
From: Safra Catz <safra.catz@oracle.com>
To: Joyce Westerdahl <joyce.westerdahl@oracle.com>
CC: Madie Cheruvu <madhavi.cheruvu@oracle.com>; Thomas Kurian <thomas.kurian@oracle.com>
Sent: 1/6/2014 5:45:02 PM
Subject: RE: PLEASE APPROVE: Key Employee Retention Request
Attachments: Retention_KeyEE_SafraRequest_Final-2.xlsx

Joyce please prepare these for comp committee approval later this week.

From: Thomas Kurian
Sent: Tuesday, December 17, 2013 9:17 PM
To: Safra Catz
Cc: Joyce Westerdahl; M Cheruvu
Subject: PLEASE APPROVE: Key Employee Retention Request

Safra – as I promised, I am sending you the list of our most critical retention issues with a recommendation after discussion with HR and with each of one of them on what it will be required to retain them. While our aggregate attrition rate is gradually increasing, we have two risks right now:

- First, we have lost a number of senior superstar individual contributors and engineering Senior Director/VP levels to Pre IPO startups - they have in turn dragged other people from the organization to them. On the technology side these include Pre-IPO start-ups in Analytics, Twitter, NoSQL DBMS, VMWare, Pivotal, Mobile, Amazon Web Services, and a few others. On the Applications side, these include people going to a number of SaaS vendors including SFDC, ServiceNow, Certain (Marketing), and a number of new SaaS start-ups.
- Second, we are having some difficulty replacing these executives who have left with capable executives from the companies we want. The primary issue that we are facing is around the RSU structure that other companies offer their executives that is difficult to pry people loose from.
- Third, additionally we also have a more significant risk expected in July 2014 when the options grants vest and a number of our senior executives have not seen significant upside compensation-wise with the grants from the more recent year. They are being actively pursued by a number of companies including more mature places like VMWare, SFDC, Google, and a range of other companies.

In sending you this request, I want to make sure I also let you know that we are doing our best in two additional contexts – so that this does not come across as though we are complaining.

- First, we have just completed a RIF in the US and next Monday in IDC of about 140 High Cost and about 160 Low Cost low performer reduction to lower operating expenses.
- Second, we are doing our best through interesting work and by being careful on which senior executives and individual contributors I am asking for to managing this process and request very carefully.
- Third, we have also been careful about how we hire and managing expenses for the quarter and next two quarters as well.

Thank you again in advance for your help and Larry's help with this request. The requests cover what is needed for this year and also for the following years in some cases and the details of everything is in the spreadsheet.

Thomas