Oracle Compensation & Mapping

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Agenda

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2 Compensation System Fundamentals

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Compensation Philosophy

- Attracting, retaining and motivating highly skilled, high performing employees is key to Oracle's ongoing success

- Oracle's goal is to compensate employees based on their contribution to the company and Oracle's financial performance

Our employees are the reason we are successful, innovative and thriving so it comes as no surprise that attracting, retaining, and motivating highly skilled, high performing employees is key to Oracle's ongoing success. Our goal is to compensate employees based on their contribution to the company and it's financial performance.

Compensation Components at Oracle

Base Salary

Linked to an employee's skills and competencies in their current role, sustained performance and local labor market conditions

Short-term Incentives

Provides a mechanism to reward short-term (less than one year) performance and results. Payouts are intended to vary based on performance

Examples of Short-term incentives at Oracle are

- Sales Incentive Plans - tied to individual or team performance against a quota
- Global Corporate Bonus - discretionary bonus funded by company performance

Long-term Incentives

Intended to be a retention tool. Equity awards also tie individual awards to adding shareholder value.

Oracle uses
- Stock Options
- Restricted Stock Units

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There are several components to compensation at Oracle shown on this slide. They include Base Salary, Short-term and Long-term incentives.

All employees have a Base Salary which is intended to be linked to their skills and competencies in their current role, as well as, their sustained performance and the local labor market conditions.
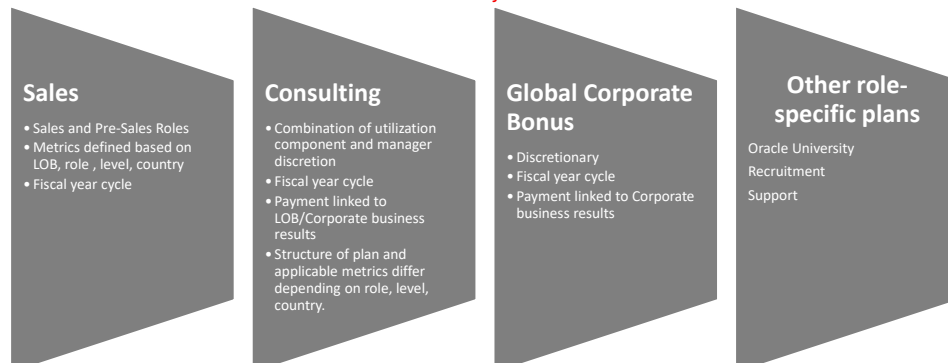
Some jobs are eligible for Short-term incentives or Bonuses. These incentives or bonuses are tied to short-term performance and results. Payouts vary based on those results.

Examples of these types of incentives at Oracle are: Sales Incentive Plans for Sales employees which are tied to individual or team performance against a quota and the Global Corporate Bonus which is a discretionary bonus funded by company performance.

The long-term incentive we use at Oracle is equity. These equity awards may be in the form of Stock Options and/or Restricted Stock Units. Equity awards are intended to be a retention tool, as well as, tie employees to stockholder value.

Oracle's Incentive/Bonus Plans

Developed to reward and incentivize employees to achieve and exceed their role and

team related objectives

Sales
- Sales and Pre-Sales Roles
- Metrics defined based on LOB, role , level, country
- Fiscal year cycle

Consulting
- Combination of utilization component and manager discretion
- Fiscal year cycle
- Payment linked to LOB/Corporate business results
- Structure of plan and applicable metrics differ depending on role, level, country.

Global Corporate Bonus
- Discretionary
- Fiscal year cycle
- Payment linked to Corporate business results

Other role-specific plans
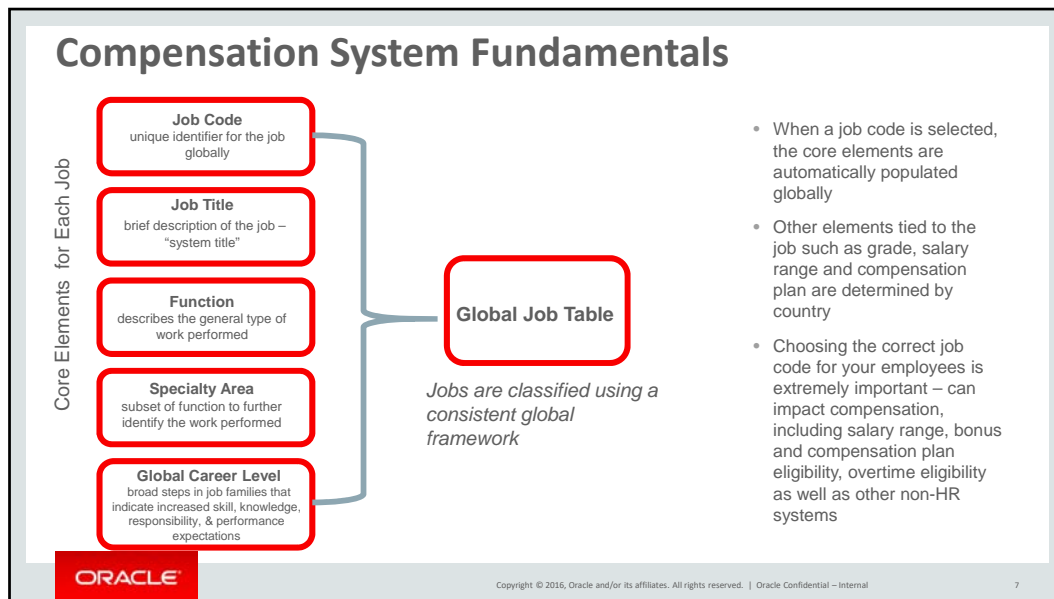Oracle University

Recruitment

Support

Additional information and more details on the Oracle Plans will be provided during the M&A harmonization communications that can supersede current information.

Compensation System Fundamentals

In this next section we will review several of the compensation systems fundamentals that you'll need to understand as a manager.

Compensation System Fundamentals

Core Elements for Each Job

Job Code
unique identifier for the job globally

Job Title
brief description of the job – "system title"

Function
describes the general type of work performed

Specialty Area
subset of function to further identify the work performed

Global Career Level
broad steps in job families that indicate increased skill, knowledge, responsibility, & performance expectations

Global Job Table

Jobs are classified using a consistent global framework

- When a job code is selected, the core elements are automatically populated globally
- Other elements tied to the job such as grade, salary range and compensation plan are determined by country
- Choosing the correct job code for your employees is extremely important – can impact compensation, including salary range, bonus and compensation plan eligibility, overtime eligibility as well as other non-HR systems

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The first fundamental is the Job Table.

All employees are assigned to a job code. Jobs at Oracle are classified using a consistent global framework. Each job is assigned 5 core elements globally.

•The Job Code which is the unique identifier for the job,

•The job title or system title that describes the job,

•The function which describes the general type of work performed,

•The specialty area which is a subset of the function and is intended to further identify the work performed and

•The global career level which indicates broad steps in job families that indicate increased skill, knowledge, responsibility and performance expectations. You can use the global career level to compare roles across organizations and countries. The Global Career Level structure has 2 paths – Management positions and Non-Management Positions which are referred to as Individual Contributors. There is no direct mapping between the 2 structures.

Other elements tied to the job such as grade, salary range and compensation plan are determined by country.

Choosing the correct job code for your employees is extremely important as it can impact compensation, including salary range, bonus and compensation plan eligibility, overtime eligibility as well as other non-HR systems.

Global Job Table

Job Code	Job Title	Function	Specialty Area	Career Level
51530	Financial Analyst 3	Finance	Budget Planning	IC3

Unique number → Job Code

System job title → Job Title

Type of work performed (not LOB specific) → Function

Specialty → Specialty Area

Global Career Level - Broad hierarchal category → Career Level

Every employee with same Job Code will have the same Global Job Title, Function, Specialty Area and Global Career Level

Job Functions, Specialty Areas and Job Families

Below is a subset of functions, specialty areas and job families at Oracle

FUNCTION	SPECIALTY	JOB FAMILIES
What does the employee do?	*What specialist work does the employee perform within the professional function?*	*What is the discipline within the professional function?*
Product Development	Development Product Management Technical Writing Technical/Process QA	Software Development Hardware Development User Experience Development
Information Technology	Business Implementation & Planning Data Center Services Functional Network Services Risk Management	Database Administrator Network/Systems Analyst Programmer Analyst
Finance	Accounting Contract Management Audit Payroll/Commissions Tax Treasury	Accounts Payable Financial Analyst Payroll Analyst Treasury Analyst Tax Accountant
Marketing	Channel Marketing Product Marketing Market Research	Marketing Communications Field Marketing Events Marketing

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Oracle has 15 distinct functions and multiple job families within each function. This slide shows some examples of job functions, specialty areas and job families.

Job families are a series of progressively higher, related **jobs** distinguished by levels of knowledge, skills, and abilities and other factors

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Job Functions, Specialty Areas and Job Families

Below is a subset of functions, specialty areas and job families at Oracle

FUNCTION	SPECIALTY	JOB FAMILIES
What does the employee do?	*What specialist work does the employee perform within the professional function?*	*What are the specific knowledge, skills and abilities needed to do the job?*
Sales	Account Management	Strategic Account Sales Rep
	Alliances	Alliances Consultant
	Business Development	Channel Sales
	Channel Partner Management	Client Success Specialists
	Client Success	Telesales Business Development Rep
	Financing	Application/Technical Sales Rep
	Country Management	Solution Specialist
	Lead Generation	
	Solutions Specialist	
	Specialized Product & Service Sales	
	Telesales	
	Territory Management	
Pre-sales	Product Applications Specialist	Sales Consultants

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Sales and Pre-Sales Function & Specialty Areas

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Global Career Levels

- Global career levels are a set of broad, hierarchical categories related to the level at which a job is performed
- Responsibilities, contribution and job complexity increase from one job level to the next in the hierarchy
- The global career level structure has two paths: Management (M1-M10) and Individual Contributor (IC0 – IC6). **There is no correlation between M and IC level**
- An employee is considered to be a manager if their primary responsibility is management (with hire/fire authority) of two or more regular full time equivalent Oracle employees. All other employees should be considered individual contributors, including team leaders

Management		Individual Contributor
Primary responsibility is management	≠	All other employees including team leaders
Levels M1 to M10		**Levels IC0 to IC6**

Global career levels are a set of broad categories related to the level a job is performed. These levels indicate where responsibilities, individual contributions and job complexity increase from one job level to the next.

The career level for a job in one organization with the same level of responsibilities and complexity as a job in another organization, will be the same level. This means that if a job in Finance does have the same level of responsibilities and complexity as a job say in Sales, the career level of the two jobs will be the same.

The career level structure has 2 paths. Management positions and Non-Management positions which are referred to as Individual Contributors. There is no direct mapping between M-levels and IC-levels. Each career path is considered separate from the other, and transfers or job changes across the paths should be evaluated on a case-by-case basis. M1-M5 (Supv to Sr Director); M6-VP; M7-GVP/SVP; M8-EVP; M9-Kurian and LeGuisquet; M10-LJE & CEO

Leveling Framework

Category	Specific Criteria	Learning	Developing	Fully Competent	Advanced (Mentor)	Strategic	Strategic Innovation
Scope	Responsibility, level of contact, Financial impact, Accountability/results						
Solution Complexity / Strategic Thinking	Nature of problems solved, Role in addressing problems, Complexity of solutions						
Freedom to Act	Level of guidance, Takes direction from						
Customer Interface	Level of contact, main level of interaction,						
Knowledge / Expertise	Business acumen, Technical skills, Education, Experience						

Why Six Levels to go from Low to High?

•Number required to effectively differentiate roles / levels in the organization

•Alignment with external labor market data; more companies and surveys have 5-7 total levels

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Individual Contributor Career Levels

IC1	Associate Professional	Learning	Contributes through **Following Directions**: Activity with guidance and problem solving with assistance Follow standard practices and procedures Gaining competence in own area 0-2 yrs experience
IC2	Intermediate Professional	Developing	Contributes **Independently**: Completes own role largely independently with some assistance and guidance Works on duties that are semi-routine but recognizes the need for occasional deviation from accepted practice Developing professional expertise Typically a Bachelor's degree with minimum of 2 yrs experience
IC3	Staff Professional	Career (Team Lead)	Contributes through **Expertise:** Tasks are varied and complex requiring independent judgment Contributes to moderately complex aspects of a project or assignment Fully competent in area of expertise May assist peers with aspects of their role or have a project lead role 5 years of relevant experiece; 4 years for Development
IC4	Senior Professional	Advanced (Mentor)	Contributes through **Others**: Leading contributor providing direction and mentoring to others Recognized authority and leading contributor in immediate business area/function Decisions and solutions may impact current/future design and strategy of product technologies and/or business Work is non-routine with high complexity involving the application of advance technical/business skills 8 years of relevant experience; 7 years for Development
IC5	Guru (Internal Expert)	Leadership *(5% - 10% global pop)*	Contributes through **Leadership**: Manages and plans implementation of company policy for achieving business goals Acknowledged authority within the corporation Recommends, justifies and implements major changes to existing products/services/processes Frequently operating at the leading edge of technology Provides technical/product/professional leadership and expertise to management in development of new products/processes 12+ years related experience
IC6	Architect	Acknowledged Expert *(2% - 3% global pop)*	Acknowledged authority within the corporation and/or industry nationally and internationally Provides leadership in the development and **strategic** direction of new products, processes and techniques Primary consultant on large, global projects that affect the organization's long term objectives/**strategy/vision**

This slide shows high level descriptions of the individual contributor career levels.

Management Career Levels

		Management is defined as one who is directly responsible for the practice or process of managing two or more employees with accountability for performance management, hire, fire, disciplinary, and rewards activities. Should have budget responsibility
M1	*Supervisor*	Primarily a resource/allocation role, coordinating the daily activities of a work group and setting priorities Supervise within prescribed procedures
M2	*Manager*	First line manager with operational focus within a single function Manages employees who perform similar tasks within a **single** function, BU/dept., product or technical discipline Majority of interaction is within the same BU or function Manage tasks and projects, as defined by senior management, to meet business targets Typical span of control is 2-5 employees
M3	*Sr. Manager*	Modifies and executes company policies that affect immediate operations and may have company-wide effect Manages employees who perform similar tasks across **multiple** work groups or department Primary interaction is within the same BU/function. May occasionally interact with customers on issues Plans, implements, maintains budget for functional area or section
M4	*Director*	Participates in developing and recommending strategic plans Develops short/medium and long term plans to successfully implement operational policies Influence across functions to shape ideas of executives or customers Manages multiple first line managers with different accountabilities, an/or functional experts Typical span of control is up to 8 employees
M5	*Sr. Director*	Developes and recommends strategic plans and set busniess and fiscal objectives Develops corporate and/or organizational policies and authorizes their implementation Establishes and maintains influential relationships at all levels of internal and external customers/prospects Responsible for cultivating cross functional communication Manages first line managers and directors with different accountabilities and/or functional experts across multiple depts Typical span of control is up to 15 employees

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This slide shows the high level descriptions for the management career levels.

Mapping Process

Job Mapping Process

- Job mapping is a process to align [*Target employee's*] job titles and levels to Oracle job titles and career levels
- When determining an employee's Oracle job title and career level, we will consider:
  - Benchmark job match to external market
  - Employee's job duties and scope compared to similar positions at [*Target Co.*]and Oracle
  - Employee's [*Target's*] salary, job title and description
- Decisions will be reviewed cross functionally to ensure fairness
- Decisions approved by [*Target Co*] senior management member

Job mapping is a process to align [Target employee's] job titles and levels to Oracle job titles and career levels.

There are several key things that are considered when determining an employee' Oracle job title and level - the benchmark job match to the external market, the employee's job duties and scope compared to similar positions at [Target Company] and Oracle and the employee's current salary, job title and job description.

Decisions will be reviewed across functions to ensure fairness and approved by [Target Company] senior management.

How Do *[Target Co.]* Jobs Fit Into Oracle Job Families?

Job title and career level determinations are based on the *specific work being performed* based on both:

➢**Job Content**
- Jobs are assessed relative to the various families and their corresponding content summaries to find the best fit

➢**Leveling Criteria**
- To be considered for a given level, 80% or more of the defined leveling criteria required must be met

Job title and career level determinations are based on the specific work being performed considering both job content and Oracle leveling criteria. Review the summaries of the various job families to find the best fit. Then review the leveling criteria. The best fit will be where the scope of the role meets 80% or more of the leveling criteria.