Global Compensation Training
Managing Compensation at Oracle – an Introduction
Compensation Training Overview

- The Oracle Compensation Training for managers includes the following modules:
  - Introduction
  - Job Classification and Global Job Table
  - Salary Ranges
  - Managing Pay
  - Compensation Processes
  - Region specific modules
    - Americas
    - Asia Pacific
    - Europe, Middle East and Africa
    - Latin America
Topics

- General Compensation Principles
- Components of Total Compensation
Oracle’s Comp Principles and Objectives

*Oracle must attract, retain and motivate highly skilled, high performing employees to be successful*

- Provide compensation programs that:
  - Attract and Retain by being Market Competitive
  - Motivate employees to maximize their productivity, but also consider shareholder interests
  - Focus energy on the right things to achieve corporate objectives
  - Are legally compliant

- Pay for Performance
  - Company Performance
  - Individual Performance
Focus on Total Compensation

• Cash
  • Base Salary
  • Allowances
  • Short term incentives (commission/bonus)

• Stock
  • Long term incentive – stock options
  • ESPP

• Benefits
  • Country specific programs
Base Salary

- Represents potential pay opportunity for a job.
- Linked to employee’s skills and competencies in current role, as well as the performance of the employee and the situation in the local market.
- In some countries, base includes fixed allowances.
Short Term Incentive (Bonus or Commission)

• Provides management with a mechanism to reward short term performance
• Payments vary according to performance and allow companies to lower cost when results are not achieved
• Commission
  • Tied to individual/team performance against quota
• Bonus
  • Tied to company or LOB results
    • Eg Global Bonus, Consulting Bonus, ACS Bonus
Short Term Incentives

Different jobs have different pay at risk component (fixed vs. variable/bonus mix) – Short term incentive

Sales job-high pay at risk

*Keep them motivated - can be big payoff.*

Non-sales job-lower pay at risk

*Opportunity to reward based on performance*
What are Stock Options

• Contractual agreement between Oracle and individual employee (10 year term)
• Allows employees to purchase a specific number of Oracle shares at a set price
• Employee earns right over time to purchase shares (vesting)
Stock Options – Long Term Incentive

• What is the purpose of granting stock options?
  • Recognize and retain key talent
  • Focus senior management on delivering for key stakeholders (i.e. shareholders) – ownership
• This is a changing competitive market
• Different vehicles offered
• Tough to compete with growth companies
Benefits / Perks

- Company benefits differ by country depending on market practice and government/state provisions but may include some of the following:
  - Medical, Dental, Vision insurance
  - Income protection in case of sickness & disability
  - Term Life (Life Insurance) and Personal Accident Coverage
  - Retirement plans
  - Company Car/Car allowances
  - Vacation days
  - Employee Assistance Program (EAP)
  - Savings plans

*Local summary plan descriptions provide further information including eligibility criteria for Oracle benefits.*
It Isn’t Always About the Money

<table>
<thead>
<tr>
<th>Ranking by:</th>
<th>Employees</th>
<th>Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appreciation for work done</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Feeling “in” on things</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Sympathetic help on personal problems</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Job Security</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Good wages</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Interesting work</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Promotion/growth opportunities</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Personal loyalty to workers</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Good working conditions</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Tactful disciplining</td>
<td>10</td>
<td>7</td>
</tr>
</tbody>
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Tools and Resources

- Your manager
- The local Compensation/HR department
  - the HR Global Website lists compensation contacts & you will find your HR Rep & Manager by checking your ARIA page
- Internal Websites
  - MEE
  - DBI
  - CWB – used for bonus, stock & salary increase processes
  - IWB – shows salary information and history for all employees within your organization
  - HR Global Website, global HR policies
Information Workbench (IWB)

• Main View options:
  • Salary
  • Job Information
  • Sales Salary
  • Total Compensation (summarized - Rolling 12 months)
  • US hours worked - great tool to track overtime hours

• Filters:
  • All employees
  • Direct employees
  • By team
  • Per country

• There is also a training video available under: Information and Links / Trainings.