Agenda

1. Oracle’s Compensation Philosophy
2. Compensation System Fundamentals
3. Mapping Process
4. Q&A
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.
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.
In this next section we will review several of the compensation systems fundamentals that you’ll need to understand as a manager.
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.
Every employee with same Job Code will have the same Global Job Title, Function, Specialty Area and Global Career Level

<table>
<thead>
<tr>
<th>Job Code</th>
<th>Job Title</th>
<th>Function</th>
<th>Specialty Area</th>
<th>Career Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>51530</td>
<td>Financial Analyst 3</td>
<td>Finance</td>
<td>Budget Planning</td>
<td>IC3</td>
</tr>
</tbody>
</table>
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.
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.
Sales and Pre-Sales Function & Specialty Areas

**SALES**
- Generates revenue from assigned accounts, markets, products and/or services

**PRE-SALES**
- As part of the sales team, gives technical credibility to the technical/solution sell
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.

<table>
<thead>
<tr>
<th>Management</th>
<th>Individual Contributor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary responsibility is management</td>
<td>All other employees including team leaders</td>
</tr>
<tr>
<td>Levels M1 to M10</td>
<td>Levels IC0 to IC6</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Specific Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>Responsibility, Internal controls, Financial Impact, Accountability for metrics</td>
</tr>
<tr>
<td>Solution Complexity / Strategy Thinking</td>
<td>Nature of problems solved, Role in advancing solutions, Completeness of solutions</td>
</tr>
<tr>
<td>Freedom to Act</td>
<td>Level of guidance, Takes direction from</td>
</tr>
<tr>
<td>Customer Interface</td>
<td>Level of contact, main level of interaction</td>
</tr>
<tr>
<td>Knowledge / Expertise</td>
<td>Business acumen, Technical skills, Education, Experience</td>
</tr>
</tbody>
</table>

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
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.

<table>
<thead>
<tr>
<th>Level</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1</td>
<td>Supervisor</td>
<td>Primarily a resource/allocation role, coordinating the daily activities of a work group and setting priorities. Supervise within prescribed procedures.</td>
</tr>
<tr>
<td>M2</td>
<td>Manager</td>
<td>First line manager with operational focus within a single function. Manages employees who perform similar tasks within a single function, skillset, product or technical discipline. Majority of interactions within the same BUs/Function. Manage projects and programs, as defined by senior management, to meet business targets. Typical span of control is 2-5 employees.</td>
</tr>
<tr>
<td>M3</td>
<td>Sr. Manager</td>
<td>Manages and executes policies that affect immediate operations and may have company-wide effect. Manages employees who perform similar tasks across multiple work groups or departments. Primary interactions are within the same BUs/Function. May occasionally interact with customers or clients. Plans, implements, maintains budget for functional area or section.</td>
</tr>
<tr>
<td>M4</td>
<td>Director</td>
<td>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, and/or functional experts. Typical span of control is up to 8 employees.</td>
</tr>
<tr>
<td>M5</td>
<td>Sr. Director</td>
<td>Develops and recommends strategic plans and sets business 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 departments. Typical span of control is up to 15 employees.</td>
</tr>
</tbody>
</table>

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’s 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.
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.
QUESTIONS?