Agenda

1. Oracle’s Compensation Philosophy
2. Compensation System Fundamentals
3. Mapping Process
4. Q&A
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 its 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.
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 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.
Here is an example of the core elements to a job on the Global Job Table.

<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>10540</td>
<td>Software Developer 4</td>
<td>PRODEV</td>
<td>SWENG</td>
<td>IC4</td>
</tr>
</tbody>
</table>

Every employee with same Job Code will have the same Global Job Title, Function, Specialty Area and Global Career Level.
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.
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.
This slide shows high level descriptions of the individual contributor career levels.
This slide shows the high level descriptions for the management career levels.
Mapping Process
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 NetSuite and Oracle and the employee’s NetSuite salary, job title and 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.
Choosing the Correct Job Code/Title

- The Job code selected should correspond with job title which most closely reflects the role in the organization.
- If the job code is incorrect, there could be an impact to the employee’s compensation including:
  - Salary range, bonus eligibility, overtime eligibility, and compensation program eligibility
- In some cases, an incorrect job code could impact an offer letter or employment terms for M&A employees or access to manager self service and compensation program tools.

When choosing a job code, you should select the job that most closely reflects the role. It is important to remember that the job code need not be in a specific line of business. An example of this is Admin Assistants. Admins have a function of Admin but can be located across the organization.

If the job code is incorrect there could be an impact to the employee’s compensation, including their salary range, bonus eligibility, overtime eligibility and compensation plan eligibility.

In some cases an incorrect job code could impact an offer letter or employment terms especially for M&A employees and hamper access to manager self service and compensation program tools.
QUESTIONS?