, not exceeding five years, is specifically set forth in the Participant's Stock Option Agreement; provided that no Option may be exercised after the Expiration Date of the Option.

5.7 Limitations on Exercise. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option; provided that the minimum number will not prevent a Participant from exercising an Option for the full number of Shares for which it is then exercisable.

5.8 Limitations on ISOs. The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under the Plan or under any other incentive stock option plan of the Company or any Parent or Subsidiary) shall not exceed \$100,000. If the Fair Market Value of Shares on the date of grant with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds \$100,000, the Options for the first \$100,000 worth of Shares to become exercisable in that calendar year will be ISOs, and the Options for the Shares with a Fair Market Value in excess of \$100,000 that become exercisable in that calendar year will be NQSOs. If the Code is amended to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit shall be automatically incorporated into the Plan and will apply to any Options granted after the effective date of the Code's amendment.

5.9 Notice of Disqualifying Dispositions of Shares Acquired on Exercise of an ISO. If a Participant sells or otherwise disposes of any Shares acquired pursuant to the exercise of an ISO on or before the later of (a) the date two years after the Date of Grant, and (b) the date one year after the exercise of the ISO (in either case, a Disqualifying Disposition), the Company may require the Participant to immediately notify the Company in writing of such Disqualifying Disposition.

5.10 Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor; provided that any such action may not, without the written consent of Participant, impair any of Participant's rights under any Option previously granted; and provided, further that without stockholder approval, the modified, extended, renewed or new Option may not have a lower Exercise Price than the outstanding Option. Any outstanding ISO that is modified, extended, renewed or otherwise altered shall be treated in accordance with Section 424(h) of the Code. The Committee may reduce the Exercise Price of

outstanding Options without the consent of Participants affected, by a written notice to them; provided, however, that unless prior stockholder approval is secured, the Exercise Price may not be reduced below that of the outstanding Option.

5.11 *No Disqualification.* Notwithstanding any other provision in the Plan, no term of the Plan relating to ISOs will be interpreted, amended or altered, and no discretion or authority granted under the Plan will be exercised,

B-4

---

## **Table of Contents**

so as to disqualify the Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

### **6. RESTRICTED STOCK AWARDS.**

6.1 Awards of Restricted Stock. A Restricted Stock Award is an offer by the Company to sell to an eligible person Shares that are subject to restrictions. The Committee will determine to whom an offer will be made, the number of Shares the person may purchase, the Purchase Price, the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the following:

6.2 Restricted Stock Purchase Agreement. All purchases under a Restricted Stock Award will be evidenced by a Restricted Stock Purchase Agreement, which will be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. A Participant accepts a Restricted Stock Award by signing and delivering to the Company a Restricted Stock Purchase Agreement with full payment of the Purchase Price, within thirty days from the date the Restricted Stock Purchase Agreement was delivered to the Participant. If the Participant does not accept the Restricted Stock Award within thirty days, then the offer of the Restricted Stock Award will terminate, unless the Committee determines otherwise.

6.3 Purchase Price. The Purchase Price for a Restricted Stock Award will be determined by the Committee and, subject to the limit of Section 2.1, may be less than Fair Market Value (but not less than the par value of the Shares) on the date the Restricted Stock Award is granted. Payment of the Purchase Price must be made in accordance with Section 11 of the Plan and the Restricted Stock Purchase Agreement, and in accordance with any procedures established by the Company's Stock Administration Department, as communicated and made available to Participants through the stock pages on the Intuit Legal Department intranet web site, and/or through the Company's electronic mail system.

6.4 Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to such restrictions as the Committee may impose. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of the performance goals based on Performance Factors during any Performance Period as set out in advance in the Participant's Restricted Stock Purchase Agreement. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the payment for Shares to be purchased under any Restricted Stock Award, the Committee shall determine the extent to which such Restricted Stock Award has been earned. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

6.5 Termination During Performance Period. If a Participant is Terminated during a Performance Period or vesting period, for any reason, then such Participant will be entitled to payment (whether in Shares, cash or otherwise) with respect to the Restricted Stock Award only to the extent earned as of the date of Termination in accordance with the Restricted Stock Purchase Agreement, unless the Committee will determine otherwise.

### **7. STOCK BONUS AWARDS.**

7.1 Awards of Stock Bonuses. A Stock Bonus Award is an award to an eligible person of Shares (which may consist of Restricted Stock or Restricted Stock Units) for services to be rendered or for past services already rendered to the Company or any Parent or Subsidiary. All Stock Bonus Awards shall be made pursuant to a Stock Bonus Agreement,

which shall be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. No payment will be required for Shares awarded pursuant to a Stock Bonus Award, but the number of Shares awarded is subject to the limit of Section 2.1.

*7.2 Terms of Stock Bonus Awards.* The Committee will determine the number of Shares to be awarded to the Participant under a Stock Bonus Award and any restrictions thereon. These restrictions may be based upon completion of a specified number of years of service with the Company or upon satisfaction of performance goals

**Table of Contents**

based on Performance Factors during any Performance Period as set out in advance in the Participant's Stock Bonus Agreement. If the Stock Bonus Award is to be earned upon the satisfaction of performance goals, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Stock Bonus Award; (b) select from among the Performance Factors to be used to measure performance goals; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the issuance of any Shares or other payment to a Participant pursuant to a Stock Bonus Award, the Committee will determine the extent to which the Stock Bonus Award has been earned. Performance Periods may overlap and a Participant may participate simultaneously with respect to Stock Bonus Awards that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to a Stock Bonus Award to take into account changes in law and accounting or tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships.

*7.3 Form of Payment to Participant.* The Committee will determine whether the earned portion of a Stock Bonus Award will be paid to the Participant currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee may determine. To the extent permissible under law, the Committee may also permit a Participant to defer payment under a Stock Bonus Award to a date or dates after the Stock Bonus Award is earned provided that the terms of the Stock Bonus Award and any deferral satisfy the requirements of Section 409A of the Code and provided further that payout shall not be deferred beyond March 15 of the year following the year of vesting unless a deferral election in compliance with Section 409A of the Code has been made. Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value of the Shares earned under a Stock Bonus Award on the date of payment, and in either a lump sum payment or in installments.

*7.4 Termination of Participant.* In the event of a Participant's Termination during a Performance Period or vesting period, for any reason, then such Participant will be entitled to payment (whether in Shares, cash or otherwise) with respect to the Stock Bonus Award only to the extent earned as of the date of Termination in accordance with the Stock Bonus Agreement, unless the Committee determines otherwise.

## 8. STOCK APPRECIATION RIGHTS.

*8.1 Awards of SARs.* A Stock Appreciation Right (SAR) is an award to an eligible person that may be settled in cash, or Shares (which may consist of Restricted Stock), having a value equal to the value determined by multiplying the difference between the Fair Market Value on the date of exercise over the Exercise Price and the number of Shares with respect to which the SAR is being settled. The SAR may be granted for services to be rendered or for past services already rendered to the Company, or any Parent or Subsidiary. All SARs shall be made pursuant to a SAR Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

*8.2 Terms of SARs.* The Committee will determine the terms of a SAR including, without limitation: (a) the number of Shares deemed subject to the SAR; (b) the Exercise Price and the time or times during which the SAR may be settled; (c) the consideration to be distributed on settlement of the SAR; and (d) the effect on each SAR of the Participant's Termination. The Exercise Price of the SAR will be determined by the Committee when the SAR is granted and, subject to the limit of Section 2.1, may not be less than 100% of Fair Market Value. A SAR may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's individual SAR Agreement. If the SAR is being earned upon the satisfaction of performance goals, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for each SAR; and (y) select from among the Performance Factors to be used to measure the performance, if

any. Prior to settlement of any SAR earned upon the satisfaction of performance goals pursuant to a SAR Agreement, the Committee shall determine the extent to which such SAR has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different performance goals and other criteria. The Exercise Price of an outstanding SAR may not be reduced without stockholder approval.

B-6

---



**Table of Contents**

8.3 *Exercise Period and Expiration Date.* A SAR will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the SAR Agreement governing such SAR. The SAR Agreement shall set forth the last date that the SAR may be exercised (the Expiration Date ); provided that no SAR will be exercisable after the expiration of seven years from the date the SAR is granted. The Committee may also provide for SARs to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of the Shares subject to the SAR as the Committee determines.

8.4 *Form and Timing of Settlement.* Payment may be made in the form of cash or whole Shares or a combination thereof.

9. *RESTRICTED STOCK UNITS*

9.1 *Awards of Restricted Stock Units.* A Restricted Stock Unit (RSU ) is an award to an eligible person covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock) for services to be rendered or for past services already rendered to the Company or any Parent or Subsidiary. The Committee may authorize the issuance of RSUs to certain eligible persons who elect to defer cash compensation. All RSUs shall be made pursuant to a RSU Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan (including the limit set forth in Section 2.1).

9.2 *Terms of RSUs.* The Committee will determine the terms of a RSU including, without limitation: (a) the number of Shares deemed subject to the RSU; (b) the time or times during which the RSU may be exercised; (c) the consideration to be distributed on settlement, and the effect on each RSU of the Participant's Termination. A RSU may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's individual RSU Agreement. If the RSU is being earned upon satisfaction of performance goals, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) select from among the Performance Factors to be used to measure the performance, if any; and (z) determine the number of Shares deemed subject to the RSU. Prior to settlement of any RSU earned upon the satisfaction of performance goals pursuant to a RSU Agreement, the Committee shall determine the extent to which such RSU has been earned. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to the RSUs to take into account changes in law and accounting and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships.

9.3 *Form and Timing of Settlement.* The portion of a RSU being settled may be paid currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee determines. To the extent permissible under law, the Committee may also permit a Participant to defer payment under a RSU to a date or dates after the RSU is earned provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code and provided further that payout shall not be deferred beyond March 15 of the year following the year of vesting unless a deferral election in compliance with Section 409A of the Code has been made. Payment may be made in the form of cash or whole Shares or a combination thereof, either in a lump sum payment or in installments, all as the Committee determines.

10. *AUTOMATIC GRANTS TO NON-EMPLOYEE DIRECTORS.*

10.1 Eligibility. Non-Employee Directors are eligible for options granted pursuant to this Section 10.

10.2 Initial Grant. Each Non-Employee Director will automatically be granted an Option for 67,500 Shares on the date such Non-Employee Director first becomes a member of the Board. If a Non-Employee Director was previously an employee of the Company and did not receive an Option pursuant to the immediately preceding sentence, he or she will automatically be granted an Option for 67,500 Shares on the later of (i) the first regularly scheduled option grant date for employees after the Non-Employee Director is no longer employed by the

B-7

---

**Table of Contents**

Company; or (ii) the first regularly scheduled option grant date for employees after December 31, 2008. Each Option granted pursuant to this Section 10.2 shall be called an Initial Grant .

10.3 Succeeding Grant. On each anniversary of an Initial Grant under this Plan (or under the Company's 1996 Directors Stock Option Plan) each Non-Employee Director who has served continuously as a member of the Board during that period will automatically be granted an Option for 22,500 Shares. Each Option granted pursuant to this Section 10.3 shall be called a Succeeding Grant .

10.4 Committee Grants. Each Non-Employee Director who is appointed a new member of any Board Committee will automatically be granted an initial Option for 7,500 Shares on the date he or she is appointed to such Board Committee. On each anniversary of that appointment date, if the Non-Employee Director is a member of such Board Committee and has been in continuous service on such Board Committee since such grant, the Non-Employee Director will automatically be granted an Option for 7,500 Shares. Each Option granted pursuant to this Section 10.4 shall be called a Committee Grant . If a Non-Employee Director is appointed Chairperson of a Board Committee, then each Committee Grant made to the Non-Employee Director during the term of his or her appointment as Chairperson shall be an Option for 10,000 Shares, rather than 7,500 Shares. For avoidance of doubt, a Non-Employee Director shall be granted Committee Grants pursuant to this Section 10.4 for each Board Committee on which he or she serves.

10.5 Vesting and Exercisability

(a) Initial Grants shall become exercisable as they vest as to 25% of the Shares upon the first anniversary of the date such Option is granted and an additional 2.0833% of the shares each month thereafter and become fully vested on the fourth anniversary of the date of grant, so long as the Non-Employee Director continuously remains a director or a consultant of the Company.

(b) Succeeding Grants shall become exercisable as they vest as to 50% of the Shares upon the first anniversary of the date such Option is granted and an additional 4.1666% of the Shares each month thereafter and become fully vested on the second anniversary of the date of grant, so long as the Non-Employee Director continuously remains a director or a consultant of the Company.

(c) Each Committee Grant shall become exercisable as it vests as to 8.333% of the Shares each month following the date of grant and become fully vested on the first anniversary of the date of grant, so long as the Non-Employee Director continuously remains a director or a consultant of the Company.

(d) Any Option granted to a Non-Employee Director will vest as to 100% of the Shares subject to such Option, if the Non-Employee Director ceases to be a member of the Board or a consultant of the Company due to total disability or death. For purposes of this Section 10.5(d), total disability shall mean: (1) (i) for so long as such definition is used for purposes of the Company's group life insurance and accidental death and dismemberment plan or group long term disability plan, that the Non-Employee Director is unable to perform each of the material duties of any gainful occupation for which the Non-Employee Director is or becomes reasonably fitted by training, education or experience and which total disability is in fact preventing the Non-Employee Director from engaging in any employment or occupation for wage or profit or (ii) if such definition has changed, such other definition of total disability as determined under the Company's group life insurance and accidental death and dismemberment plan or group long term disability plan; and (2) the Company shall have received from the Non-Employee Director's primary physician a certification that the Non-Employee Director's total disability is likely to be permanent.

(e) In the event of a Corporate Transaction, the vesting of all Options granted to Non-Employee Directors pursuant to this Section 10 will accelerate and such Options will become exercisable in full prior to the consummation of such event at such time and on such conditions as the Committee determines, and if such Options are not exercised on or

prior to the consummation of the corporate transaction, they shall terminate.

10.6 *Form of Option Grant.* Each Option granted under this Section 10 shall be a NQSO and shall be evidenced by a Non-Employee Director Stock Option Grant Agreement in such form as the Committee shall from time to time approve and which shall comply with and be subject to the terms and conditions of this Plan.

B-8

---

**Table of Contents**

10.7 Exercise Price. The Exercise Price of each Option granted under this Section 10 shall be the Fair Market Value of the Share on the date the Option is granted. The Exercise Price of an outstanding Option may not be reduced without stockholder approval.

10.8 Termination of Option. Except as provided in Section 10.5(e) or this Section 10.8, each Option granted under this Section 10 shall expire seven (7) years after its date of grant. The date on which the Non-Employee Director ceases to be a member of the Board or a consultant of the Company shall be referred to as the Non-Employee Director Termination Date for purposes of this Section 10.8. An Option may be exercised after the Non-Employee Director Termination Date only as set forth below:

(a) Termination Generally. If the Non-Employee Director ceases to be a member of the Board or consultant of the Company for any reason except death or Disability, then each Option, to the extent then vested pursuant to Section 10.5 above, then held by such Non-Employee Director may be exercised by the Non-Employee Director within seven months after the Non-Employee Director Termination Date, but in no event later than the Expiration Date.

(b) Death or Disability. If the Non-Employee Director ceases to be a member of the Board or consultant of the Company because of his or her death or Disability, then each Option, to the extent then vested pursuant to Section 10.5 above, then held by such Non-Employee Director may be exercised by the Non-Employee Director or his or her legal representative within twelve months after the Non-Employee Director Termination Date, but in no event later than the Expiration Date.

11. PAYMENT FOR SHARE PURCHASES.

11.1 Payment. Payment for Shares purchased pursuant to the Plan may be made by any of the following methods (or any combination of such methods) that are described in the applicable Award Agreement and that are permitted by law:

(a) in cash (by check);

(b) in the case of exercise by the Participant, Participant's guardian or legal representative or the authorized legal representative of Participant's heirs or legatees after Participant's death, by cancellation of indebtedness of the Company to the Participant;

(c) by surrender of shares of the Company's Common Stock (including Shares otherwise issuable pursuant to the applicable Award);

(d) in the case of exercise by the Participant, Participant's guardian or legal representative or the authorized legal representative of Participant's heirs or legatees after Participant's death, by waiver of compensation due or accrued to Participant for services rendered;

(e) by tender of property; or

(f) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company's stock exists:

(1) through a same day sale commitment from the Participant or Authorized Transferee and an NASD Dealer meeting the requirements of the Company's same day sale procedures and in accordance with law; or

(2) through a margin commitment from Participant or Authorized Transferee and an NASD Dealer meeting the requirements of the Company's margin procedures and in accordance with law.

11.2 *Issuance of Shares.* Upon payment of the applicable Purchase Price or Exercise Price (or a commitment for payment from the NASD Dealer designated by the Participant or Authorized Transferee in the case of an exercise by means of a same-day sale or margin commitment), and compliance with other conditions and procedures established by the Company for the purchase of shares, the Company shall issue the Shares registered in the name of Participant or Authorized Transferee (or in the name of the NASD Dealer designated by the Participant or Authorized Transferee in the case of an exercise by means of a same-day sale or margin commitment) and

**Table of Contents**

shall deliver certificates representing the Shares (in physical or electronic form, as appropriate). The Shares may be subject to legends or other restrictions as described in Section 15 of the Plan.

**12. WITHHOLDING TAXES.**

12.1 *Withholding Generally.* Whenever Shares are to be issued in satisfaction of Awards granted under the Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements prior to the delivery of any certificate(s) for the Shares. If a payment in satisfaction of an Award is to be made in cash, the payment will be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

12.2 *Stock Withholding.* When, under applicable tax laws, a Participant incurs tax liability in connection with the exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may, in its sole discretion, allow the Participant to satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of whole Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose shall be made in accordance with the requirements established by the Committee and be in writing in a form acceptable to the Committee.

13. *PRIVILEGES OF STOCK OWNERSHIP.* No Participant or Authorized Transferee will have any rights as a stockholder of the Company with respect to any Shares until the Shares are issued to the Participant or Authorized Transferee. After Shares are issued to the Participant or Authorized Transferee, the Participant or Authorized Transferee will be a stockholder and have all the rights of a stockholder with respect to the Shares including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if the Shares are Restricted Stock, any new, additional or different securities the Participant or Authorized Transferee may become entitled to receive with respect to the Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock; provided further, that the Participant or Authorized Transferee will have no right to retain such dividends or distributions with respect to Shares that are repurchased at the Participant's original Exercise Price or Purchase Price pursuant to Section 15.

14. *TRANSFERABILITY.* No Award and no interest therein, shall be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution, and no Award may be made subject to execution, attachment or similar process; provided, however that with the consent of the Committee a Participant may transfer a NQSO to an Authorized Transferee. Transfers by the Participant for consideration are prohibited. Without such permission by the Committee, a NQSO shall like all other Awards under the Plan be exercisable (a) during a Participant's lifetime only by the Participant or the Participant's guardian or legal representative; and (b) after Participant's death, by the legal representative of the Participant's heirs or legatees.

15. *RESTRICTIONS ON SHARES.* At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement a right to repurchase all or a portion of a Participant's Shares that are not Vested (as defined in the Award Agreement), following the Participant's Termination, at any time within ninety days after the later of (a) the Participant's Termination Date or (b) the date the Participant purchases Shares under the Plan, for cash or cancellation of purchase money indebtedness with respect to Shares, at the Participant's original Exercise Price or Purchase Price; provided that upon assignment of the right to repurchase, the assignee must pay the Company cash equal to the excess of the Fair Market Value of the Shares over the original Purchase Price.

16. *CERTIFICATES*. All certificates for Shares or other securities delivered under the Plan (whether in physical or electronic form, as appropriate) will be subject to stock transfer orders, legends and other restrictions that the Committee deems necessary or advisable, including without limitation restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system on which the Shares may be listed.

B-10

---



**Table of Contents**

17. *ESCROW*. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other transfer instruments approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company, to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates.

18. *SECURITIES LAW AND OTHER REGULATORY COMPLIANCE*. An Award shall not be effective unless the Award is in compliance with all applicable state, federal and foreign securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system on which the Shares may then be listed, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in the Plan, the Company shall have no obligation to issue or deliver certificates for Shares under the Plan prior to (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and/or (b) completion of any registration or other qualification of such shares under any state, federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company shall be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state, federal or foreign securities laws, stock exchange or automated quotation system, and the Company shall have no liability for any inability or failure to do so.

19. *NO OBLIGATION TO EMPLOY*. Nothing in the Plan or any Award granted under the Plan shall confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary or limit in any way the right of the Company or any Parent or Subsidiary to terminate Participant's employment or other relationship at any time, with or without cause.

20. *REPRICING PROHIBITED; EXCHANGE AND BUYOUT OF AWARDS*. The repricing of Options or SARs is prohibited without prior stockholder approval. The Committee may, at any time or from time to time, authorize the Company, with prior stockholder approval, in the case of an Option or SAR exchange, and the consent of the respective Participants, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards. The Committee may at any time buy from a Participant an Option previously granted with payment in cash, Shares or other consideration, based on such terms and conditions as the Committee and the Participant shall agree; provided, however, that in no event will an Option with an Exercise Price above the Fair Market Value at the time of such proposed buyout be repurchased.

21. *CORPORATE TRANSACTIONS*.

21.1 *Assumption or Replacement of Awards by Successor*. Except as provided for in Section 10.5(e), in the event of a Corporate Transaction any or all outstanding Awards may be assumed or replaced by the successor corporation, which assumption or replacement shall be binding on all Participants. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Participant. In the event such successor corporation, if any, refuses to assume or replace the Awards, as provided above, pursuant to a Corporate Transaction or if there is no successor corporation due to a dissolution or liquidation of the Company, such Awards shall immediately vest as to 100% of the Shares subject thereto at such time and on such conditions as the Board shall determine and the Awards shall expire at the closing of the transaction or at the time of dissolution or liquidation.

21.2 *Other Treatment of Awards*. Subject to any greater rights granted to Participants under Section 21.1, in the event of a Corporate Transaction, any outstanding Awards shall be treated as provided in the applicable agreement or plan

of merger, consolidation, dissolution, liquidation or sale of assets.

21.3 Assumption of Awards by the Company. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either (a) granting an Award under the Plan in substitution of such other company's award, or (b) assuming such award as if it had been granted under the Plan if the terms of such assumed award could

B-11

---

**Table of Contents**

be applied to an Award granted under the Plan. Such substitution or assumption shall be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under the Plan if the other company had applied the rules of the Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award shall remain unchanged (except that the exercise price and the number and nature of Shares issuable upon exercise of any such option will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

22. *ADOPTION AND STOCKHOLDER APPROVAL.* The Plan was initially adopted by the Compensation and Organizational Development Committee on August 26, 2004. The Plan became effective upon approval by stockholders of the Company, consistent with applicable laws.

23. *TERM OF PLAN.* The Plan will terminate on December 9, 2010.

24. *AMENDMENT OR TERMINATION OF PLAN.* The Board may at any time terminate or amend the Plan in any respect, including without limitation amendment of any form of Award Agreement or instrument to be executed pursuant to the Plan. Notwithstanding the foregoing, neither the Board nor the Committee shall, without the approval of the stockholders of the Company, amend the Plan in any manner that requires such stockholder approval pursuant to the Code or the regulations promulgated thereunder as such provisions apply to ISO plans or pursuant to the Exchange Act or any rule promulgated thereunder or pursuant to the listing requirements of the national securities market on which the Shares are listed. In addition, no amendment that is detrimental to a Participant may be made to any outstanding Award without the consent of the Participant.

25. *NONEXCLUSIVITY OF THE PLAN; UNFUNDED PLAN.* Neither the adoption of the Plan by the Board, the submission of the Plan to the stockholders of the Company for approval, nor any provision of the Plan shall be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and bonuses otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases. The Plan shall be unfunded. Neither the Company nor the Board shall be required to segregate any assets that may at any time be represented by Awards made pursuant to the Plan. Neither the Company, the Committee, nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan.

26. *DEFINITIONS.* As used in the Plan, the following terms shall have the following meanings:

(a) *Authorized Transferee* means the permissible recipient, as authorized by this Plan and the Committee, of an NQSO that is transferred during the Participant's lifetime by the Participant by gift or domestic relations order. For purposes of this definition a permissible recipient is: (i) a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the Participant, including any such person with such relationship to the Participant by adoption; (ii) any person (other than a tenant or employee) sharing the Participant's household; (iii) a trust in which the persons in (i) or (ii) have more than fifty percent of the beneficial interest; (iv) a foundation in which the persons in (i) or (ii) or the Participant control the management of assets; or (v) any other entity in which the person in (i) or (ii) or the Participant own more than fifty percent of the voting interest.

(b) *Award* means any award under the Plan, including any Option, Restricted Stock, Stock Bonus, Stock Appreciation Right or Restricted Stock Unit.

(c) *Award Agreement* means, with respect to each Award, the signed written agreement between the Company and the Participant setting forth the terms and conditions of the Award.

(d) Board means the Board of Directors of the Company.

(e) Board Committee means each of the Acquisition Committee, the Audit Committee, the Compensation and Organizational Development Committee and the Nominating & Governance Committee.

(f) Code means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

B-12

---

**Table of Contents**

(g) Committee means the Compensation and Organizational Development Committee of the Board or such other committee appointed by the Board to administer the Plan, or if no committee is appointed, the Board. Each member of the Committee shall be (i) a non-employee director for purposes of Section 16 and Rule 16b-3 of the Exchange Act, and (ii) an outside director for purposes of Section 162(m) of the Code, unless the Board has fewer than two such outside directors.

(h) Company means Intuit Inc., a corporation organized under the laws of the State of Delaware, or any successor corporation.

(i) Corporate Transaction means (a) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of the Company and the Awards granted under the Plan are assumed or replaced by the successor corporation, which assumption shall be binding on all Participants), (b) a dissolution or liquidation of the Company, (c) the sale of substantially all of the assets of the Company, (d) a merger in which the Company is the surviving corporation but after which the stockholders of the Company immediately prior to such merger (other than any stockholder that merges, or which owns or controls another corporation that merges, with the Company in such merger) cease to own their shares or other equity interest in the Company; or (e) any other transaction which qualifies as a corporate transaction under Section 424(a) of the Code wherein the stockholders of the Company give up all of their equity interest in the Company (except for the acquisition, sale or transfer of all or substantially all of the outstanding shares of the Company).

(j) Disability means a disability within the meaning of Section 22(e)(3) of the Code, as determined by the Committee.

(k) Effective Date means the date stockholders approve the Plan pursuant to Section 22 of the Plan.

(l) Exchange Act means the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder.

(m) Executive Officer means a person who is an executive officer of the Company as defined in Rule 3b-7 promulgated under the Exchange Act.

(n) Exercise Price means the price at which a Participant who holds an Option or SAR may purchase the Shares issuable upon exercise of the Option or SAR.

(o) Fair Market Value means, as of any date, the value of a share of the Company's Common Stock determined as follows:

(1) if such Common Stock is then quoted on the NASDAQ Global Select Market, its closing price on the NASDAQ Global Select Market on such date or if such date is not a trading date, the closing price on the NASDAQ Global Select Market on the last trading date that precedes such date;

(2) if such Common Stock is publicly traded and is then listed on a national securities exchange, the last reported sale price on such date or, if no such reported sale takes place on such date, the average of the closing bid and asked prices on the principal national securities exchange on which the Common Stock is listed or admitted to trading;

(3) if such Common Stock is publicly traded but is not quoted on the NASDAQ Global Select Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on such date, as reported by The Wall Street Journal, for the over-the-counter market; or

(4) if none of the foregoing is applicable, by the Board of Directors in good faith.

(p) Insider means an officer or director of the Company or any other person whose transactions in the Company's Common Stock are subject to Section 16 of the Exchange Act.

(q) ISO means an Incentive Stock Option within the meaning of the Code.

B-13

---

**Table of Contents**

- (r) NASD Dealer means broker-dealer that is a member of the National Association of Securities Dealers, Inc.
- (s) NQSO means a nonqualified stock option that does not qualify as an ISO.
- (t) Option means an Award pursuant to Section 5 of the Plan.
- (u) Non-Employee Director means a member of the Company's Board of Directors who is not a current employee of the Company or any Parent or Subsidiary.
- (v) Parent means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if at the time of the granting of an Award under the Plan, each of such corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.
- (w) Participant means a person who receives an Award under the Plan.
- (x) Performance Factors means the factors selected by the Committee from among the following measures to determine whether the performance goals established by the Committee and applicable to Awards have been satisfied:
- (1) Net revenue and/or net revenue growth;
  - (2) Earnings before income taxes and amortization and/or earnings before income taxes and amortization growth;
  - (3) Operating income and/or operating income growth;
  - (4) Net income and/or net income growth;
  - (5) Earnings per share and/or earnings per share growth;
  - (6) Total stockholder return and/or total stockholder return growth;
  - (7) Return on equity;
  - (8) Operating cash flow return on income;
  - (9) Adjusted operating cash flow return on income;
  - (10) Economic value added; and
  - (11) Individual business objectives.
- (y) Performance Period means the period of service determined by the Committee, not to exceed five years, during which years of service or performance is to be measured for the Award.
- (z) Plan means this Intuit Inc. 2005 Equity Incentive Plan, as amended from time to time.
- (aa) Prospectus means the prospectus relating to the Plan, as amended from time to time, that is prepared by the Company and delivered or made available to Participants pursuant to the requirements of the Securities Act.

- (bb) Purchase Price means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option.
- (cc) Restricted Stock Award means an award of Shares pursuant to Section 6 of the Plan.
- (dd) Restricted Stock Unit means an Award granted pursuant to Section 9 of the Plan.
- (ee) RSU Agreement means an agreement evidencing a Restricted Stock Unit Award granted pursuant to Section 9 of the Plan.
- (ff) SAR Agreement means an agreement evidencing a Stock Appreciation Right granted pursuant to Section 8 of the Plan.



**Table of Contents**

- (gg) SEC means the Securities and Exchange Commission.
- (hh) Securities Act means the Securities Act of 1933, as amended, and the regulations promulgated thereunder.
- (ii) Shares means shares of the Company's Common Stock \$0.01 par value, reserved for issuance under the Plan, as adjusted pursuant to Sections 2 and 21, and any successor security.
- (jj) Stock Appreciation Right means an Award granted pursuant to Section 8 of the Plan.
- (kk) Stock Bonus means an Award granted pursuant to Section 7 of the Plan.
- (ll) Stock Option Agreement means the agreement which evidences a Stock Option, granted pursuant to Section 5 of the Plan.
- (mm) Subsidiary means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of granting of the Award, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.
- (nn) Ten Percent Stockholder means any person who directly or by attribution owns more than ten percent of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary.
- (oo) Termination or Terminated means, for purposes of the Plan with respect to a Participant, that the Participant has ceased to provide services as an employee, director, consultant, independent contractor or adviser, to the Company or a Parent or Subsidiary; provided that a Participant shall not be deemed to be Terminated if the Participant is on a leave of absence approved by the Committee or by an officer of the Company designated by the Committee; and provided further, that during any approved leave of absence, vesting of Awards shall be suspended or continue in accordance with guidelines established from time to time by the Committee. Subject to the foregoing, the Committee shall have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the Termination Date ).

**Table of Contents**

***INTUIT INC.  
P.O. BOX 7850  
MOUNTAIN VIEW, CA 94039***

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

**Please date, sign and mail your proxy card back as soon as possible!**

**Annual Meeting of Stockholders  
INTUIT INC.**

**December 16, 2008**

**- Please detach and Mail in Envelope Provided -**

**TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK  
AS FOLLOWS:**

INTUT1

**KEEP THIS PORTION FOR  
YOUR RECORDS**

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

DETACH AND RETURN THIS  
PORTION ONLY

INTUIT INC.

**The Board of Directors recommends that you vote FOR the election of all nominees for election to the Board of Directors and FOR proposals 2 and 3.**

<b>For All</b>	<b>Withhold All</b>	<b>For All Except</b>	To withhold authority to vote for any individual nominee(s), mark <b>For All Except</b> and write the number(s) of the nominee(s) on the line below.
----------------	---------------------	-----------------------	--

**1.ELECTION OF DIRECTORS**

**Nominees:**

- |                          |                          |
|--------------------------|--------------------------|
| 01) Stephen M. Bennett   | 07) Edward A. Kangas     |
| 02) Christopher W. Brody | 08) Suzanne Nora Johnson |
| 03) William V. Campbell  | 09) Dennis D. Powell     |
| 04) Scott D. Cook        | 10) Stratton D. Sclavos  |
| 05) Diane B. Greene      | 11) Brad D. Smith        |
| 06) Michael R. Hallman   |                          |

**Vote On Proposals**

**For Against Abstain**

2. Ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2009;
3. Approve the amendment to our 2005 Equity Incentive Plan.

NOTE: Please sign exactly as your name(s) appear(s) on the stock certificate. If shares of stock stand of record in the names of two or more persons or in the name of husband and wife, whether as joint tenants or otherwise, both or all of such persons should sign the proxy. If shares of stock are held of record by a corporation, the proxy should be executed by the president or vice president and the secretary or assistant secretary. Executors, administrators or other fiduciaries who execute the above proxy for a stockholder should give their full title. Please date the proxy.

Signature [PLEASE SIGN WITHIN Date  
BOX]

Signature (Joint Owners) Date



**Table of Contents**

**Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report on Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).

INTUIT INC.  
**PROXY FOR ANNUAL MEETING OF STOCKHOLDERS  
DECEMBER 16, 2008**

The undersigned hereby appoints Brad D. Smith and Laura A. Fennell, or either of them as proxies, each with full power of substitution, to represent the undersigned at the Annual Meeting of Stockholders of Intuit Inc. to be held at 8:30 a.m. Pacific Standard Time on December 16, 2008, at Intuit's offices at 2600 Casey Avenue, Mountain View, California, and at any adjournment or postponement thereof, and to vote the number of shares the undersigned would be entitled to vote if personally present at the meeting on the matters listed on the reverse side:

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF INTUIT. THIS PROXY WILL BE VOTED AS DIRECTED. IN THE ABSENCE OF DIRECTION, THIS PROXY WILL BE VOTED FOR THE NOMINEES FOR ELECTION AND FOR PROPOSALS 2 and 3. In their discretion, the proxy holders are authorized to vote upon such other business as may properly come before the meeting, and at any adjournment or postponement thereof, to the extent authorized by Rule 14a-4(c) promulgated by the Securities and Exchange Commission, and by applicable state laws (including matters that the proxy holders do not know, a reasonable time before this solicitation, are to be presented).**

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, YOU ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY MAIL THIS PROXY IN THE ENCLOSED RETURN ENVELOPE SO THAT THE SHARES MAY BE REPRESENTED AT THE MEETING.**

(Continued, and to be marked, dated and signed, on the other side)