

**UNITED STATES DEPARTMENT OF LABOR
OFFICE OF ADMINISTRATIVE LAW JUDGES**

OFFICE OF FEDERAL CONTRACT
COMPLIANCE PROGRAMS, UNITED
STATES DEPARTMENT OF LABOR,

Plaintiff,

v.

ORACLE AMERICA, INC.,

Defendant.

OALJ Case No. 2017-OFC-00006

OFCCP No. R00192699

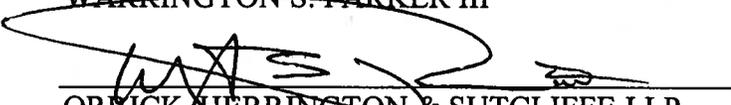
**DEPOSITION DESIGNATIONS
RE THE DEPOSITION OF KATE
WAGGONER - RULE 30(b)(6)
JULY 19, 2019**

Pursuant to the Court's Order on December 9, 2019, Oracle hereby submits the following deposition designations, including any errata and/or objections to such testimony by either party. To the extent that the testimony designated herein calls for privileged and/or confidential information, Oracle objects.

Respectfully submitted,

December 20, 2019

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Office of Administrative Law Judges
San Francisco, Ca

DEPOSITION DESIGNATIONS RE THE DEPOSITION OF KATE WAGGONER
RULE 30(B)(6), JULY 19, 2019

CASE NO. 2017-OFC-00006

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<p>7:12-8:25</p> <p>12 · · · · Q · (By Mr. Song) But can you just give us 13 · your title, please. 14 · · · · A · Yes. My title is senior director, global 15 · compensation. 16 · · · · Q · Okay. And you were previously the 17 · director of global compensation -- 18 · A · Yes. 19 · · · · Q · -- at Oracle? 20 · · · · · Okay. And I know you've been through this 21 · before as well, but can you just give us a quick summary 22 · of your duties? 23 · · · · A · Yes. So I am responsible for the -- any 24 · program that involves compensation that has a global 25 · focus, so my team runs the annual equity grant process</p>	
<p>8</p> <p>1 · when we have a merit or we call it a focal review for 2 · base salaries. 3 · · · · Q · Uh-huh. 4 · · · · A · When we run a corporate bonus, my team is 5 · responsible for the administration of that, the 6 · technology behind it, and setting up the administration 7 · and the timelines and the communications around that -- 8 · those programs. 9 · · · · · In addition, I have someone on my team 10 · who's responsible for M&A integration, the compensation 11 · decisions around acquiring employees and bringing them 12 · into the Oracle structure. 13 · · · · Q · Okay. 14 · · · · A · And I -- I'm responsible for salary survey 15 · submission, global salary survey submission for -- in 16 · order for us to do the market analysis of compensation 17 · packages. 18 · · · · Q · Okay. 19 · · · · A · And I have a -- a role doing -- preparing 20 · materials, compensation-related materials for the comp 21 · committee, the board of directors for our executives. 22 · What else? 23 · · · · Q · That's -- 24 · · · · A · There is -- 25 · · · · Q · That's good.</p>	

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<p>9:5-6</p> <p>5 · · · · Q · And who do you report to?</p> <p>6 · · · · A · I report to Phil Jenish.</p>	
<p>40:6-9</p> <p>6 · · · · Q · (By Mr. Song) How are compensation rules</p> <p>7 · set at Oracle?</p> <p>8 · · · · · MS. CONNELL: Objection. Assumes facts.</p> <p>9 · Vague and ambiguous. Lacks foundation.</p>	
<p>40:10-41:15</p> <p>10 · · · · A · What do you mean by “compensation rules”?</p> <p>11 · · · · Q · (By Mr. Song) Okay. How about</p> <p>12 · compensation policies?</p> <p>13 · · · · · MS. CONNELL: Objection. Assumes facts.</p> <p>14 · Vague and ambiguous. Lacks foundation.</p> <p>15 · · · · A · We don’t really have compensation</p> <p>16 · policies. Our one policy related to compensation is the</p> <p>17 · prior pay policy.</p> <p>18 · · · · Q · (By Mr. Song) Uh-huh.</p> <p>19 · · · · A · Other than that, we do not have policies</p> <p>20 · at Oracle about compensation.</p> <p>21 · · · · Q · Okay. So the one policy -- one</p> <p>22 · policy you have at Oracle is regarding prior</p> <p>23 · pay. So can we talk about that?</p> <p>24 · · · · A · Sure.</p> <p>25 · · · · Q · Can you tell me what that policy is,</p> <p>41</p> <p>1 · please.</p> <p>2 · · · · A · Effective October of 2017, managers may no</p> <p>3 · longer ask prior pay of a candidate for Oracle’s -- for</p> <p>4 · an Oracle job application.</p> <p>5 · · · · Q · Okay. And why is that?</p> <p>6 · · · · · MS. CONNELL: Objection. Calls for</p> <p>7 · speculation.</p> <p>8 · But you can answer.</p> <p>9 · · · · A · It was a policy change that -- I know that</p> <p>10 · there was a change in the law in 2018, and we got ahead</p> <p>11 · of what the law was -- was going to mandate in 2018.</p> <p>12 · · · · Q · (By Mr. Song) Okay. And who decided that?</p> <p>13 · · · · A · I don’t know.</p>	

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<p>14 · · · · Q · You -- so you -- 15 · · · · A · I did not --</p>	
<p>43:6-14</p> <p>6 · · · · Q · (By Mr. Song) So did you get an email 7 · stating this -- this new policy? 8 · · · · A · Yes. 9 · · · · Q · Okay. And do you remember who it was 10 · from? 11 · · · · A · Oracle HR. 12 · · · · Q · Okay. Anyone in particular at Oracle HR? 13 · · · · A · It wasn't the -- the "From:" was "Oracle 14 · HR." We --</p>	
<p>52:14-53:4</p> <p>14 · · · · Q · (By Mr. Song) Okay. If the policy -- if 15 · this policy of not using prior pay was enacted in '17, 16 · what was the prior policy on prior pay? 17 · · · · · MS. CONNELL: Objection. Assumes facts. 18 · Lacks foundation. 19 · · · · A · I already testified to not having policy 20 · on, really, anything compensation related prior to that 21 · policy being enacted. 22 · · · · Q · Okay. In regards to this -- in enacting 23 · or implementing this new policy, did Oracle change any of 24 · its forms that it uses? 25 · · · · A · Yes.</p> <p>53</p> <p>1 · · · · Q · Okay. Which ones? 2 · · · · A · There was a -- in our offer template, in 3 · our iRecruit system, there was a cell for a manager to 4 · enter current salary, and that was removed.</p>	
<p>53:11-54:3</p> <p>11 · · · · Q · And was anything done to ensure that prior 12 · pay was not considered in compensation after the change 13 · in policy? 14 · · · · · MS. CONNELL: Objection. Vague. Assumes 15 · facts. 16 · · · · A · When we -- when -- when compensation or HR 17 · trains to -- trains managers, trains HR, we -- the goal</p>	

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<p>18 · is to make managers knowledgeable and to make recruiters 19 · knowledgeable that it is no longer -- in this case, that 20 · prior pay is no longer allowed to be -- we cannot ask 21 · about it anymore. 22 · . . . Q. (By Mr. Song) Okay. 23 · . . . A. We have thousands of managers. We -- we 24 · don't go out and ask every manager if they ask that 25 · question.</p> <p>54</p> <p>1 · . . . Q. Uh-huh. 2 · . . . A. But once we roll out and implement the 3 · training, we assume that our managers follow the policy.</p>	
<p>55:8-57:5</p> <p>8 · . . . Q. (By Mr. Song) But it was part of the 9 · iRecruitment form, correct? 10 · . . . MS. CONNELL: Objection. Vague. 11 · . . . Q. (By Mr. Song) Prior -- 12 · . . . A. It -- it was a cell -- 13 · . . . Q. Yeah. 14 · . . . A. -- in the iRecruitment form, yes. 15 · . . . Q. Okay. And was that a mandatory cell? 16 · . . . MS. CONNELL: Objection. Vague. 17 · . . . A. The prior -- the current salary, was what 18 · it was called, I believe. The current salary cell, it 19 · was -- it was marked with an asterisk, appearing that it 20 · was probably mandatory, but it absolutely was not 21 · mandatory. You could submit without. 22 · . . . Q. (By Mr. Song) Okay. And how do you know 23 · that? 24 · . . . A. Because I've seen numerous forms without 25 · that cell entered with a value in there.</p> <p>56</p> <p>1 · . . . Q. Okay. And they would be submitted to you? 2 · . . . A. No -- well, actually, at -- back in 2013, 3 · when I was in that role, yes, I used to see some of 4 · these. 5 · . . . Q. Okay. And how many -- how many, would you 6 · say, that didn't have the -- the current salary cell 7 · completed? 8 · . . . A. I -- I don't know. 9 · . . . Q. Okay.</p>	

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<p>10 · · · · A. That's been six years. I will say, even 11 · if the cell was entered, there was a value in there -- 12 · · · · Q. Uh-huh. 13 · · · · A. -- that you can't assume that that was 14 · used to determine the new pay. 15 · · · · Q. Okay. An asterisk was there to denote 16 · that it was mandatory? 17 · · · · · MS. CONNELL: Objection. Asked and 18 · answered. 19 · · · · A. The -- in general for online forms -- 20 · · · · Q. (By Mr. Song) Uh-huh. 21 · · · · A. -- I am aware that the asterisk generally 22 · tells the user that it is a -- it is something that needs 23 · to be completed. 24 · · · · Q. Uh-huh. 25 · · · · A. Whether the form itself has a little</p> <p>57</p> <p>1 · footnote that says, "The asterisk means you must 2 · complete," I don't recall. 3 · · · · Q. Uh-huh. 4 · · · · A. But I do know that the form could be 5 · submitted with that cell blank.</p>	
<p>58:1-60:24</p> <p>1 · · · · Q. (By Mr. Song) Okay. So if it was -- so if 2 · it was used -- if it was included as a cell on the form 3 · and it was -- it was completed -- you testified that it 4 · was -- you received some forms without that cell being 5 · completed. 6 · · · · · But you also saw forms where it was 7 · completed, correct? 8 · · · · A. Correct. 9 · · · · Q. Okay. And so this was -- this was -- this 10 · was something that was considered, then, in determining 11 · salary? 12 · · · · · MS. CONNELL: Objection. Misstates her 13 · prior testimony. Assumes facts. Lacks foundation. 14 · · · · A. Yeah, I believe I already mentioned that 15 · just because it was on the form, doesn't mean it was 16 · considered in determining the new pay. You can -- 17 · · · · Q. (By Mr. Song) But it -- 18 · · · · A. -- reference a number but not have that be 19 · a deciding factor in your base salary.</p>	

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<p>20 · · · · Q. Okay. But it was considered in some 21 · cases? 22 · · · · · MS. CONNELL: Objection. Misstates her 23 · testimony. Assumes facts. 24 · · · · Q. (By Mr. Song) Well, why would it -- why 25 · would it be there if it was -- and marked as mandatory if</p> <p>59</p> <p>1 · it was never used? 2 · · · · · MS. CONNELL: Objection. Incomplete 3 · hypothetical. 4 · · · · Q. (By Mr. Song) Doesn't make any sense? 5 · · · · · MS. CONNELL: Calls for speculation and 6 · argumentative. 7 · · · · A. Whether specific -- again, we have 8 · thousands of managers. It could have just been a 9 · reference point. It may have been -- may have been used 10 · as a reference point. It may have just been there just 11 · because it was something on the form. It could have been 12 · something that the candidate offered up and they entered 13 · it in there and it made no difference to the offer 14 · whatsoever. 15 · · · · · It wasn't necessarily considered in 16 · determining their comp package. I don't think we can 17 · draw that conclusion. 18 · · · · Q. (By Mr. Song) Okay. Then why was the 19 · enactment of the prohibition on the use of prior pay 20 · necessary if it wasn't used? 21 · · · · · MS. CONNELL: Objection. Asked and 22 · answered and misstates her prior testimony. Calls for 23 · speculation. 24 · · · · A. The policy was enacted to ensure that 25 · managers knew going forward that it wasn't something they</p> <p>60</p> <p>1 · were allowed to ask or consider. Whether they were doing 2 · that prior, I don't believe we can say for certain, but 3 · it wasn't prohibited prior to the policy being enacted. 4 · · · · Q. (By Mr. Song) Okay. So -- so Oracle 5 · doesn't know why it was included in this form? 6 · · · · · MS. CONNELL: Objection. Misstates her 7 · prior testimony. 8 · · · · · It's also 10:00, so if you want to -- 9 · · · · Q. (By Mr. Song) Can you answer this? 10 · · · · A. Yes.</p>	

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<p>11 · · · · Q. And then we'll take a break.</p> <p>12 · · · · A. The -- it was included -- I believe it was</p> <p>13 · included as a point of reference because it was -- and it</p> <p>14 · was not prohibited by any law or by any policy. Whether</p> <p>15 · it was used as a point to determine the comp package, we</p> <p>16 · can't be certain. Sometimes maybe, never. Some managers</p> <p>17 · maybe used it or relied on it more; some managers maybe</p> <p>18 · didn't consider it at all.</p> <p>19 · · · · Q. Uh-huh.</p> <p>20 · · · · A. We don't have a way of knowing that. It</p> <p>21 · is up -- it is individual managers and we have thousands</p> <p>22 · of them.</p> <p>23 · · · · · But it wasn't prohibited prior to the</p> <p>24 · policy going out.</p>	<p>Errata: Sometimes? Maybe? Never?</p>
<p>65:2-66:4</p> <p>2 · · · · · Just -- just a follow-up on something you</p> <p>3 · mentioned before the break.</p> <p>4 · · · · · You said after the training -- after you</p> <p>5 · conducted the prior pay policy -- or Oracle conducted the</p> <p>6 · prior pay policy training, Oracle assumed that the</p> <p>7 · managers would follow it; is that correct?</p> <p>8 · · · · A. I -- yes, I -- when we train our managers,</p> <p>9 · we --</p> <p>10 · · · · Q. Okay.</p> <p>11 · · · · A. -- expect that they will professionally</p> <p>12 · absorb that material and go forward with those --</p> <p>13 · · · · Q. Okay.</p> <p>14 · · · · A. -- policies and practices.</p> <p>15 · · · · Q. Okay. And is that true for other</p> <p>16 · compensation trainings, or I guess I should just say, any</p> <p>17 · trainings for Oracle?</p> <p>18 · · · · · MS. CONNELL: Objection. Vague.</p> <p>19 · · · · A. Is what true?</p> <p>20 · · · · Q. (By Mr. Song) That after training, that</p> <p>21 · managers will just -- that Oracle will assume managers</p> <p>22 · will follow the training guidelines or whatever the</p> <p>23 · training provides.</p> <p>24 · · · · · MS. CONNELL: Objection. Misstates her</p> <p>25 · testimony.</p> <p>66</p> <p>1 · · · · A. I -- I mean, in any -- in any workplace</p>	

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2· when you train your managers on stuff, I think you should 3· be able to assume that they will then follow the policies 4· that they have been trained on.	
66:10-69:9 10· . . . Q· So because -- well, if you have a -- if 11· you have one policy versus you're just training on how 12· to, you know -- I don't know -- keep records of your 13· hours or something like that, it's not a -- because you 14· guys don't have any other compensation policies. Maybe 15· those might not be required or maybe you don't assume 16· that they -- well, I guess you -- maybe you assume they 17· follow it. 18· But those might be treated differently 19· than -- than this prior pay policy, which is a policy, 20· and it sounds like it's based on the change in the law? 21· MS. CONNELL: Objection. Compound. I'll 22· object to the preamble as lacks foundation and misstates 23· her prior testimony. 24· . . . A· I guess if you're -- if you're asking if 25· we -- we removed that prior pay cell in our offers?	
67 1· . . . Q· (By Mr. Song) Uh-huh. 2· . . . A· I'm not sure how we would go about 3· absolutely ensuring that it's enforced. We -- when we 4· hire our managers, we assume that they will take that 5· training and -- and they have HR consultants who work 6· with them as well and continue to enforce that: This is 7· the -- this is the policy. You may not -- you may not go 8· outside of the policy. 9· . . . Q· Okay. So they're required to follow that 10· policy? 11· . . . A· They are required to follow -- 12· . . . Q· Okay. 13· . . . A· -- that policy. 14· . . . Q· But since there aren't other compensation 15· guidelines, what if -- if you had a -- if Oracle had 16· another -- a different or another compensation training, 17· would they be required to follow what -- you know, what 18· the training includes? 19· MS. CONNELL: Objection. Misstates her 20· prior testimony and vague and ambiguous. 21· . . . A· I guess, what do you -- what -- what do	

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<p>22· you mean by other trainings? Which -- 23· . . . Q· (By Mr. Song) So if they had another -- 24· any other training, other than -- you have other 25· compensation trainings –</p> <p>68</p> <p>1· . . . A· Correct. 2· . . . Q· -- correct? 3· Okay. For those trainings, are the 4· managers required to abide by that -- by the training? 5· Like as in the prior pay, they're required to follow that 6· training, but what about other trainings? 7· MS. CONNELL: Objection. Vague and 8· ambiguous. Compound. And calls for speculation as to 9· which "trainings" you're referring to. 10· . . . A· Our compensation -- compensation 101 11· trainings are very educational. 12· . . . Q· (By Mr. Song) Uh-huh. 13· . . . A· And they're not -- I wouldn't say they're 14· required. We -- again, when we train our managers on 15· our -- our guidelines and our practices -- 16· . . . Q· Uh-huh. 17· . . . A· -- we should be able to assume that they 18· will then go forward and -- and practice those. And 19· their compensation consultant and their HR consultant, 20· they're all trained and familiar. 21· So when we release a training, we assume 22· that that is the practice that goes forward. 23· . . . Q· All right. So for those trainings, Oracle 24· would assume that they're followed, but they're not 25· required to follow?</p> <p>69</p> <p>1· MS. CONNELL: Objection -- 2· . . . A· I -- 3· MS. CONNELL: -- misstates her testimony. 4· . . . A· I would say that there's -- like I said, 5· we're huge. There's no way for us to know whether every 6· single manager absolutely follows everything about all of 7· our guidelines and policies, but yes, we assume that we 8· have trained you and you are going to go forward in your 9· job following the trainings and the guidelines.</p>	

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<p>69:25-72:4</p> <p>25 · · · · Q· Okay. Are there -- so you testified</p> <p>70</p> <p>1· ·earlier that there's only one compensation policy, but</p> <p>2· ·are there -- does Oracle have compensation practices,</p> <p>3· ·guidelines, processes?</p> <p>4· · · · A· We do. We have --</p> <p>5· · · · Q· Okay.</p> <p>6· · · · A· -- guidelines and we have policies -- or</p> <p>7· ·not -- guidelines and practices. And I will add for the</p> <p>8· ·policies piece, we have that policies posted internally</p> <p>9· ·on Manager Essentials. Managers see it when they log in</p> <p>10· ·to our website. We make sure it's known that that policy</p> <p>11· ·is -- is in effect, and it must be followed regarding</p> <p>12· ·prior pay.</p> <p>13· · · · Q· Okay.</p> <p>14· · · · A· We -- our other -- we give guidelines for</p> <p>15· ·how to -- for how to -- how to make pay decisions, for</p> <p>16· ·how to use a salary range, for how to determine our -- or</p> <p>17· ·on the importance of determining the correct job code</p> <p>18· ·when you're going to post the job --</p> <p>19· · · · Q· Uh-huh.</p> <p>20· · · · A· -- that applicants would apply to. We</p> <p>21· ·give those kinds of guidelines as well, and there are</p> <p>22· ·trainings and information on those guidelines and</p> <p>23· ·practices also available to our managers online.</p> <p>24· · · · Q· Okay. So -- so guidelines are not</p> <p>25· ·policies, but are they more recommendations or best</p> <p>71</p> <p>1· ·practices?</p> <p>2· · · · A· I would say best practices, and the --</p> <p>3· ·they kind of outline the things we want to make sure that</p> <p>4· ·people consider when making compensation decisions.</p> <p>5· · · · Q· Okay. And are managers required to follow</p> <p>6· ·guidelines?</p> <p>7· · · · · MS. CONNELL: Objection. Vague. And</p> <p>8· ·compound as to which guidelines.</p> <p>9· · · · A· Yeah. I would say it depends. There are</p> <p>10· ·guidelines for most situations and scenarios.</p> <p>11· · · · Q· (By Mr. Song) Uh-huh.</p> <p>12· · · · A· But every single situation -- every single</p>	

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<p>13· individual situation does not necessarily -- there are 14· exceptions to guidelines as well, for -- for valid 15· reasons, I would say. 16· . . . Q· Okay. 17· . . . A· So we put them out there as best 18· practices, but understand that there could be 19· circumstances where something different is decided. 20· . . . Q· Okay. And what guideline -- what 21· compensation guidelines does Oracle have? 22· . . . A· We have -- we have guidelines on how to 23· determine the compensation -- how to determine new hire 24· salary. 25· . . . Q· Okay.</p> <p>72</p> <p>1· . . . A· How to determine internal transfer salary, 2· a rehire -- rehire guidelines. Some internal mobility 3· guidelines. How to use a range, how to use the salary 4· range.</p>	
<p>74:20-79:1</p> <p>20· . . . A· Going back to the 2011 comp 101 trainings 21· that are part of our exhibits, yes. 22· . . . Q· Okay. Were you personally involved in 23· developing all of them, or just some of them? 24· . . . A· I would say of the guidelines that are in 25· place today.</p> <p>75</p> <p>1· . . . Q· Uh-huh. 2· . . . A· I -- like I said, I don't remember off the 3· top of my head -- 4· . . . Q· Sure. 5· . . . A· -- exactly -- exactly all of them, but I 6· had a role in either -- either a project management role 7· that the trainings -- those trainings slides, I was the 8· project manager for that globally, so yes. 9· . . . The other ones that are more recent, I 10· absolutely -- because -- because so many of our 11· guidelines and trainings are global in nature, I 12· absolutely had a role, either as part of the committee or 13· as one of the reviewers or -- yes, I played a role in 14· that. 15· . . . The only one I didn't was that U.S. -- the</p>	

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16 · U.S. pay -- the prior pay. 17 · . . . Q. · Okay. 18 · . . . A. · Because my role is global. 19 · . . . Q. · Okay. Then what is the process of 20 · developing these guidelines? 21 · . . . A. · We would -- we get -- determine who would 22 · like to be part -- or we -- yeah, we determine who would 23 · like to be part of this team. We say: We're going to 24 · work on, for example, a new internal transfer guideline. 25 · . . . Q. · Uh-huh.	
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1 · . . . A. · "Who might we need to be part of that?" 2 · And it would be, you know, someone from -- 3 · someone from a couple different regions of compensation, 4 · someone from a couple different regions of HR. We try to 5 · make sure we have global representation so we don't just 6 · have a U.S. lens on everything. 7 · And then we have somebody from our 8 · internal HR comms team who's been assigned to 9 · compensation, and he helps us to kind of bring it all 10 · together and get it into a nice, presentable -- 11 · presentable format. 12 · And then from there, when we have our -- 13 · we come to our agreement, we get reviewed by HR 14 · leadership and also legal, our internal counsel. 15 · . . . Q. · Okay. And do you remember any of the 16 · specific people that worked on this with you? 17 · MS. CONNELL: Objection. Vague as to 18 · which guidelines. 19 · . . . A. · Yeah. Which ones? It's varied. 20 · . . . Q. · (By Mr. Song) Well, there's -- I hate to 21 · go over each one of them, but let me see the most -- how 22 · about the salary or compensation guidelines? 23 · . . . A. · Meaning the compensation 101 trainings -- 24 · . . . Q. · Yeah. 25 · . . . A. · -- that are part of --	
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1 · . . . Q. · Yeah. 2 · . . . A. · -- the exhibits? 3 · . . . Q. · Okay. Yeah. We'll start there. 4 · . . . A. · So that -- that would be -- and can I 5 · assume you mean U.S. representation only? 6 · . . . Q. · Yes.	

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<p>7 ··· A. That would have been -- it was, like I 8 ·said, back in 2011, so it would have been Lynne Carrelli; 9 ·at the time, she was Lynne Palmer. 10 ··· Q. Okay. 11 ··· A. And then from there, the rest of the 12 ·people haven't been with Oracle for a while, so the rest 13 ·of them were other regions. 14 ··· Q. Okay. 15 ··· A. The manager in charge of comp is not 16 ·around anymore. But Emily Sullivan from Oracle legal was 17 ·part of the review. 18 ····· And at the time, we didn't even have a 19 ·marketing compen- -- a marketing communications -- or a 20 ·HR communications person, sorry. So it was -- that was 21 ·mostly the compensation consultants from around the 22 ·world followed by a legal review on that. 23 ··· Q. All right. What about the salary range 24 ·guidelines? 25 ··· A. The same. That's --</p>	
<p>78</p>	
<p>1 ··· Q. The same? 2 ··· A. That's all part of that training from 3 ·2011. 4 ··· Q. All right. And who specifically needed -- 5 ·or approved the guidelines? 6 ····· MS. CONNELL: Objection. Assumes facts. 7 ··· A. Again, it was the -- when we say 8 ·"guidelines," to me, it's more about trainings and how to 9 ·make some decisions, and we documented the things that 10 ·should be considered in various situations or -- 11 ·depending on which module you're talking about. 12 ··· Q. (By Mr. Song) Uh-huh. 13 ··· A. So, really, the -- the approval of the 14 ·content within the trainings, what -- came from the 15 ·compensation leader at the time. We -- like I said, it 16 ·was a team of regional compensation folks that worked on 17 ·it. And then we would have gotten compensation sign-off 18 ·from our comp leader at the time, her name was Sue 19 ·Charley, back in 2011. 20 ··· Q. Okay. 21 ··· A. And then to get our sign-off from Emily 22 ·Sullivan in legal to say, "Yes, you know, what you have 23 ·in here is -- is perfectly fine."</p>	

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<p>24 · · · So that would -- I mean, that would have 25 · · · been the extent of it, the people who were in the – who</p> <p>79 1 · · · I named in the committee before.</p>	
<p>79:2-20</p> <p>2 · · · · Q · Okay. And these guidelines are 3 · · · communicated and -- communicated to staff and managers 4 · · · through trainings, correct? 5 · · · · A · Through the trainings, yes. 6 · · · · Q · Okay. And is there any other way that 7 · · · they're implemented? 8 · · · · · MS. CONNELL: Objection. Vague. 9 · · · · A · So not -- no, except that the -- I 10 · · · would -- I would say that the -- the -- in consultation 11 · · · with, the managers consult with their HR business 12 · · · partners often when they're making -- making decisions 13 · · · related to pay. 14 · · · · Q · (By Mr. Song) Okay. 15 · · · · A · And so as far as, you know, an official 16 · · · implementation, other than the trainings themselves, not 17 · · · really. But then when they go to consult with their HR 18 · · · business partner, their HR business partner would speak 19 · · · to what's also in the trainings as part of their guidance 20 · · · when they have their conversations with the managers.</p>	
<p>79:21-80:1</p> <p>21 · · · · Q · Okay. 22 · · · · A · So not really implemented, but how it's 23 · · · enforced and how it gets used -- 24 · · · · Q · Okay. 25 · · · · A · -- would be via their consultation with HR</p> <p>80 1 · · · or comp.</p>	
<p>81:19-82:4</p> <p>19 · · · · Q · Okay. And are managers required to take 20 · · · these trainings on guidelines? 21 · · · · A · The trainings are not required, no. 22 · · · · Q · Okay.</p>	

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<p>23 ····· MS. CONNELL: For the record, you mean the 24 · compensation guidelines, correct? 25 ····· MR. SONG: Yes. Yeah. We're talking –</p> <p>82</p> <p>1 ····· A. Yes. 2 ····· MR. SONG: -- about compensation. 3 ····· A. Sorry. Compensation guidelines. They are 4 · not required to take the trainings, no.</p>	
<p>90:15-93:22</p> <p>15 ····· Q. Okay. Let me show you an exhibit that I 16 · believe you're familiar with, you've seen before. 17 ····· So this -- 18 ····· THE COURT REPORTER: Just a second. 19 ····· MR. GARCIA: Just for the record, are you 20 · putting a new exhibit number on it? 21 ····· THE COURT REPORTER: You didn't want me 22 · to? 23 ····· MR. SONG: Oh, no, I'm sorry. I was just 24 · about to say that this was previously marked as 25 · Exhibit 7.</p> <p>91</p> <p>1 ····· THE COURT REPORTER: Okay. 2 ····· MR. SONG: So it's from Ms. Waggoner's 3 · deposition. 4 ····· MS. CONNELL: And this (indicating) should 5 · be 121, right? 6 ····· MR. SONG: We thought it was 120. 7 ····· MR. GARCIA: It's 120. 8 ····· MS. CONNELL: Oh, 120. 9 ····· MS. JAMES: Sorry. 10 ····· MS. CONNELL: My mistake. 11 ····· Q. (By Mr. Song) So the document I just 12 · handed to you was shown to you during your previous 13 · deposition. 14 ····· A. Yeah. 15 ····· Q. And it's marked as Exhibit 7. 16 ····· A. Okay. 17 ····· Q. Do you recognize this document? I'll give 18 · you a few minutes to read it over.</p>	

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19 · · · · · (A pause occurred in the proceedings.) 20 · · · · A · Yes, I do. 21 · · · · Q · Okay. Can you tell us what this is? 22 · · · · A · So this is another -- when -- when I was 23 · · · · testifying previously, I was thinking more of those comp 24 · · · · 101 modules that are on various topics from 2011, like 25 · · · · the managing pay and how to use salary ranges and those.	
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1 · · This is kind of a compilation of all of those -- 2 · · · · Q · Okay. 3 · · · · A · -- that were delivered live, and this 4 · · · · would have been by Kris Edwards, U.S. compensation team. 5 · · · · · So yeah, Kris Edwards would have been part 6 · · · · of it, and any number of people on her team could have 7 · · · · possibly -- I don't know who -- I don't know personally 8 · · · · who developed -- or who presented this at the time. 9 · · · · Q · Okay. 10 · · · · A · But it would have been a member of the 11 · · · · U.S. compensation team. 12 · · · · Q · Okay. Do you recall -- or do you know if 13 · · · · these guidelines, the guidelines contained in this 14 · · · · training, are still current? 15 · · · · A · Yes, they are. 16 · · · · Q · Okay. And is this the latest version of 17 · · · · this training, July 2016? 18 · · · · A · To my knowledge, yes, and if you review in 19 · · · · great detail, much of it is, like I said, pieces of 2011. 20 · · · · We -- they still apply. 21 · · · · Q · Okay. 22 · · · · A · Yeah. 23 · · · · Q · So this would be the -- the operative 24 · · · · training for these guidelines? 25 · · · · · MS. CONNELL: Objection. Misstates her	
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1 · · testimony. 2 · · · · A · This -- this is a compilation of all of 3 · · · · those different topics. 4 · · · · Q · (By Mr. Song) Okay. 5 · · · · A · When we did the 2011 initially, it was 6 · · · · intended to be short snippets of information, so that 7 · · · · managers could go on Demand and watch for 20 minutes on 8 · · · · this topic or 15 minutes on that topic.	

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<p>9 · · · · · And in this, the U.S. compensation team -- 10 · because they are the consultative wing, that's who HR 11 · goes to to ask them questions -- they brought all of it 12 · together into one so that they could do a live -- a live 13 · version. 14 · · · · Q. Okay. 15 · · · · A. And so yes, this is -- this is still -- 16 · still valid. 17 · · · · Q. Okay. So these are the currently 18 · operative guidelines contained in this training? 19 · · · · A. I believe so. 20 · · · · · MS. CONNELL: Object. 21 · · · · · THE WITNESS: Oh, I'm sorry. 22 · · · · A. For compensation.</p>	
<p>99:23-103:23</p> <p>23 · · · · Q. Okay. Can you turn to Slide 4. It's 24 · Bates Number 56234-5. 25 · · · · A. Uh-huh.</p> <p>100</p> <p>1 · · · · Q. And have you seen a picture of this slide 2 · before? 3 · · · · A. Oh, yes. 4 · · · · Q. Okay. And I think I forgot to ask you, 5 · were you involved in drafting or developing this 6 · training? 7 · · · · A. This particular training, I was not. 8 · · · · Q. Okay. Do you need a second to review it, 9 · or -- 10 · · · · A. No. 11 · · · · Q. No? Okay. 12 · · · · A. Very familiar. 13 · · · · Q. Okay. And this -- this slide -- can you 14 · just describe it for me? 15 · · · · A. So this slide gives an example of what our 16 · global job table would look like. It explains to 17 · managers that we have unique job codes. And then from 18 · there, there is a system job title, a function that 19 · explains the type of work being performed, a specialty 20 · area that gets a little bit more specific about the type 21 · of work being performed, and then the global career level 22 · that represents where in our broad hierarchical structure</p>	

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<p>23. that job code falls.</p> <p>24. . . . Q. Okay. Can you explain each global career</p> <p>25. level a little bit more in detail, please.</p> <p>101</p> <p>1. . . . A. Yes. So there are two tracks: We have</p> <p>2. the individual contributor track, and we have the manager</p> <p>3. track. And the individual contributor track, entry level</p> <p>4. would be -- it goes IC -- it actually starts at IC-0.</p> <p>5. The IC-0s are more administrative-type roles.</p> <p>6. So within IC-0, we would have</p> <p>7. Administrative-1, Administrative-2, A-1, A-2, A-3, A-4.</p> <p>8. And that's for, like, admin assistants and some of our --</p> <p>9. I believe, like, our -- some of our help desk and more --</p> <p>10. just more junior administrative-type roles sit in that</p> <p>11. IC-0.</p> <p>12. . . . Q. Uh-huh.</p> <p>13. . . . A. IC-1 is entry level. Like fresh out of</p> <p>14. college, you don't have any experience, but it's on the</p> <p>15. professional ranks, like our developers or our programmer</p> <p>16. analysts or whoever that might be.</p> <p>17. So it goes IC-4, all the way up -- IC's</p> <p>18. actually go all the way up to I- -- we have an IC-7 in</p> <p>19. product development, but that's a guru, and I think we've</p> <p>20. only ever had one or two people in that job code in the</p> <p>21. history of Oracle, so that we --</p> <p>22. . . . Q. Okay.</p> <p>23. . . . A. -- in that level in the history of Oracle,</p> <p>24. so I don't -- we don't really talk about having IC-7.</p> <p>25. . . . Q. Okay.</p>	
<p>102</p> <p>1. . . . A. For most jobs, it goes IC-1 through IC-6.</p> <p>2. And IC-6 is the highest-level individual contributor we</p> <p>3. have in our table.</p> <p>4. For managers, it starts at M-1, which is</p> <p>5. entry-level supervisory, and goes all the way up to M-10,</p> <p>6. and our M-10 are our CEOs. Most of our employees fall in</p> <p>7. the M-2 to M-6. And M-6 would represent, like, the VP</p> <p>8. level; M-2 is, like, first-line manager.</p> <p>9. . . . Q. Okay.</p> <p>10. . . . A. And there is no -- you'll see on one of</p> <p>11. these other -- on the next page, there is no correlation.</p>	

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<p>12 · Like just because you're an IC-4, if you move to manager, 13 · it doesn't mean you'll be a specific level of manager. 14 · Every case is evaluated on its own merit, every 15 · individual is evaluated on its own merit. So we really 16 · view it as two completely independent tracks. 17 · . . . Q. Okay. And what about job code? 18 · . . . A. What about it? 19 · . . . Q. Can you explain what that is and how it's 20 · used? 21 · . . . A. Okay. It's -- 22 · . . . MS. CONNELL: Objection. Compound. 23 · . . . But you can answer. 24 · . . . A. Okay. It is a -- just a unique identifier 25 · for a very general bucket of overarching responsibilities</p> <p>103</p> <p>1 · at a specific career level. So it is -- it is -- it 2 · tells us, like a -- like the software developer 3, this 3 · 10530 is the unique identifier for software developer 3. 4 · That tells us at the IC-3 level, which is five to eight 5 · years of experience, know -- know what you're doing, but 6 · not super-seasoned in your career, but not fresh, either. 7 · Kind of right in the middle. 8 · . . . Q. (By Mr. Song) Uh-huh. 9 · . . . A. And the -- the software developer 10 · responsibility, the -- the duties under that are very 11 · broad and overarching. It just means they work on 12 · developing our products. Which product or what kind of 13 · work they do in developing those products, you don't know 14 · by the job code. 15 · . . . Q. Okay. And how -- does job code factor 16 · into compensation at all? 17 · . . . MS. CONNELL: Objection. Vague. 18 · . . . A. Each job code is assigned a very broad 19 · range, so we have an idea of where compensation may fall 20 · for that code. 21 · . . . Q. (By Mr. Song) Uh-huh. 22 · . . . A. But the code itself doesn't really tell 23 · you a whole lot.</p>	
<p>103:24-104:12</p> <p>24 · . . . Q. Okay. What about the IC level?</p>	

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<p>25 · · · · A · Again, each code can only have one IC</p> <p>104</p> <p>1 · level.</p> <p>2 · · · · Q · Okay.</p> <p>3 · · · · A · And so we have -- I mean, we have IC-3s,</p> <p>4 · hundreds of IC-3 -- every single function across the</p> <p>5 · company -- or every single job family across the company</p> <p>6 · has an IC-3. So IC-3 doesn't really tell you much about</p> <p>7 · your comp.</p> <p>8 · · · · Q · Okay.</p> <p>9 · · · · A · It would be the -- the job code is</p> <p>10 · assigned to a broad range, but then getting down to comp</p> <p>11 · has to do with: What are you working on? Where do you</p> <p>12 · work? Much more specific to the individual.</p>	
<p>106:9-16</p> <p>9 · · · · Q · Okay. And who selects these job codes?</p> <p>10 · · · · MS. CONNELL: Objection. Assumes facts</p> <p>11 · and vague and ambiguous.</p> <p>12 · · · · A · So, I guess, what -- what do you mean by</p> <p>13 · who "selects" them?</p> <p>14 · · · · Q · (By Mr. Song) Well, who -- who creates</p> <p>15 · them? Like, where do they come from? They must come</p> <p>16 · from somewhere.</p>	
<p>106:17-110:3</p> <p>17 · · · · A · Yes. So our -- our global job table, the</p> <p>18 · initial table that had this format, I believe dates back</p> <p>19 · to, like, 1999. It's been in existence for a very long</p> <p>20 · time.</p> <p>21 · · · · Q · Okay.</p> <p>22 · · · · A · In -- originally, it was built, really, we</p> <p>23 · used kind of industry standards, our surveys, to see what</p> <p>24 · kind of buckets are out there and what kind of work we</p> <p>25 · have being performed. And that was the start of this</p> <p>107</p> <p>1 · initial global table.</p> <p>2 · · · · As we've progressed and as we've acquired</p> <p>3 · different companies, we -- a need for a family that</p>	

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<p>4 · hasn't ever existed before might be raised by a manager 5 · or by someone to say, "We've got this whole new group of 6 · employees who are doing something we've not ever done 7 · before." Say, for example, in the case of an -- of an 8 · M&A, of an acquisition, and they might ask, "Could we get 9 · a new family, because what we have in our existing 10 · structure doesn't work for us?" 11 · And so then there is a whole vetting 12 · process of, "Are we sure it's new?" We say, if a job -- 13 · if the duties are, like, a 70 percent match, we say, 14 · "That's not different enough. We have our broad 15 · buckets." 16 · . . . Q. Uh-huh. 17 · . . . A. "You can use those buckets." 18 · But if we determine, in fact, that it is 19 · something brand-new and nobody at Oracle does that today, 20 · then we would say -- then we as a global compensation 21 · team say, "Yes, I would agree, we have not ever had 22 · anything like this before, so let's create a new job 23 · family with new codes." 24 · . . . Q. Okay. And I'd like to get -- you 25 · mentioned salary ranges or ranges for the job codes?</p> <p>108</p> <p>1 · . . . A. Yes. 2 · . . . Q. I'd like to talk about those a little bit. 3 · First, how -- how are those created or how 4 · are those established? 5 · . . . A. So in -- just, in general, salary ranges? 6 · Is that -- 7 · . . . Q. Yeah. Like you mentioned salary ranges 8 · for -- there is salary ranges for the job codes, right? 9 · . . . A. Uh-huh. 10 · . . . Q. I would just like to know more about those 11 · salary ranges. 12 · . . . A. The ranges? Okay. So every year, we 13 · participate in surveys, compensation surveys. 14 · . . . Q. Okay. 15 · . . . A. And we submit our employee data in these, 16 · so -- in these very broad buckets of jobs, we say, "All 17 · of our people who are in software developer 3," and we 18 · anonymously report what their compensation packages are 19 · to these surveys.</p>	

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<p>20. And in return, we get data back on our 21. peer groups. And so we -- we can find, from that market 22. data, a software developer 3 in -- and again, location 23. plays a huge role in this, but software developer 3 in 24. the Bay Area, compared to our 26 peers, has peer 25. companies, has a market 50th percentile of X dollars.</p> <p>109</p> <p>1. And we look at our own internal structure 2. that I said is -- you know, we might have a range that 3. goes from -- just for simplicity, 50- to 150,000 and the 4. midpoint is 100-. 5. . . . Q. Okay. 6. . . . A. All of the market -- all of the jobs that 7. come back to us with market data right around \$100,000 as 8. the 50th percentile in that survey, the particular code 9. for that job would then be put into that range. 10. So in -- in that range could be the 11. software developer 3, the HR consultant for the legal 12. person 3 or -- or the IT person M-2. It just all is 13. based on, "Where does the market say the 50th 14. percentile falls?" And then we assign that job code to 15. the Oracle internal range that most closely represents 16. that 50th percentile in the market. 17. . . . Q. Okay. And which market surveys are you 18. using? 19. MS. CONNELL: Just for the record, I want 20. to designate this line of questioning as confidential. 21. And when the deposition is over, we can provide more 22. specific confidential designations, but . . . 23. MR. SONG: Okay. 24. . . . A. I'm sorry, what -- repeat the question? 25. . . . Q. (By Mr. Song) Which market surveys do you</p> <p>110</p> <p>1. use? 2. . . . A. We use Radford and a survey called 3. Comptrix that is from Mercer.</p>	<p>Errata: And in return, we get data back on our peer groups. And so we -- we can find, from that market data, a software developer 3 in -- and again, location plays a huge role in this, but software developer 3 in the Bay Area, compared to our 26 peers. Oracle has peer companies, has a market 50th percentile of X dollars.</p> <p>Errata: So in -- in that range could be the software developer 3, the HR consultant 4, the legal person 3 or -- or the IT person M-2.</p>
<p>110:4-111:9</p> <p>1. . . . Q. Okay. And if you turn to page 56234-27 5. and -28, I believe.</p>	

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<p>6 · · · · A · Uh-huh. 7 · · · · Q · These are just -- these are two of the 8 · slides that I found on salary ranges. 9 · · · · A · Yes. 10 · · · · Q · As far as you know, are -- are -- is this 11 · information still accurate, so I don't have to ask you 12 · about all of it? 13 · · · · A · Let me read it, please. 14 · · · · · (A pause occurred in the proceedings.) 15 · · · · A · Yeah, it's still accurate. 16 · · · · Q · Okay. And then on page 27, the -27, it 17 · mentions a "salary grade." 18 · · · · · What does Oracle mean by that? 19 · · · · A · The grade, really, is the range so -- so 20 · what -- the way that our table works is, we would have 21 · multiple jobs that are assigned to salary grades, say -- 22 · how do we name it now -- E.09. E.09 is the simple name 23 · for the grade of jobs that fall in our exempt, FLSA 24 · exempt, dot, the 9th level of ranges. It's just a 25 · short way to code.</p> <p>111</p> <p>1 · · · · · And then from there, the minimum, 2 · midpoint, and maximum is derived. So every job that has 3 · E.09 as their grade -- 4 · · · · Q · Okay. 5 · · · · A · -- has the same range, as long as -- I 6 · need to clarify that -- as long as it's the same 7 · location. So we have E.09 HQ, E.09 non-HQ. E.09 -- so 8 · you might have a different range depending on your 9 · location as well.</p>	
<p>111:10-112:3</p> <p>10 · · · · Q · Okay. So using the job code, salary 11 · grade, and salary range, how is it decided where an 12 · employee is going to fall within that range? 13 · · · · · MS. CONNELL: Objection. Vague. 14 · Compound. Calls for speculation. 15 · · · · A · So I think as the slide says -- 16 · · · · Q · (By Mr. Song) Uh-huh. 17 · · · · A · -- that you account for experience, 18 · skills, competencies, your performance, your location. 19 · There's all sorts of things that come into that.</p>	

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<p>20 · · · · Q · Okay.</p> <p>21 · · · · A · So it depends on what the employee brings</p> <p>22 · to the table.</p> <p>23 · · · · Q · Okay. And who is making that</p> <p>24 · determination?</p> <p>25 · · · · A · On where the employee will fall?</p> <p>112</p> <p>1 · · · · Q · Yeah.</p> <p>2 · · · · A · The managers generally decide the comp</p> <p>3 · package for their employee.</p>	
<p>113:14-115:21</p> <p>14 · · · · Q · Well, let's start with new hires.</p> <p>15 · · · · · If it's -- if it differs between new hires</p> <p>16 · and current or existing employees, et cetera -- well,</p> <p>17 · let's start with new hires.</p> <p>18 · · · · A · Okay.</p> <p>19 · · · · Q · So --</p> <p>20 · · · · A · So the salary range -- or the salary</p> <p>21 · that's determined by a manager in -- for a new hire --</p> <p>22 · · · · Q · Uh-huh.</p> <p>23 · · · · A · -- the employee -- the candidates</p> <p>24 · generally come to us with -- I mean, they have</p> <p>25 · their -- their resume they've reviewed, the manager</p> <p>114</p> <p>1 · decides they are the right candidate.</p> <p>2 · · · · Q · Uh-huh.</p> <p>3 · · · · A · Maybe they bring something a little more</p> <p>4 · to the table than your average person at, say, an IC-3,</p> <p>5 · and so they want to place that person in the third</p> <p>6 · quartile.</p> <p>7 · · · · · The manager can make that decision.</p> <p>8 · There's -- they may have consulted with their business</p> <p>9 · partner or -- or included the compensation analyst, their</p> <p>10 · compensation consultant in it. But the manager makes</p> <p>11 · that decision and then would submit that offer into that</p> <p>12 · iRecruitment work form.</p> <p>13 · · · · Q · Right.</p> <p>14 · · · · A · But then works its way up the approvals.</p>	

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<p>15 · · · · · In the end, the -- the top approver is 16 · · really doing more of a sanity check, like -- to make sure 17 · · somebody didn't enter, like, a million dollars for an 18 · · IC-3, just more of a sanity: Does this make sense within 19 · · the range? 20 · · · · · But in general, the -- the manager makes 21 · · that decision for where they're going to place their 22 · · employee based on what they bring to the table, where 23 · · they are located, what's the internal -- what is the 24 · · internal peer group paid, all those kind of things. 25 · · · · Q. Can they go outside -- can a manager go</p> <p>115</p> <p>1 · · outside the range? 2 · · · · A. Yes, the manager may go outside the range. 3 · · · · Q. Okay. And is that -- is there an overview 4 · · for that? 5 · · · · · MS. CONNELL: Objection. Vague and 6 · · ambiguous. Asked and answered. 7 · · · · A. Same -- same overview. 8 · · · · Q. (By Mr. Song) Okay. 9 · · · · A. But if you come with the right argument 10 · · for why you're going over the range, that's acceptable. 11 · · · · Q. Okay. Do you have to provide more of a 12 · · justification if you go outside the range? 13 · · · · · MS. CONNELL: Objection. Incomplete 14 · · hypothetical and calls for speculation. 15 · · · · A. I would say that, yes, managers are 16 · · sensitive and know/recognize when something is over the 17 · · range. 18 · · · · Q. (By Mr. Song) Uh-huh. 19 · · · · A. And they would, just for -- for good 20 · · practice, specify why the -- outside of the range is 21 · · justified.</p>	
<p>115:22-117:11</p> <p>22 · · · · Q. Okay. Well, let's -- would an M-1 manager 23 · · have anybody underneath them? They would have at least 24 · · one person, right? 25 · · · · A. M-1s are supervisor level, and they</p>	

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<p>116</p> <p>1 · generally do not have that hire/fire, that kind of 2 · authority. 3 · . . . Q. · Oh, I see. 4 · . . . A. · So M-1s, probably not. They -- they might 5 · have people roll up to them, but we don't view them as 6 · hire/fire manager types. That starts at M-2. 7 · . . . Q. · Okay. M-2. 8 · . . . A. · Uh-huh. 9 · . . . Q. · All right. And can an M-1 decide 10 · somebody's compensation or raise or -- 11 · . . . MS. CONNELL: Objection. Incomplete 12 · hypothetical. Calls for speculation. 13 · . . . A. · Could an M-1 decide? I don't -- I don't 14 · know. I don't know of specific scenarios. I suppose if 15 · they have reviewed -- have been the main interviewer of a 16 · candidate -- 17 · . . . Q. · (By Mr. Song) Uh-huh. 18 · . . . A. · -- they could make that recommendation. 19 · But that's not typically part of an M-1's responsibility. 20 · . . . Q. · Okay. So it really starts at M-2 where 21 · they decide compensation? 22 · MS. CONNELL: Objection. Misstates her 23 · testimony. 24 · . . . A. · Like I said, the M-1 may have some input 25 · into it, but generally, we don't -- as that supervisor</p> <p>117</p> <p>1 · level is defined, they don't tend to have that hire/fire, 2 · compensation decision type of authority. 3 · . . . Q. · (By Mr. Song) All right. M-2s would have 4 · the compensation authority -- 5 · . . . MS. CONNELL: Objection -- 6 · . . . Q. · (By Mr. Song) -- or do have the 7 · compensation authority? 8 · . . . MS. CONNELL: -- incomplete hypothetical. 9 · Asked and answered. 10 · . . . A. · Yes. That's the first-line manager when 11 · they're hiring somebody.</p>	
<p>117:12-122:13</p> <p>12 · . . . Q. · (By Mr. Song) Okay. If an M- -- so let's</p>	

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<p>13· say an M-2 makes a compensation decision. How many 14· levels of a review -- review, sorry, does it go up? 15· MS. CONNELL: Objection. Calls for 16· speculation. Incomplete hypothetical. 17· . . . A· The -- anything regarding pay -- 18· . . . Q· (By Mr. Song) Uh-huh. 19· . . . A· -- really would -- prior to -- we had the 20· accelerated hiring experience. I don't know if you're 21· familiar with that. That is one of the exhibits that are 22· here. 23· But in 2013, when this started up, until 24· fairly recently with the accelerated hiring experience, 25· it would go up every level. It would first go to an HR</p>	
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<p>1· representative, and then it would go to a compensation 2· person, and it would go up the whole chain, up to the 3· very top. 4· But once you reach, you know, the -- once 5· it goes through, like, HR and comp and then maybe one 6· level of manager, it's really -- it goes to the -- the 7· sanity check piece: Like, does this pass the sniff test? 8· They're not doing any real deep diving into anything. It 9· really is what that first-line manager has submitted -- 10· . . . Q· Okay. 11· . . . A· -- just continues on up the road. 12· . . . Q· Okay. 13· . . . A· With accelerated hiring, it skips, now, 14· compensation and tends to go all the way up so that the 15· process happens as -- as it indicates, accelerated 16· hiring, everything moves much quicker. 17· . . . Q· Uh-huh. 18· . . . A· And so it goes up, but again, to the -- to 19· the CEO office. But again, it's really that sanity check 20· of making sure -- we've had -- we've had situations, for 21· example, where the CEO office realizes they missed a 22· comma, and then the salary they offered was, like, \$2,000 23· instead of 200,000 -- like, just things that -- 24· . . . Q· Yeah. 25· . . . A· -- if they look too quickly --</p>	
<p>119</p>	
<p>1· . . . Q· Yeah, dotting your T's?</p>	

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<p>2 · · · · A. -- they miss it. 3 · · · · Q. Yeah, dotting -- yeah. 4 · · · · A. So it's -- it's the -- in the end, does 5 · this look fine? They're not going into any specific 6 · detail. 7 · · · · Q. And when did accelerated hiring start? 8 · · · · A. I believe it was 2018 sometime. 9 · · · · Q. Okay. But prior -- so prior to then, HR, 10 · comp, and maybe one manager would have more of a 11 · substantive review rather than just a sanity check? 12 · · · · A. In most cases, I would say -- 13 · · · · Q. In most cases? 14 · · · · A. -- yes. Yeah. 15 · · · · Q. Okay. And so what -- what would that 16 · entail? 17 · · · · MS. CONNELL: Objection. Calls for 18 · speculation. 19 · · · · A. That would entail, you know, maybe looking 20 · at -- looking at a resume to see what kind of experience 21 · they bring, making sure -- you know, looking at -- 22 · glancing at the peer group to say: Does this make -- you 23 · know, what does -- what compa-ratio does it give this 24 · person? Where does it place them in the range? Does it 25 · make sense for what they bring to the table? And, you</p> <p>120</p> <p>1 · know, if we've identified these are the seven peers, does 2 · it fall nicely in there? 3 · · · · It's just kind of a review to make sure 4 · that that -- that that makes sense. 5 · · · · Q. (By Mr. Song) Okay. So HR, comp, and the 6 · manager directly -- 7 · · · · A. First-line manager. 8 · · · · Q. -- above that manager -- 9 · · · · First-level manager? 10 · · · · A. Yeah. 11 · · · · Q. Would do this kind of a review? 12 · · · · MS. CONNELL: Objection. Incomplete 13 · hyp- -- 14 · · · · Q. (By Mr. Song) Or maybe they should do one? 15 · · · · MS. CONNELL: Incomplete hypothetical and 16 · calls for speculation. 17 · · · · A. I would -- so the -- the manager the next</p>	

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<p>18· ·level up maybe wouldn't go into that -- that's more -- 19· ·first-line manager, HR, and compensation would either 20· ·review it individually or maybe over the phone to say: 21· ·This -- you know, this is where we think this person 22· ·should fall based on the resume and -- and their location 23· ·and what they bring to the table. 24· ·And then when the manager submits the 25· ·Workflow, they would probably put in the justification,</p>	
<p>121</p>	
<p>1· ·you know: This -- we positioned it here for this reason. 2· ·And then the next-level manager might look a little bit 3· ·closer. 4· · . . . Q· Okay. 5· · . . . A· But if it's not -- I mean, if it's over 6· ·the range, yes, they're going to dig into it a little bit 7· ·more. 8· · If it seems kind of out of line, really, 9· ·it -- it -- even that next-line manager, it's likely that 10· ·the hiring manager probably already had a conversation 11· ·with his or her direct manager to say, "This is my 12· ·opening and this is the window of what I'd like to 13· ·offer." And so there's probably already been, before 14· ·they even get to that point. 15· · So I would say when it reaches that 16· ·next-level manager, they likely aren't digging in quite 17· ·as much as HR and comp would have with the manager in 18· ·that initial setting. 19· · . . . Q· (By Mr. Song) Okay. And who at HR would 20· ·it be that would review these compensation decisions? 21· · MS. CONNELL: Objection. Calls for 22· ·speculation. Compound. 23· · . . . A· It would be the -- the business partner 24· ·assigned to support that particular area of the business 25· ·would be who the manager would call if they needed</p>	
<p>122</p>	
<p>1· ·consultation. 2· · . . . Q· (By Mr. Song) Okay. Would there be 3· ·anybody else at HR that would look at that? 4· · MS. CONNELL: Objection. Incomplete 5· ·hypothetical. Calls for speculation. 6· · . . . Q· (By Mr. Song) Just primarily the business</p>	

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<p>7 · partner? 8 · · · · A · Yeah. Yeah. 9 · · · · Q · Okay. And what about at comp -- 10 · compensation? Sorry. 11 · · · · A · Again, there's a compensation consultant 12 · assigned to various areas of the business. 13 · · · · Q · Uh-huh.</p>	
<p>122:14-17</p> <p>14 · · · A · And the HR business partner assigned to 15 · that particular manager would engage comp to say, "We 16 · could use your help in -- in developing the compensation 17 · package for this person."</p>	
<p>126:10-127:9</p> <p>10 · · · · Q · -- what did we have, a software developer 11 · or something like that, which was in -- like, for 12 · example: Would -- has Oracle ever done a job analysis, 13 · analyzing that job and then what pay range, you know, 14 · should be attributed, what skills they need, et cetera? 15 · · · · · MS. CONNELL: Same objections. Beyond the 16 · scope of the PMK topics for which she's been designated 17 · to testify, calls for a legal conclusion, and vague and 18 · ambiguous. 19 · · · · A · So I would say -- I mean, we -- in regards 20 · to the job and determining what range is assigned to that 21 · job, we do that every year. 22 · · · · Q · (By Mr. Song) Okay. 23 · · · · A · We look at -- we -- we look at where the 24 · benchmark -- the benchmark data tells us that the 25 · software developer 3 falls in each of our geographical</p> <p>127</p> <p>1 · locations. And then we could -- and then we make sure, 2 · some years we might regrade it and give it a different -- 3 · different -- give it a different range. 4 · · · · Q · Okay. 5 · · · · A · But yes, every single year, that's how we 6 · maintain our ranges, is to do an analysis of the market 7 · to make sure that we -- we put that set software 8 · developer 3 in the right broad range that covers that 9 · particular job.</p>	

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<p>132:2-25</p> <p>2 · · · · Q. And there are -- are there guidelines that 3 · reviewing managers are supposed to consider when -- when 4 · reviewing a salary decision? 5 · · · · A. It would be the same guidelines that any 6 · manager would consider, but they -- generally, other 7 · than, maybe, like I said, that next direct line where 8 · they've likely already had a conversation about it, 9 · working its way up the approval chain, it's a sanity 10 · check. 11 · · · · · So I mean, they -- they all -- every level 12 · knows the general guidelines for it, so I wouldn't say 13 · it's different. 14 · · · · Q. Uh-huh. Okay. And are there any 15 · guidelines for HR business partners in reviewing salary 16 · decisions? 17 · · · · A. Again, same guidelines. 18 · · · · Q. Okay. 19 · · · · A. It's -- this -- the presentation, the 20 · Exhibit 7 is titled "Managing Compensation," and the 21 · audience is for managers and for HR in how to make those 22 · decisions. 23 · · · · Q. Okay. And that would be the same for 24 · compensation consultants as well? 25 · · · · A. Yes.</p>	
<p>133:1-22</p> <p>1 · · · · Q. Okay. Do employees know what their salary 2 · ranges are? 3 · · · · · MS. CONNELL: Objection. Calls for 4 · speculation. Outside the scope of her PMK topics. 5 · · · · A. Our salary ranges are not publicly 6 · published, and employees are instructed -- if asked, 7 · they're instructed to ask their manager. Their manager 8 · is free to share with them what their range is, should 9 · they ask. 10 · · · · Q. (By Mr. Song) Okay. So if an employee 11 · asked their manager for their salary range, they would be 12 · given their salary -- 13 · · · · · MS. CONNELL: Objection. 14 · · · · Q. (By Mr. Song) -- range? 15 · · · · · MS. CONNELL: Incomplete hypothetical and 16 · calls for speculation.</p>	

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<p>17 · · · · A. I don't -- I can't say a hundred -- with 18 · 100 percent certainty every manager would say, "Yes, 19 · here's your range." Generally, that question is asked as 20 · a part of a bigger conversation, and so some managers may 21 · handle it differently. But they certainly are not 22 · prohibited from sharing the range if they were asked.</p>	
<p>133:23-134:2</p> <p>23 · · · · Q. (By Mr. Song) Okay. 24 · · · · A. The manager is not prohibited. 25 · · · · Q. What about job codes, do the employees</p> <p>134</p> <p>1 · know their job codes? 2 · · · · A. Yes, they do.</p>	
<p>134:3-16</p> <p>3 · · · · Q. Okay. And then I wanted to talk about 4 · specialties and the specialty area on 56234-5. 5 · · · · · What are specialties? 6 · · · · · MS. CONNELL: Objection. Asked and 7 · answered. 8 · · · · A. The specialty area gets a little bit more 9 · specific into the kind of work performed. For example, 10 · for a developer, the function is product development. 11 · · · · Q. (By Mr. Song) Uh-huh. 12 · · · · A. But what -- the specialty areas under 13 · product development would include software engineering, 14 · software engineering management, technical writer, QA. 15 · There are different kind of specialties under that 16 · product development function.</p>	
<p>134:23-136:23</p> <p>23 · · · · Q. And I think you mentioned compa-ratios a 24 · little bit earlier, but we haven't had a chance to talk 25 · about them.</p> <p>135</p> <p>1 · · · · · Can you tell us about compa-ratios? 2 · · · · A. Yes. So a compa-ratio is the ratio of the 3 · employee's salary to Oracle's midpoint for the job code 4 · and location that the person is in. So if somebody is 5 · paid at the midpoint of the range, their compa-ratio 6 · would be 1. Someone 6 percent below has a compa-ratio of</p>	

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<p>7 · .94; similarly, someone 6 percent above would be 1.06 -- 8 · or .94 and 1.06. 9 · . . . Q · Okay. And how are compa-ratios used by 10 · Oracle? 11 · MS. CONNELL: Objection. Vague. Calls 12 · for speculation. 13 · . . . A · So I would say, predominantly, 14 · compa-ratios are used to indicate, for managers, for HR, 15 · for compensation, where in the labor market that 16 · particular employee falls. 17 · And it -- because it is a ratio, we can 18 · compare across borders or across geographies to say: 19 · These -- these five employees in five different countries 20 · or even five different cities across the United States, 21 · if they all have a compa-ratio of .97, we can draw the 22 · conclusion that they're paid at approximately 97 percent 23 · of the local labor market for their job. 24 · . . . Q · (By Mr. Song) All right. And can you give 25 · me a specific example of how it's used in a -- let's say</p> <p>136</p> <p>1 · a manager is making a compensation decision for his or 2 · her employee. Do they use or consider the compa-ratio? 3 · MS. CONNELL: Objection. Vague and 4 · ambiguous. Calls for speculation. 5 · . . . A · I don't -- I mean, it -- I can't speak for 6 · all managers, if -- the way that we train managers, 7 · though, in -- say, when they're -- they might look at the 8 · compa-ratio for -- if they're looking at a new hire, they 9 · could look at the compa-ratios of the peers. 10 · Maybe a -- maybe they have a peer doing a 11 · very similar job for -- for a -- you have someone coming 12 · to HQCA, and on the team, maybe they have somebody with 13 · the same background, they're working on the same product 14 · at the same level, who is doing the job in, say, Dallas. 15 · That manager could say, "Oh, this Dallas 16 · person's compa-ratio is .98, so that would be aligning 17 · accurate- -- aligning this new peer to that peer group." 18 · Because you wouldn't say, "This person in Dallas is paid 19 · 110-, so therefore, I'm going to pay an HQCA 110-." 20 · 110- in the HQCA market is entirely 21 · different than 110- in Dallas. So if you have to compare 22 · across geographies, that compa-ratio gives you a better</p>	

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23 · indication of what the labor market is doing there.	
<p>142:17-143:12</p> <p>17 · . . . Q · Okay. So then, similarly, does Oracle 18 · recommend -- does Oracle's compensation guidelines 19 · recommend using these compa-ratios to managers? 20 · MS. CONNELL: Objection. The guidelines, 21 · as she testified, are in writing and have been produced 22 · in this case, and they speak for themselves. 23 · . . . A · So, I mean, if I read -- the -- the slide 24 · says, this is how you use it, tells how to calculate it, 25 · and it says: It's helpful when you are managing</p> <p>143</p> <p>1 · employees during -- doing different kinds of work. 2 · Remember that not everyone has, nor should they have, the 3 · same. And the right compa-ratio does depend on 4 · individual experience, skills, contribution, and 5 · performance. 6 · So educating managers on what they can get 7 · out of compa-ratio and what it tells them is part of the 8 · guidelines. But, you know, whether we say, "You must use 9 · this," it's always been used as a point of reference and 10 · just educating them on what they can -- what they can 11 · glean from that -- that number when they look across 12 · their team.</p>	
<p>144:21-147:6</p> <p>21 · . . . Q · Okay. What does Oracle consider a low 22 · compa-ratio? 23 · MS. CONNELL: Objection. Vague and 24 · ambiguous. Incomplete hypothetical. Assumes facts. 25 · . . . A · So the difficult thing about making a real</p> <p>145</p> <p>1 · conclusion on what a low compa-ratio would be is that 2 · our -- as I've testified to before, our ranges are 3 · incredibly -- are -- are wide. 4 · . . . Q · (By Mr. Song) Uh-huh. 5 · . . . A · And not only that, but our -- the job 6 · codes are huge buckets. They're -- they're very general,</p>	

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<p>7· high-level groupings, excuse me, of our jobs at Oracle. 8· And so somebody may be in a software 9· developer 3 -- you know, we might have five people in a 10· software developer 3 job code, but those five people 11· are -- they work on different products. They are in -- 12· they bring slightly different things to the table. 13· Maybe they're -- maybe they're on the low 14· end of the IC-3 qualifications or the high end of the 15· IC-3 qualifications, but they're still doing that IC-3 16· level type of work but with different -- different 17· product focuses or different expertise or maybe someone 18· has hot skills. 19· So if somebody's working on, say, one of 20· our older product, like a JD Edwards product, that we 21· still have customers on it, but we don't spend -- we 22· don't have a lot of -- we don't have a lot of need for 23· it; there's not a lot of development still going on for 24· that; not a high demand for that kind of talent in the 25· marketplace.</p>	
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<p>1· So that person's compa-ratio might be 88, 2· say 12 percent below the market midpoint for the job. 3· . . . Q· Uh-huh. 4· . . . A· But 88 might be perfectly appropriate 5· and -- and what's appropriate for -- for the JD Edwards 6· skills, and that is what that -- what the market is 7· commanding, is whatever -- you know, if it's 98- or 8· whatever, \$98,000 is what the going rate really is for a 9· JD Edwards developer 3. 10· . . . Q· Uh-huh. 11· . . . A· Conversely, we would have -- we -- people 12· with the -- like our -- the cloud skills or the machine 13· learning or AI, those people, the market -- they might 14· still be in that same 10530 software developer 3 job 15· code, but they're -- they're -- the market commands a lot 16· more for them. 17· So while they have the same job code and 18· this person over here (indicating) is paid \$98,000, this 19· machine-learning person might be paid \$130,000, because 20· you have to for that particular skill set and what they 21· bring to the table. 22· So this 88 compa-ratio doesn't -- it -- on</p>	

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<p>23· the surface, it might look low, but based on what they're 24· doing, it's appropriate for that particular role. 25· Similarly, you might have somebody who is a lower</p> <p>147</p> <p>1· performer, and having a lower compa-ratio is perfectly 2· acceptable because they're not . . . 3· So we don't have, like, a number where we 4· would say, "If it's at 90, that's too low," or "If it's 5· at 95" -- you know, it varies so drastically across our 6· jobs.</p>	
<p>147:7-153:3</p> <p>7· . . . Q· What if it fell below 50? 8· MS. CONNELL: Objection. Incomplete -- 9· . . . Q· (By Mr. Song) A compa-ratio -- 10· MS. CONNELL: -- hypothetical. 11· . . . Q· (By Mr. Song) -- below 50? 12· . . . A· A compa-ratio below 50? 13· . . . Q· Yeah. 14· . . . A· Meaning they're paid at half the market? 15· That would be -- 16· . . . Q· Yeah. 17· . . . A· -- well below the range and -- 18· . . . Q· Okay. 19· . . . A· -- probably pretty alarming. 20· We would -- we would -- actually, the 21· conclusion that we would make would be -- we, as 22· compensation professionals, the conclusion would be, that 23· might not be the right job code, because who would really 24· work in a job paying them half of what the market 25· dictates or what the labor market dictates? That's</p> <p>148</p> <p>1· excessively low. 2· . . . Q· Okay. If there was a compa-ratio below 3· 50, what would Oracle do? 4· MS. CONNELL: Objection. Incomplete 5· hypothetical. Assumes facts. Calls for speculation. 6· . . . A· We would reach out to, probably, HR and 7· the manager to say, "Could we have a look at this person? 8· Something doesn't seem right." And in some cases, we 9· find it was 50, but it's because they have the -- like,</p>	

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<p>10· maybe the -- or there was something wrong in our 11· reporting and the comma was in the wrong place, or maybe 12· they're part-time and it didn't -- that didn't work out. 13· . . . Q. (By Mr. Song) Okay. 14· . . . A. But that low, most certainly, we would 15· kind of look at that and say, "Something -- something 16· weird is going on here. Let's look into that person." 17· . . . Q. Okay. At what point would that kind of a 18· review take place? Is it below 50, below 60, below 70? 19· . . . MS. CONNELL: Same objections. Incomplete 20· hypothetical. Calls for speculation. I think goes 21· beyond the scope of the PMK topics that she's been 22· designated for. 23· . . . A. I guess I -- I'm not really sure. It 24· would probably raise my eyebrows really if it were, like, 25· below 65 maybe; like if you're 35 percent behind the</p> <p>149</p> <p>1· market, I might say, "Something might be up with this 2· one." 3· . . . But there isn't really a -- it's kind of a 4· gut, like when you're just glancing at it, it would kind 5· of be a gut telling you something might not be quite 6· right. 7· . . . Q. (By Mr. Song) Are compa-ratios monitored? 8· . . . MS. CONNELL: Objection. Assumes facts. 9· Vague and ambiguous. 10· . . . A. What do you mean by that? 11· . . . Q. (By Mr. Song) So, for example, the below 12· 50, let's say you had an entire department that was below 13· 50. Would somebody -- is there anybody at Oracle -- or 14· does Oracle monitor compa-ratios of its employees -- 15· . . . MS. CONNELL: Objection -- 16· . . . Q. (By Mr. Song) -- to make sure they're not 17· too high or too low? 18· . . . MS. CONNELL: Objection. Incomplete 19· hypothetical. Assumes facts. And beyond the scope of 20· the PMK topics for which she's been designated. 21· . . . You can answer in your personal capacity, 22· if you know. 23· . . . A. I -- on the compensation team, it might be 24· something that HR checks in on every once in a while. 25· If -- if somebody truly is that low, the managers, they</p>	

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<p>150</p> <p>1 · would be pretty loud about it. So HR is going to know 2 · that that -- we have a big problem here. 3 · . . . Q. (By Mr. Song) Uh-huh. 4 · . . . A. But as far as whether there's a regular 5 · going in and checking, we check the overall compa-ratios 6 · of -- every year when we do that salary survey review, 7 · we're checking what the compa-ratios are in -- in each of 8 · the job codes. And I can't say as I've ever seen 9 · anything that low. I mean, we haven't ever reached an 10 · alarming capacity. 11 · But if there were a team, if there were a 12 · manager who managed a team of people who were all 13 · excessively low, I have no doubt they would bring it to 14 · HR's attention to say, "We need to look into this and do 15 · something about it." 16 · But Oracle overall monitoring, other than 17 · our yearly review of our ranges, where we check what the 18 · compa-ratios are for those job codes, there -- there 19 · isn't a detailed analysis of looking for that kind of 20 · thing. 21 · . . . Q. Okay. So the review would come during the 22 · focal review by the managers -- 23 · MS. CONNELL: Objection. Misstates -- 24 · . . . Q. (By Mr. Song) -- for the -- 25 · MS. CONNELL: -- her testimony.</p>	
<p>151</p> <p>1 · . . . Q. (By Mr. Song) Well, say -- you know, 2 · correct me if I'm -- I'm sure you will -- if I'm wrong, 3 · but I thought you -- I thought you were saying that 4 · there's not a general monitoring or review of 5 · compa-ratios, but that during the focal review, the 6 · managers review the compa-ratios? 7 · . . . A. I don't think I mentioned the focal review 8 · just -- 9 · . . . Q. Oh. 10 · . . . A. -- now. 11 · . . . Q. Oh, okay. I thought -- I thought -- so 12 · you were just talking about in general -- 13 · . . . A. So -- 14 · . . . Q. -- managers would identify them?</p>	

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<p>15 · · · · A. -- in -- yeah, in general, managers -- 16 · · · · Q. Okay. 17 · · · · A. -- have a sense of where -- you know, and 18 · it could be the middle of year. It might have nothing to 19 · do with the focal, but a manager would know, "I've got a 20 · team of horribly underpaid people, and they're going to 21 · raise it to us." 22 · · · · Q. Uh-huh. 23 · · · · A. The -- what, if -- if -- the focal piece, 24 · so the one point in time when the compensation team 25 · annually reviews our ranges compared to our market</p> <p>152</p> <p>1 · surveys, that's when we get data, we pull in data about 2 · what the compa-ratio -- what the overall compa-ratio is 3 · by job code, and we peek at it at that time. 4 · · · · · But an overall review, I wouldn't say is 5 · conducted by Oracle in general. 6 · · · · Q. Okay. 7 · · · · · MS. CONNELL: And again, I'll insert an 8 · objection that this line of questioning is outside the 9 · scope of the PMK topics for which she's been designated. 10 · · · · Q. (By Mr. Song) So there's also no 11 · examination of compa-ratios by gender, correct? 12 · · · · · MS. CONNELL: Same objections. Outside 13 · the scope of the PMK topics. 14 · · · · · She can answer in her personal capacity. 15 · · · · · It's also vague and ambiguous. Assumes 16 · facts. 17 · · · · A. I have not ever done a compa-ratio by 18 · gender analysis before. 19 · · · · Q. (By Mr. Song) Okay. And what about by 20 · race? 21 · · · · · MS. CONNELL: Same objections. 22 · · · · A. I have not ever done anything by race. 23 · · · · Q. (By Mr. Song) Okay. Do you know if Oracle 24 · has? 25 · · · · · MS. CONNELL: Calls for speculation. Same</p> <p>153</p> <p>1 · objections. Outside the scope. 2 · · · · A. I'm -- I'm familiar with some work 3 · under -- under privilege --</p>	

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<p>154:10-155:25</p> <p>10 · · · · Q. (By Mr. Song) So this is a document that 11 · you've also seen. It is Exhibit 8 from your previous 12 · exhibit [sic]. 13 · · · · · MS. CONNELL: Thank you. 14 · · · · Q. (By Mr. Song) I'll just give you a few 15 · minutes to look it over since it's been a while. 16 · · · · A. Uh-huh. 17 · · · · · MS. CONNELL: I believe this was produced 18 · as confidential, so it maintains its confidential 19 · designation. 20 · · · · · MR. SONG: Sure. 21 · · · · · MS. CONNELL: I think this Exhibit 7 was, 22 · too, also marked confidential. 23 · · · · A. Okay. 24 · · · · Q. (By Mr. Song) Okay. Do you recognize this 25 · exhibit?</p>	
<p>155</p> <p>1 · · · · A. Yeah, I do. 2 · · · · Q. Okay. And can you tell us what it is, 3 · very quickly? 4 · · · · A. So it just outlines the approval levels 5 · required for various kinds of changes submitted in 6 · Workflow. 7 · · · · Q. Okay. And are approvals required for 8 · compensation decisions? 9 · · · · A. Well, yes. 10 · · · · · MS. CONNELL: Objection. Compound, 11 · but . . . 12 · · · · A. It -- so on here, the -- when it comes to, 13 · like, the assignment, one of -- about halfway down the 14 · page, the assignment when it comes to some -- like job 15 · change, I think in -- in my capacity here, the job codes 16 · and the job changes would be part of compensation-ish, 17 · and, you can see, it's one level up and then an HR is 18 · required. 19 · But when it comes to any changes in pay, 20 · there's the -- when it -- dollars at the bottom of the 21 · page. 22 · · · · Q. (By Mr. Song) Uh-huh. 23 · · · · A. All of this -- you'll see some of them -- 24 · so base salary increase goes all the way up through the</p>	

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25 · CEO office. But again, that's a cursory, a sanity	
156:1-3 1 · check -- 2 · · · · Q · Sanity check? 3 · · · · A · -- they're not doing anything real . . .	
158:7 7 · · · · Q · All right. Have you had a chance to	
158:8-13 8 · review the matrix? 9 · · · · A · I'm -- I mean, I'm -- it's been in 10 · existence for a long time so I'm somewhat familiar. Do 11 · you have a specific question? 12 · · · · Q · Well, I'm wondering if there's any -- if 13 · there's any corrections or updates to this form that you	
158:14-23 14 · can spot off the top of your head? 15 · · · · A · I think I already specified one: With 16 · Thomas's organization, I know that it -- 17 · · · · Q · Yeah. 18 · · · · A · -- changed. 19 · · · · Q · Yeah. 20 · · · · A · I don't -- to my knowledge -- I mean, I 21 · don't study these, so I don't -- off the top of my head, 22 · I can't think of what else may have changed since, in the 23 · last two years.	
161:10-162:25 10 · · · · Q · Okay. And the -- the final-level sanity 11 · check, is that Mr. Ellison or the board? 12 · · · · A · No. That is -- we have a team of three 13 · who are considered the CEO office of approvers, and they 14 · are lower-level individual contributors that, again, do 15 · that sanity check to say, "Does this -- is this -- does 16 · this look okay?" 17 · · · · · But they're handling thousands every month 18 · because they do it globally, and it's really just that 19 · cursory review to say, "Does this -- does everything look 20 · up to . . ." 21 · · · · Q · Okay. And that's Mr. Ellison, Ms. Catz, 22 · and is it --	

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<p>23 · · · · A. Oh, no. They have nothing to do with it. 24 · There is a team of three low-level individual 25 · contributors who represent the office of the CEO to</p> <p>162</p> <p>1 · make -- to -- to do that final checkbox that it's 2 · approved after their sanity check. 3 · · · · Q. Who are the three team members? 4 · · · · A. Carolyn Balkenhol; she's mentioned in this 5 · document, in fact, in the notes on page 10. It says 6 · Carolyn Balkenhol is in there. Carolyn Balkenhol, and 7 · then the other two women are Lynn -- I forgot Lynn's last 8 · name -- and Yvonne Sieber. I forget -- I forget Lynn's 9 · last name, though. 10 · · · · · But it's three women who monitor that 11 · in-box that's considered the CEO office of approvers. 12 · But the -- the CEO and executive, that -- they're proxies 13 · for them. They -- those guys don't actually see these. 14 · · · · Q. And the CEO office, is that Mr. Ellison's 15 · office? 16 · · · · A. No. Our CEO, the -- well, now it 17 · represents all three of them, the CEO office of 18 · approvers. Our CEOs are Safra Catz and Mark Hurd. 19 · · · · Q. Uh-huh. 20 · · · · A. And then Mr. Ellison is the executive 21 · chairman and CEO -- or CTO. That's why it says the 22 · "CEO(s)" with the "s" in the parentheses and "executive 23 · chairman" and CTO." Those are the three M-10s, but it's 24 · really, they proxy, they have -- they have proxies that 25 · act on their behalf.</p>	
<p>167:21-169:8</p> <p>21 · Time is 1:14 p.m. 22 · · · · Q. (By Mr. Song) Ms. Waggoner, regarding 23 · sanity checks -- 24 · · · · A. Uh-huh. 25 · · · · Q. -- for the top-level reviews, how do you</p> <p>168</p> <p>1 · know that they're only sanity checks at the top? 2 · · · · A. I have had numerous conversations. I know 3 · Carolyn fairly well. I've had numerous conversations 4 · about -- about her and kind of what they're -- what</p>	

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<p>5· they're looking at, what they're looking for. 6· I also know that because there's only 7· three of them and they handle this responsibility 8· globally -- 9· . . . Q· Uh-huh. 10· . . . A· -- there are thousands that come through. 11· So they don't -- there would be no possible way for three 12· of them to do any deep digging into what's going on. 13· . . . Q· Okay. And so did anybody tell you that 14· they're just sanity checks? 15· . . . A· Oh, yes. My -- I mean, Carolyn, when 16· we've talked about what it is she's looking at and what 17· it is she's going -- she's going through, she and I have 18· talked about, before, how this is just making sure 19· nothing crazy is going on. 20· . . . Q· Uh-huh. Okay. And what about at the EVP 21· level, those are sanity checks as well? 22· . . . A· Yes, I believe so. 23· . . . Q· Okay. All right. And how do you know 24· they're only sanity checks there? 25· . . . A· Also because at this level, people are</p> <p>169</p> <p>1· pretty far removed from the individuals themselves and 2· the -- the data, the actual data. 3· . . . Q· Uh-huh. 4· . . . A· And because they have a lot -- a lot of 5· volume that will come through to them as well and -- they 6· simply don't get into that kind of detail when it come -- 7· they have much bigger strategic and visionary work to do 8· than get into the minutiae of an offer.</p>	
<p>170:10-171:8</p> <p>10· . . . Q· All right. What about SVP, senior vice 11· president? 12· . . . MS. CONNELL: Objection. Vague. 13· . . . A· What about them? 14· . . . Q· (By Mr. Song) What -- do -- they do sanity 15· checks, correct? 16· . . . A· I would -- yes, I would say that theirs is 17· a sanity check, unless the hire is for someone right 18· below them. I mean, it really -- it depends on how far 19· down -- if they're the first level after the submission,</p>	

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<p>20· ·then they -- 21· ··· Q· Okay. 22· ··· A· -- might look at it a little more closely, 23· ·but -- 24· ··· Q· Okay. And then how do you know those are 25· ·sanity checks at that level?</p> <p>171</p> <p>1· ··· A· Same answer. 2· ··· Q· Okay. All right. And then if you could 3· ·look at Exhibit -- 4· ··· A· If I could add to that. The other reason 5· ·I know is because it's -- they're almost never changed. 6· ·Like, it -- it almost never gets rejected or -- or 7· ·changed or anything. So it really is -- if this passes 8· ·the sniff test, if this passes sanity, it's good.</p>	
<p>171:21-174:4</p> <p>21· ··· Q· Okay. And I wanted to -- I forgot to ask 22· ·you about one page on Exhibit 7, so if you could turn to 23· ·Exhibit 7, page 29. 24· ····· MS. CONNELL: You mean Bates Label 29 -- 25· ····· MR. SONG: Yeah.</p> <p>172</p> <p>1· ····· MS. CONNELL: -- or -- yeah. 2· ····· MR. SONG: Yeah. It's 56234-9. 3· ··· A· Yes. 4· ··· Q· (By Mr. Song) Okay. And do you -- do you 5· ·recognize this slide? 6· ··· A· I do. And this is one that I referenced, 7· ·actually, earlier in my testimony. 8· ··· Q· Yeah. 9· ··· A· This is -- it's just a different -- 10· ·little -- slightly different format, but it is just 11· ·reproduced from what was in the comp 101 training. 12· ··· Q· Yeah, and I wanted to ask you about this. 13· ·So I wanted to turn back to this. 14· ····· Can you explain -- can you tell us what 15· ·this is and explain how it's used? 16· ··· A· So, again, this is a -- this is a 17· ·theoretical way to apply ranges. 18· ··· Q· Sure.</p>	

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19 ··· A· It doesn't necessarily always work exactly 20 ·according to theory. 21 ··· Q· Uh-huh. 22 ··· A· But ideally, someone who comes in fully 23 ·experienced, competent, ready to perform for a job, we 24 ·would expect would be paid right around the midpoint for 25 ·that job. Somebody who's still learning their role,	
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1 ·maybe they're not contributing at quite the right 2 ·standard, they might be lower in the range. 3 ····· And that's why when I was saying you can't 4 ·make any determination about what the right compa-ratio 5 ·would be for somebody, because there are factors involved 6 ·in -- in why they may be positioned a certain way in the 7 ·range. 8 ····· And then similarly, the higher quartiles, 9 ·if their contribution is exceptionally high or they're 10 ·ready for promotion, they might be higher in that range 11 ·because they're ready to go to the next step, and the 12 ·next range would be higher. 13 ··· Q· Okay. And when it says -- next to 14 ·"Market," it says, "External equity"? 15 ··· A· Uh-huh. 16 ··· Q· And what's that? 17 ··· A· So those are our salary surveys. 18 ··· Q· Like from Radford and -- 19 ··· A· Yeah. 20 ··· Q· Oh, it's -- okay. 21 ··· A· Yeah. 22 ··· Q· And then what about next to "Peers," it 23 ·says, "Internal equity"? 24 ··· A· Uh-huh. 25 ··· Q· What does that mean?	
174	
1 ····· A· So the internal -- the people on the team 2 ·who perform the same role, working on the same products, 3 ·exact same responsibilities, at the same level, in the 4 ·same location.	
174:5-13	
5 ····· Q· Okay. And would that be under the same	

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<p>6 · manager, all the -- 7 · · · · A · Typically. 8 · · · · Q · All the peers? Okay. 9 · · · · A · It could get a little broader than that. 10 · I mean, it -- it could get a little broader; if there's 11 · only one or two, we might say, "Let's move up so we have 12 · a little bigger sample size," but it's under specific 13 · team.</p>	
<p>178:19-180:15</p> <p>19 · · · · Q · Okay. Does product factor into pay? 20 · · · · A · Product -- 21 · · · · Q · Like the product that the employee works 22 · on? 23 · · · · A · Absolutely. 24 · · · · Q · Okay. And how -- how does it factor into 25 · pay?</p> <p>179</p> <p>1 · · · · A · So it factors into the pay for the 2 · individual. It does not factor in for the salary range 3 · piece, the range that we assign internally at Oracle. As 4 · I said, our ranges are intentionally broad to account for 5 · things such as product and location and that. 6 · · · · · And I believe I went over an example 7 · earlier where a product would impact. Say, for example, 8 · somebody has an older skill that is not as highly 9 · commanded in the market and like -- like the JD Edwards, 10 · product development of the JD Edwards product or 11 · maintaining the JD Edwards product. That's just not a 12 · hot product anymore, and so the market is not dictating 13 · that we must pay them in the fourth quartile. 14 · · · · · Conversely, we've got the hot skills of, 15 · like, machine learning or artificial intelligence or some 16 · areas of -- of cloud, where the market is incredibly hot, 17 · there isn't as much talent out there for it, and a lot of 18 · us high-tech companies are competing for that talent. 19 · · · · · So therefore, their knowledge of that 20 · particular product and that particular technology would 21 · warrant them higher in the range. 22 · · · · Q · Okay. And recommending a salary for an 23 · employee who's working on, say, a hot -- a hot product? 24 · · · · A · Uh-huh. 25 · · · · Q · Do they have to justify that in writing</p>	

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<p>180</p> <p>1 · anywhere?</p> <p>2 · · · · · MS. CONNELL: Objection. Asked and</p> <p>3 · answered.</p> <p>4 · · · · A · Generally, in the offer, if it's going to</p> <p>5 · be high in the range -- or -- and really anywhere in the</p> <p>6 · range, the manager does give a little blurb about what it</p> <p>7 · is they bring to the table and what they might -- and</p> <p>8 · their reason for putting the salary where it is.</p> <p>9 · · · · · Not required, but in general --</p> <p>10 · · · · Q · Okay.</p> <p>11 · · · · A · -- like I said, they don't -- they're not</p> <p>12 · interested in sending something up that isn't going to</p> <p>13 · get approved, so they will -- they will document their</p> <p>14 · reasons behind the decision to expedite the process of</p> <p>15 · approval.</p>	
<p>180:16-181:9</p> <p>16 · · · · Q · (By Mr. Song) Okay. And is there</p> <p>17 · something in the guidelines about how to consider product</p> <p>18 · in making a pay decision?</p> <p>19 · · · · · MS. CONNELL: Objection. The documents</p> <p>20 · speak for themselves.</p> <p>21 · · · · A · Off the top of my head, I don't know if we</p> <p>22 · specifically say "product" in the guidelines.</p> <p>23 · We talk about how the ranges are broad to</p> <p>24 · allow managers to account for difference in experience,</p> <p>25 · skills, competencies, and performance of the candidates</p> <p>181</p> <p>1 · and incumbents. And so I would say what they bring to</p> <p>2 · that product would be their -- some of their skills and</p> <p>3 · competencies would be relevant to what it is they're</p> <p>4 · going to work on because the -- you -- likely, we would</p> <p>5 · be looking for machine learning skills in order to</p> <p>6 · perform the machine learning roles here.</p> <p>7 · So I think it kind of is baked into that,</p> <p>8 · but a specific product name or specific product, we don't</p> <p>9 · call that out as something different here.</p>	
<p>181:10-183:2</p> <p>10 · · · · Q · (By Mr. Song) Okay. Because, yeah, I</p> <p>11 · didn't see anything in here specifically about how to</p>	

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<p>12 · factor into -- factor in product into pay. 13 · But I wanted to know if you knew of 14 · anything specific? 15 · . . . A. Yeah. I don't believe we mention product, 16 · but what they can -- in order to get hired into a 17 · product, your skills and experience and competencies 18 · would be part of that experience. 19 · . . . Q. Okay. 20 · . . . A. Or would be part of that, kind of how you 21 · can contribute to that product. 22 · . . . Q. So that's more of an unwritten guideline 23 · or guidance? 24 · . . . MS. CONNELL: Objection. Misstates her 25 · testimony.</p>	
<p>182</p>	
<p>1 · . . . A. It's -- it's known that certain -- 2 · depending on the product you're working on, your skills 3 · and experience and competencies will be different, and so 4 · what you bring to the table and what -- what you're going 5 · to be working on here is what factors in. 6 · . . . Q. (By Mr. Song) Okay. Yeah. I think I 7 · understand that. 8 · But I'm just trying to get to the 9 · guidance, of whether there is specific guidance on how to 10 · do that or how to factor into, you know, a pay decision 11 · what the product is? 12 · . . . MS. CONNELL: Objection. Asked and 13 · answered. 14 · . . . Q. (By Mr. Song) So it doesn't sound like 15 · there's anything written -- 16 · . . . A. You know -- 17 · . . . Q. -- in the guidelines? 18 · . . . A. -- as I said -- 19 · . . . MS. CONNELL: Objection. Asked and 20 · answered. The documents speak for themselves, and 21 · mischaracterizes her testimony. 22 · . . . A. It doesn't say the word "product," but the 23 · experience and the skills and the competencies that 24 · people bring is what makes them qualified to work on a 25 · certain product. Therefore, it can all be encompassed in</p>	

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<p>183</p> <p>1 · what helps to make their decision on where to position 2 · their pay.</p>	
<p>185:1-186:1</p> <p>1 · Okay. This exhibit has been previously 2 · marked as 84. 3 · MS. CONNELL: Thank you. 4 · MR. SONG: Oh, thanks. 5 · MS. CONNELL: Just for the record, I'll 6 · designate this as -- I think it was marked confidential, 7 · so it should retain that designation. 8 · THE WITNESS: Yeah. 9 · MR. SONG: Okay. 10 · MS. CONNELL: And also for the record, 11 · this appears to just be snippets. 12 · THE WITNESS: Screenshots. 13 · MR. SONG: Yes. 14 · MS. CONNELL: Screenshots of -- so it's an 15 · incomplete -- no, it looks like it's multiple screenshots 16 · of a video. 17 · MR. SONG: Yes. That's correct. 18 · MS. CONNELL: It's not the complete video. 19 · So I'll object that it's an incomplete 20 · exhibit. 21 · MR. SONG: Yeah. They're -- they're 22 · screenshots of a video, that's correct. 23 · . . . Q. (By Mr. Song) Do you recognize any of 24 · these screenshots? 25 · . . . A. Well, I mean, I recognize them as part of</p> <p>186</p> <p>1 · our workforce compensation tool.</p>	
<p>186:1-11</p> <p>1 · our workforce compensation tool. 2 · . . . Q. Okay. And can you tell us about your 3 · workforce compensation tool? 4 · MS. CONNELL: Objection. Vague. 5 · . . . A. It's the tool that we use to -- when I 6 · spoke at the beginning about how my team administers our 7 · annual programs -- 8 · . . . Q. (By Mr. Song) Uh-huh.</p>	

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<p>9 · · · A. -- it's the tool that we used for managers 10 · to go in and input either base salary increases or 11 · bonuses or equity grants.</p>	
<p>186:12-15</p> <p>12 · · · Q. Uh-huh. Okay. And this would be used 13 · by -- this is the type of tool that would be -- or this 14 · is the tool that would be used by a manager? 15 · · · A. Correct.</p>	
<p>192:19-194:5</p> <p>19 · · · Q. Then what's the average kind of time frame 20 · of when you guys do focals? 21 · · · · MS. CONNELL: Objection. Assumes facts 22 · and vague. 23 · · · A. I would say in the 14 to 18 months, maybe. 24 · We've had a lot of different effective dates in the time 25 · that I have been here, and we have had other years where</p> <p>193</p> <p>1 · we have not had anything at all. 2 · · · Q. (By Mr. Song) Okay. And then who decides 3 · when to have them? 4 · · · A. Our CEOs. 5 · · · Q. And do you know how they decide? 6 · · · A. It has to do with business conditions and 7 · what we can afford at the time. 8 · · · Q. Just those -- just those two things? 9 · Like -- 10 · · · A. I don't know what else goes into their 11 · head. 12 · · · Q. Okay. 13 · · · A. But that's what -- 14 · · · Q. Okay. 15 · · · A. They are looking at Oracle globally and 16 · what is in the best interest of the company. 17 · · · Q. Okay. So once they decide they're going 18 · to have a -- Oracle's going to have a focal review, what 19 · do they do next? How do they implement it or how do they 20 · get it done? 21 · · · A. They let me know that we're going to do 22 · it, and we -- we actually are -- we propose to them 23 · country budgets, to say: Around the world, this is what 24 · the budget should be per country, as a percentage of</p>	

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<p>25 · eligible salaries.</p> <p>194</p> <p>1 · And then we give them the ballpark overall 2 · expense that that would mean, and if they give us the 3 · go-ahead to run a program, we start setting up our 4 · workforce compensation program, and we put together a 5 · timeline and start the communication with leadership.</p>	
<p>196:5-7</p> <p>5 · . . . Q · Okay. And -- but there's still the sanity 6 · checks at the top for -- for these focal review 7 · approvals?</p>	
<p>196:8-18</p> <p>8 · . . . A · At the very top, the -- it's more, it -- 9 · the -- they confirm that everybody stayed within the 10 · budget they were given. 11 · So at the end of a program, I present a 12 · summary to our CEOs and CT- -- executive vice -- or 13 · executive chairman and CTO that shows: This was their 14 · eligible head count, this is who -- this is how many got 15 · a raise, this was their budget, and this was their spend. 16 · And as long as everybody stayed within the 17 · budget they were given, we get the green light to post, 18 · to process them.</p>	
<p>205:20-207:16</p> <p>20 · . . . Q · And this was -- this document I'm going to 21 · show you was previously marked as Exhibit 13 in your 22 · previous deposition. 23 · . . . A · Uh-huh. 24 · . . . Q · Give you a minute to look it over. 25 · . . . A · Uh-huh.</p> <p>206</p> <p>1 · . . . Q · And do you recall seeing this document? 2 · . . . A · I have seen it, yeah. 3 · . . . Q · Okay. And can you tell me -- 4 · MS. CONNELL: Excuse me. 5 · . . . Q · (By Mr. Song) Can you tell us what this 6 · is, please. 7 · . . . A · It's the FAQ for the enactment of the 8 · prior pay asking ban.</p>	

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<p>9 ··· Q· Okay. Or the -- or the policy, the 10 ·compensation policy? 11 ··· A· The compensation policy to not ask, yes. 12 ··· Q· Okay. And is this the document that you 13 ·were referring to earlier, that you had received a 14 ·document or an email regarding the policy? 15 ··· A· I don't recall if this was part of that 16 ·email. Yeah, I don't recall exactly if this was part of 17 ·the email. I know this is now available to managers 18 ·online. It's accessible and posted and -- 19 ··· Q· Okay. 20 ··· A· -- made available. 21 ··· Q· Okay. And have you seen any other 22 ·documents regarding this compensation policy? 23 ··· A· I believe I reviewed with my attorneys 24 ·yesterday a training, maybe, that was conducted on this 25 ·policy.</p> <p>207</p> <p>1 ··· Q· Uh-huh. 2 ··· A· And -- and actually, I've seen the 3 ·written -- the written policy itself. I've -- I've seen 4 ·that in writing as well, and I know that's posted -- 5 ··· Q· Okay. 6 ··· A· -- internally. 7 ··· Q· And that's posted where? 8 ··· A· Internally -- 9 ··· Q· Okay. 10 ··· A· -- for Oracle managers. 11 ··· Q· Okay. 12 ··· A· Yeah. 13 ··· Q· Okay. And then -- so other than the 14 ·written policy, the training, this document, are you 15 ·aware of any other documents relating to this policy? 16 ··· A· I am not. I don't think so.</p>	
<p>207:21-209:12</p> <p>21 ······ So this has previously been marked as 22 ·Exhibit 80. 23 · (A pause occurred in the proceedings.) 24 ··· A· Okay. 25 ··· Q· Okay. Do you recognize this document?</p>	

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<p>208</p> <p>1 · · · · A · Yes, I do. 2 · · · · Q · Okay. And can you tell us what this is, 3 · please. 4 · · · · A · Okay. So I recognize -- I don't recognize 5 · this, like, as in the specific fields, but I recognize 6 · this to be the offer form -- 7 · · · · Q · Uh-huh. 8 · · · · A · -- that goes through iRecruitment. Not 9 · this specific offer for Daniel Chan, but I recognize the 10 · form itself. 11 · · · · Q · Okay. And under "Terms and Conditions," 12 · do you see all of those different fields or columns? 13 · · · · A · Yes. 14 · · · · Q · Okay. And it says "Mandatory" next to 15 · most of them, it looks like. 16 · · · · · Do you know what that means? 17 · · · · A · If I know the definition of the word 18 · "mandatory"? 19 · · · · Q · Or -- 20 · · · · A · It means -- 21 · · · · Q · -- what is -- 22 · · · · A · -- it's required. 23 · · · · Q · Okay. So these fields would be required? 24 · · · · A · Yeah. I mean, yes. This makes it appear 25 · that way, but remember, I already testified that there --</p> <p>209</p> <p>1 · I don't see the asterisk here, but I do not believe that 2 · if this -- if the previous employer and compensation 3 · information were left blank, they wouldn't have been 4 · prohibited from submitting the form. 5 · So yes, I see that it's written 6 · "Mandatory," but if it was left blank, they would have 7 · still been able to go through. 8 · · · · Q · Okay. So here, you see that, towards the 9 · bottom of the "Terms and Conditions," it says, 10 · "Candidate's previous employer and compensation," and it 11 · lists "Mandatory" next to that? 12 · · · · A · Uh-huh.</p>	

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<p>212:24-214:21</p> <p>24· Okay. This is previously marked as 25· Exhibit 81.</p> <p>213</p> <p>1· (A pause occurred in the proceedings.) 2· Q· Have you had a chance to review it? 3· A· Yes. 4· Q· Okay. And this -- do you recognize this 5· document? 6· A· I believe it's the same as the previous, 7· just a different person. 8· Q· Okay. And you haven't seen this specific 9· document for Mohammad Mobin, right? 10· A· I have not. 11· Q· Okay. But this also has the "Mandatory" 12· next to "previous employer and compensation"? 13· MS. CONNELL: Objection. The document 14· speaks -- 15· A· It -- 16· MS. CONNELL: -- for itself. 17· A· It appears that word is on there. 18· Q· (By Mr. Song) Okay. Thank you. 19· Okay. Here's a document that's been 20· marked as Exhibit 85. 21· (A pause occurred in the proceedings.) 22· Q· Okay. Do you recognize this document? 23· A· Yes. 24· Q· Okay. Can you tell us what it is, please. 25· A· This is the form for the iRecruitment</p>	
<p>214</p> <p>1· offer submission. Again, I haven't seen this particular 2· person, but it's a standard form. 3· Q· Okay. And then on page 2 of that exhibit, 4· do you see the "Approval History"? 5· A· Yes. 6· Q· On -- on the second column? 7· And so are these the people that -- that 8· approved this iRecruitment offer sheet or form in 9· order -- 10· A· It would --</p>	

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<p>11 · · · · Q. -- is that -- 12 · · · · A. -- appear that way. 13 · · · · Q. Okay. And then the first person, is that 14 · the core comp? Who is -- is that -- I'm not sure if I'm 15 · even reading that correctly, but is that what it says, 16 · core comp? 17 · · · · A. Corp, "CORPCOMP," that's corporate 18 · compensation, and there was an email alias where all of 19 · these would get sent to. 20 · · · · Q. Okay. 21 · · · · A. As a general review.</p>	
<p>220:17-222:19</p> <p>17 · · · · · Okay. This is Exhibit 86. 18 · · · · · (A pause occurred in the proceedings.) 19 · · · · · MS. CONNELL: I would just again note for 20 · the record that this appears to be documentation related 21 · to the same individual who was hired in May of -- well -- 22 · · · · · THE WITNESS: 2010. 23 · · · · · MS. CONNELL: Yeah, May of 2010. 24 · · · · · And you can certainly ask questions about 25 · it, but it's outside the scope of the PM topics for which</p> <p>221</p> <p>1 · she has been designated. 2 · · · · · MR. GARCIA: And I'm going to correct the 3 · record for that because this is a person's personal 4 · history and the date's 2016, so it is included within the 5 · scope of the deposition. 6 · · · · · MS. CONNELL: No, I disagree with that 7 · since we're talking -- 8 · · · · · MR. GARCIA: If you look on the very last 9 · page of the exhibit, you see a date of 2016, so 10 · therefore, it would be within scope. 11 · · · · · MS. CONNELL: Okay. Who's taking this 12 · deposition? 13 · · · · · MR. GARCIA: I -- I -- 14 · · · · · MS. CONNELL: You can't have two 15 · attorneys -- 16 · · · · · MR. GARCIA: No. 17 · · · · · MS. CONNELL: -- on this. 18 · · · · · MR. GARCIA: If you're going to say 19 · something that's incorrect about the record --</p>	<p>Oracle objects that OFCCP has designated testimony that lacks foundation. If Oracle's objection is overruled, Oracle adds as a counter-designation 222:20-24</p>

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<p>20 · · · · · MS. CONNELL: Well, I think the rules are 21 · pretty clear that there's only one attorney. 22 · · · · · MR. GARCIA: Okay. 23 · · · · · MS. CONNELL: So that's Mr. Song, he's 24 · taking this deposition, and if he wants to -- responds to 25 · my objection, he can do that.</p> <p>222</p> <p>1 · · · · · MR. GARCIA: Okay. 2 · · · · · MS. CONNELL: If you want to switch seats 3 · or -- you know, but I think -- 4 · · · · · Why don't you continue. 5 · · · · Q. (By Mr. Song) Have you had a chance to 6 · review the document? 7 · · · · A. Yes. 8 · · · · Q. Yeah? 9 · · · · · And do you recognize this document? 10 · · · · A. Not for this specific individual, but I 11 · recognize the screenshots as general screenshots from our 12 · systems. 13 · · · · Q. Okay. And which system is that? 14 · · · · A. This would be from our E-Business Suite, 15 · our old -- it's -- we don't use it anymore, but it's from 16 · E-Business Suite. 17 · · · · Q. Okay. And what would this be used for? 18 · · · · A. It looks like it's the HR -- the HR 19 · management system record for an individual employee.</p>	
<p>222:20-24</p> <p>20 Q. Okay. And would this be used for salary 21 and -- and compensation decisions? 22 MS. CONNELL: Objection. Vague. Calls 23 for speculation. 24 A. Decisions? No. It's recordkeeping.</p>	
<p>226:16-227:18</p> <p>16 · · · · · I'm trying to learn more about performance 17 · reviews and how they're conducted at Oracle. 18 · MS. CONNELL: Same objections. 19 · · · · A. Performance -- so performance reviews, 20 · first of all, aren't centrally mandatory. Some 21 · organizations do them and some don't. 22 · · · · · Typically, they would be done at the end 23 · of a fiscal year, and our fiscal year ends May 31 of each</p>	

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<p>24· year. And managers may or may not conduct a formal 25· review and enter a rating for their employees and have a</p> <p>227</p> <p>1· conversation about their performance for the prior year. 2· ··· Q· (By Mr. Song) Okay. And are there 3· guidelines regarding performance reviews? 4· ··· MS. CONNELL: Same objections. Beyond the 5· scope. 6· ··· A· That’s not a compensation -- I don’t -- 7· I’m not responsible for that area -- 8· ··· Q· (By Mr. Song) Okay. 9· ··· A· -- of HR. So I don’t know. 10· ··· Q· Okay. But you said performance reviews, 11· there’s guidelines saying performance reviews should be 12· considered in pay decisions, right? 13· ··· MS. CONNELL: Objection. Misstates her 14· testimony. 15· ··· A· I don’t believe I said performance reviews 16· should be considered. I said that one of the points in 17· the training says, “You could consider performance as,” 18· but specific performance reviews, that’s not mentioned.</p>	
<p>228:6-9</p> <p>6· ··· Q· (By Mr. Song) Okay. So performance 7· reviews are not required -- 8· ··· A· They are not. 9· ··· Q· -- at Oracle?</p>	
<p>231:9-233:14</p> <p>9· ··· So it’s 414387. 10· ··· A· -387? 11· ··· Q· Yeah. 12· ··· A· Okay. 13· ··· Q· Just the -- if you look at the salary 14· histories -- history back there. 15· ··· And I’m sorry, this is like -- “Salary 16· History” -- 17· ··· A· I was going to say, I have -- 18· ··· Q· -- hard to read. 19· ··· A· -- good eyes, but they’re not -- 20· ··· Q· Oh, if you look -- 21· ··· A· -- this good.</p>	<p>Oracle objects that OFCCP has designated testimony that lacks foundation.</p>

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22 · · · · Q · If you go further back, we actually blew 23 · up the page. 24 · · · · A · Okay. 25 · · · · Q · Okay. And if you look at these salary	
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1 · histories, can you help us kind of decipher this or 2 · interpret this salary history?	
3 · · · · A · So I can't -- if I'm looking at the very 4 · top part of this document --	
5 · · · · Q · Okay.	
6 · · · · A · -- I can't tell what the date is at the 7 · bottom, but that's -- my guess is that was -- I don't 8 · know. Was it hire -- I don't know.	
9 · · · · Q · Yeah, I --	
10 · · · · A · But it --	
11 · · · · Q · -- can't see.	
12 · · · · A · -- it appears that on December 7 -- or on 13 · December 1 of 2007, this person got a 5 percent raise, a 14 · little over \$4,000. On September 1, 2011, this person 15 · got a 5.986 percent raise for a little over \$5,000. On 16 · the 10th of November, 2014, it looks like there was a 17 · 2 percent raise for \$1,800. And then on October 1 of 18 · 2015, another 2 percent for a little over \$1,800.	
19 · · · · Q · Okay. And then if you go to the right 20 · of -- of those -- of that chart?	
21 · · · · A · Uh-huh.	
22 · · · · Q · It has the grade, it looks like E.9 or 23 · something like that, is that what it says?	
24 · · · · A · That's what it says for the top three, it 25 · looks like.	
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1 · · · · Q · Okay. And I think you might have 2 · mentioned what those were before, but I've forgotten.	
3 · Sorry.	
4 · · · · · What is that, the grade, the E.9 or 5 · whatever that is?	
6 · · · · A · The grade represents the salary range that 7 · would apply. It's --	
8 · · · · Q · Okay.	
9 · · · · A · Every job in E.9 is assigned a range, and 10 · then if there's a geo diff, there might be a geo diff,	

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<p>11 · ·but E.9 represents what range gets assigned to -- to 12 · ·that. 13 · · · · Q. · And sorry, but what's a "geo diff"? 14 · · · · A. · Geographic differential.</p>	
<p>235:13-238:10</p> <p>13 · · · · Q. · (By Mr. Song) Ms. Waggoner, I'd like you 14 · ·to turn back to Exhibit 84. I just have a few follow-up 15 · ·questions. 16 · · · · A. · Okay. 17 · · · · Q. · So regarding the fields that we discussed 18 · ·earlier that are next to "Employee Name" on this exhibit, 19 · ·for example, Current Salary, Focal Eligible Salary, et 20 · ·cetera -- 21 · · · · A. · Yes. 22 · · · · Q. · -- all those. 23 · · · · · · Are there any fields missing from this 24 · ·exhibit? 25 · · · · · · MS. CONNELL: Objection. Vague. Calls</p> <p>236</p> <p>1 · ·for speculation. 2 · · · · A. · So our -- this particular product, a 3 · ·manager could add -- there's all sorts of -- see where 4 · ·there's a drop-down menu: "Actions; View; Format;" right 5 · ·above the "Employee Name" is "Region," and then right 6 · ·above "Region," -- 7 · · · · Q. · (By Mr. Song) Yes. 8 · · · · A. · -- it says "Actions"? 9 · · · · · · So under "Actions," there's a drop-down 10 · ·menu. 11 · · · · Q. · Okay. 12 · · · · A. · Where it could say -- I forget what the -- 13 · ·"Add Columns," or something like that, and there's a 14 · ·whole host of -- 15 · · · · Q. · Oh. 16 · · · · A. · -- stuff that could be -- it's more -- 17 · ·nothing -- nothing compensation related -- 18 · · · · Q. · Oh, okay. 19 · · · · A. · -- is not on here. But, like, I get -- 20 · ·country is in there. What else is in that? I can't 21 · ·remember all this stuff. The person ID number. 22 · · · · Q. · Okay.</p>	

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<p>23 ···· A. Stuff relevant to that particular 24 ·employee, but not compensation relevant. 25 ···· Q. Okay. So not, like, the columns that are</p> <p>237</p> <p>1 ·to the right of the name, like “New Salary” -- 2 ···· A. Yeah, yeah. 3 ···· Q. -- not those types of things? 4 ···· A. Compensation-relevant topics are all in 5 ·this screen -- in the screenshots. 6 ···· Q. Okay. And this is the compensation tool 7 ·that would be used for the focal review? 8 ···· A. Focal, bonus, or equity, yes. 9 ···· Q. Okay. And it looks like this one was from 10 ·2017, is that right, the -- 11 ···· A. Yes. 12 ···· Q. -- the 2000- -- 13 ···· A. We -- the period was 2017. It was during 14 ·fiscal ‘18. 15 ···· Q. Okay. 16 ···· A. Because fiscal ‘18 started June 1 of 2017. 17 ···· Q. Sure. 18 ···· Okay. And are -- so I think you said that 19 ·this is -- these are all the fields. But are there any 20 ·fields for gender that are missing, that are not here? 21 ···· A. No. 22 ···· Q. Okay. And what about for race? 23 ···· A. No. 24 ···· Q. Okay. And do you know if those have ever 25 ·been included in these fields?</p>	
<p>238</p> <p>1 ···· A. No. 2 ···· Q. Okay. And then if a manager wanted to 3 ·consider race or gender, is there any way that they could 4 ·add it here? 5 ····· MS. CONNELL: Objection. Incomplete 6 ·hypothetical. 7 ···· A. No. 8 ····· MS. CONNELL: Vague. 9 ···· A. They can’t add fields or information to 10 ·this tool.</p>	

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<p>238:11-239:5</p> <p>11 · · · · Q. (By Mr. Song) Okay. And then if you turn 12 · to that last page of that exhibit -- or, I'm sorry, not 13 · the last page -- page 4 of the exhibit, 417060-4. 14 · · · · · And there's some -- if you look to the 15 · columns to the right-hand corner -- the bottom-right-hand 16 · corner, there's a "Compensation Rating," "New 17 · Compensation Rating," "Ranking." 18 · · · · · What are those? 19 · · · · A. So within a compensation program -- and by 20 · "compensation program," I mean focal corporate bonus or 21 · equity -- managers are able to put in a rating, the 22 · Exceeds Expectations, Meets Expectations, Outstanding. 23 · They're able to put that in. 24 · · · · · It doesn't feed into HRMS. That 25 · performance rating, that other rating we talked about in</p> <p>239</p> <p>1 · Exhibit 86. 2 · · · · Q. Okay. 3 · · · · A. They're not -- they don't have to match. 4 · This is just for the compensation cycle only. 5 · · · · Q. Okay.</p>	
<p>239:6-24</p> <p>6 · · · · A. The compensation rating prior, that 7 · populates if in the prior compensation program that we 8 · did in this tool, the prior program, if they put 9 · something in there, the prior program, it will come into 10 · this new one. And then they can give it a new rating if 11 · they want to. They can change that rating or not give a 12 · rating at all. 13 · · · · · So that's -- it's a performance rating, 14 · but just for compensation purposes. It's not fed from 15 · any -- it's not -- it doesn't go anywhere else. It 16 · doesn't go to their official performance rating record or 17 · anything like that. It's just maintained and contained 18 · within our compensation program and our compensation 19 · module. 20 · · · · · The ranking, most organizations do not use 21 · it. We have a couple different lines of business within 22 · product development that do, and that's essentially if -- 23 · if you've got ten people on your team, you're ranking 24 · them 1 to 10.</p>	

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<p>239:25-240:2</p> <p>25 ···· Q· Okay. And this information is input by</p> <p>240</p> <p>1 · the manager, the employee's manager?</p> <p>2 ···· A· Correct.</p>	
<p>240:24-247:3</p> <p>24 ···· Q· All right. Okay. Then if you could turn</p> <p>25 · to page -- I mean, Exhibit 86 again.</p> <p>241</p> <p>1 ······ And then we'll start with 41438 -- I'm</p> <p>2 · sorry, 414384, her performance review, the page that</p> <p>3 · discusses her performance review?</p> <p>4 ···· A· Yeah.</p> <p>5 ···· Q· Okay. So, you know, we discussed earlier</p> <p>6 · that she got a 4, which exceeds expectations and</p> <p>7 · that's -- the highest is 5?</p> <p>8 ···· A· Right.</p> <p>9 ···· Q· So this is a -- would you say it's fair to</p> <p>10 · say she's a high-performing employee?</p> <p>11 ······ MS. CONNELL: Objection. Calls for</p> <p>12 · speculation. And beyond the scope of the PMK topics</p> <p>13 · for --</p> <p>14 ···· A· I mean, as --</p> <p>15 ······ MS. CONNELL: -- which she's been</p> <p>16 · designated.</p> <p>17 ···· A· As we discussed, on a 5-point scale, a 4</p> <p>18 · is higher than average. If -- if her team was ten people</p> <p>19 · and they were all 4s and 5s, is she among the top of</p> <p>20 · them? I -- I wouldn't know.</p> <p>21 ···· Q· (By Mr. Song) Okay. And then if you turn</p> <p>22 · to the next page of that same exhibit.</p> <p>23 · She got -- her grade is E.9 and the</p> <p>24 · minimum -- the minimum was 98, and it looks like she's</p> <p>25 · making 91,800; is that correct?</p> <p>242</p> <p>1 ······ MS. CONNELL: Objection. The document</p> <p>2 · speaks for itself.</p> <p>3 ···· A· That is what the annual salary says, yes.</p>	<p>Oracle objects that OFCCP has designated testimony that lacks foundation.</p>

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<p>4 · · · Q. (By Mr. Song) Okay. Why would that be if 5 · she's getting a 4? 6 · · · · MS. CONNELL: Objection. Calls for 7 · speculation. 8 · · · A. I -- I don't have any idea. I mean, you 9 · asked me about the history before. I don't know this 10 · person. 11 · · · Q. (By Mr. Song) Okay. The -- what would the 12 · explanation be if somebody is performing, you know -- 13 · exceeding expectations -- we'll use Oracle's words -- why 14 · would they get less than the minimum salary range? 15 · · · · MS. CONNELL: Objection. Argumentative. 16 · Calls for speculation. Beyond the scope of the topics 17 · for which she's been designated. And incomplete 18 · hypothetical. 19 · · · A. I -- I couldn't answer that with this 20 · person. 21 · · · Q. (By Mr. Song) Does Oracle have any systems 22 · in place to check for -- for issues like this and resolve 23 · them? 24 · · · · MS. CONNELL: Objection. Assumes facts, 25 · that there's an issue to be addressed. Beyond the scope</p>	
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<p>1 · of the topics for which she's been designated. 2 · · · A. Given that performance rating -- reviews 3 · and ratings aren't mandatory, there isn't a mass way to 4 · check for all of this, to -- to check for high rating, 5 · low -- low salary. Not everybody gets a rating, so 6 · there -- I wouldn't say there is a broad Oracle way to go 7 · about conducting this, a review of it. 8 · · · Q. (By Mr. Song) Okay. Have you ever seen a 9 · situation like this, where somebody who is getting a 4 10 · performance review is -- is below the minimum? 11 · · · A. I wouldn't say that I've never seen it 12 · before. I mean, obviously I'm being showed this -- shown 13 · this example. 14 · · · Q. Uh-huh. 15 · · · A. It happens sometimes and, you know, 16 · sometimes our budgets are leaner, we go a couple years 17 · without raises and people fall behind. That's what 18 · happens when the decision is made that we can't afford a 19 · focal budget at any given time.</p>	

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20 · · · Q · Okay. Well, you know, based on these 21 · records, it looks like she was being paid below the 22 · minimum for at least a few years, if we turn to the back 23 · pages, the salary history where it's blown up. 24 · So do you see that first chart, that I 25 · think we looked at earlier?	
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1 · · · A · Yeah, yes. 2 · · · Q · So it looks like there's at least three 3 · years that she was below minimum, and maybe four. 4 · · · A · Do you have a question for me? 5 · · · Q · Yeah, yeah. 6 · So is there an explanation? Well, because 7 · you said that they might have been -- 8 · · · A · You've asked me this. I don't know. I 9 · don't know this person. 10 · · · Q · No, no, no. I asked you -- my previous 11 · question was just about the year or two. Now, you know, 12 · we can see that it happened for four or five years, even 13 · though it's difficult to read. 14 · · · · · So -- and you -- and your explanation was: 15 · Well, we could have had a lean budget year. But now 16 · we're talking like four or five years? 17 · · · A · We've had a lean -- 18 · · · · · MS. CONNELL: Objection -- 19 · · · Q · (By Mr. Song) Lean four or five years? 20 · · · · · MS. CONNELL: -- misstatements -- 21 · misstates the document. Argumentative. And it calls for 22 · speculation. 23 · · · · · MR. SONG: Okay. How is this misstating 24 · the document? 25 · · · · · MS. CONNELL: I don't think you've	
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1 · established that she was below the minimum for five 2 · years. 3 · · · · · MR. SONG: Well, I think it -- so it's 4 · from -- it looks like 2011 to '15. I don't know if 5 · there's '16. 6 · · · Q · (By Mr. Song) So -- well, regardless, four 7 · or five years, it's hard to tell from this chart, but is 8 · there an explanation for how a high-performing employee	

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<p>9· could be below minimum for that long? 10· MS. CONNELL: Objection. Misstates the 11· evidence. Lacks foundation. Calls for speculation. 12· Argumentative. 13· . . . A· I don't have -- I mean, I -- like I said, 14· I don't know this specific instance. 15· . . . Q· (By Mr. Song) Uh-huh. 16· . . . A· In the time that I've been at Oracle, we 17· have had multiple pretty lean years. 18· . . . Q· Uh-huh. 19· . . . A· And even these increases of 2 percent, 20· it's possible that the budget was only 1 1/2, so it's 21· still bigger than the budget. There are -- I don't know 22· the reasons why she would stay below minimum for that 23· long. 24· It looks like she must have gotten a 25· promotion on the September 2011 because she went from</p> <p>246</p> <p>1· E.08 to E.09 and she got a 6 percent raise then. And 2· then from there, I mean, she went three years without a 3· raise and there's just lean -- lean budgets. I don't 4· know what the other reasons might be for this particular 5· individual. 6· . . . Q· All right. If there were lean budgets 7· those years, would everybody get the same or similar 8· raise, like 2 percent or something like that? 9· MS. CONNELL: Objection. Incomplete 10· hypothetical. 11· . . . A· No. We don't ever peanut butter any of 12· our budgets. It's still, you have to prioritize; when 13· budgets are lean, you have to prioritize, and we speak to 14· that in our training. 15· . . . Q· (By Mr. Song) Okay. But if she's been -- 16· if she's been -- even if -- even in lean years, if she's 17· been below minimum for that many years, wouldn't she be a 18· priority to give a raise? 19· MS. CONNELL: Objection. Calls for 20· speculation. Lacks foundation. 21· . . . A· I think as I -- as I mentioned before, 22· having that 4 rating, if she's on a team of a bunch of 4s 23· and 5s and very high, there could be others who had -- 24· who were a bigger priority, depending on maybe what she</p>	

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<p>25 · was working on or -- or there could be -- there could be</p> <p>247</p> <p>1 · different reasons for it.</p> <p>2 · But I can't -- I can't get inside this</p> <p>3 · manager's head for why there wasn't more done.</p>	
<p>247:4-248:17</p> <p>3 · . . . Q. (By Mr. Song) Okay. And then just going</p> <p>5 · back to focal reviews for a minute.</p> <p>6 · You said some -- some employees get raises</p> <p>7 · during focal reviews and some don't. Do you have any</p> <p>8 · idea what the percentages are?</p> <p>9 · . . . A. I really -- I really don't. Some years --</p> <p>10 · depending on the size of the budget, some years, it might</p> <p>11 · be 40 percent of our population; other years, it might</p> <p>12 · get up to 80 percent of the population. It can vary</p> <p>13 · quite drastically.</p> <p>14 · . . . Q. Okay. Is that tracked?</p> <p>15 · . . . A. Yes. Our -- our workforce compensation</p> <p>16 · tool does tell us what percentage was touched.</p> <p>17 · . . . Q. Okay. And do you know, in 2019, what the</p> <p>18 · percentage was?</p> <p>19 · . . . A. In this most recently completed?</p> <p>20 · . . . Q. Yeah. Or yeah, I'm sorry. Maybe it</p> <p>21 · didn't happen in '19.</p> <p>22 · Maybe '18, or the most recent one?</p> <p>23 · . . . A. Okay. The most recent one, I want to say</p> <p>24 · it was in the 60s. I don't know off the top of my head.</p> <p>25 · . . . Q. Okay. And do you remember any previous</p> <p>248</p> <p>1 · years or previous focal reviews?</p> <p>2 · . . . A. Not off the top of my head --</p> <p>3 · . . . Q. Okay.</p> <p>4 · . . . A. -- I don't.</p> <p>5 · . . . Q. But you think 60s for the most recent one?</p> <p>6 · . . . A. I do think so.</p> <p>7 · . . . Q. Okay. You think that was '18 or '19?</p> <p>8 · . . . A. No, we just did it. It was effective</p> <p>9 · June 1 of this year. We didn't have one in 2018.</p> <p>10 · . . . Q. Okay.</p> <p>11 · . . . A. I'm sorry. We had an increase effective</p>	<p>Oracle objects that OFCCP has designated testimony that lacks foundation.</p>

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12· June 1 of 2018. The process was -- the whole going 13· through the process was done in late 2017 -- 14· . . . Q· Okay. 15· . . . A· -- for effective January 1 of 2018. And 16· then during 2018, we did not have a process at all. We 17· didn't start one again until this spring of 2019.	
248:18-250:8 18· . . . Q· Okay. And then you mentioned budgets, 19· like lean budgets and things like that. So I wanted to 20· talk about the role of budgets in setting pay for 21· employees. 22· . . . So can you tell us about the budget 23· process for -- for paying employees? 24· . . . MS. CONNELL: Objection. Assumes facts. 25· Lacks foundation. And she's already testified about the 249 1· budget process. 2· . . . A· What do you mean for -- I mean, are we 3· talking, again, new hires, transfers, during a program, 4· outside of a program? What are you talking about? 5· . . . Q· (By Mr. Song) Well, let's -- again, let's 6· just start with new hires. 7· . . . So it's different for -- there's a 8· different budget for each of these groups of employees? 9· . . . A· Well, I don't get involved in budgets when 10· it comes to anything outside of our annual programs. 11· . . . Q· Okay. 12· . . . A· So managers have budgets that they 13· should -- they have their own individual budgets, and 14· their salaries need to fall within their budgets. But 15· that's -- 16· . . . Q· Okay. 17· . . . A· -- not a -- a compensation-regulated or 18· monitored process. 19· . . . Q· Okay. But their -- their salaries are 20· limited by the budgets; is that correct? 21· . . . MS. CONNELL: Objection. Misstates her 22· testimony. 23· . . . A· I mean, I would say when a manager brings 24· in a new hire, what they're going to pay that new hire, 25· they -- in order to run a new -- good business, you have	

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<p>250</p> <p>1 · to stay within a budget that -- 2 · · · · Q. (By Mr. Song) Sure. 3 · · · · A. -- you're given for the year, so they need 4 · to make decisions being conscious of what their budget is 5 · for that fiscal year, yes. 6 · · · · Q. Okay. Well, let's -- since we just 7 · mentioned the most recent focal review -- 8 · · · · A. Uh-huh.</p>	
<p>250:9-253:19</p> <p>9 · · · · Q. -- is there a specific budget for focal 10 · review raises? 11 · · · · A. Yes, there is. 12 · · · · Q. Okay. So can you tell me how -- how that 13 · budget is derived, how is that calculated? 14 · · · · A. Yes. So -- and I believe I talked to this 15 · a little bit just a little while ago. The -- 16 · · · · · MS. CONNELL: Just designate this as 17 · confidential. 18 · · · · · But you can continue. 19 · · · · · THE WITNESS: Yes. 20 · · · · A. The -- we, in the global compensation 21 · team, do some market research and look at CPI and current 22 · market ratios for our entire global population. 23 · · · · Q. (By Mr. Song) Uh-huh. 24 · · · · A. And we come up with a recommendation for 25 · what might make sense in a given country.</p>	
<p>251</p> <p>1 · · · · · In the U.S., for example, if the CPI is 2 · 2.7 and the market's moving at about 3.3, we might say: 3 · Let's propose a 3 percent budget for the U.S. We put 4 · together our proposal for the budget percentages, and 5 · then we apply that to the eligible salaries of our 6 · employees in those countries. And then we come up with a 7 · massive number at the very, very top level -- 8 · · · · Q. Okay. 9 · · · · A. -- to say: This is what our budget is 10 · going to be. 11 · · · · Q. Uh-huh. 12 · · · · A. We present that budget, then, to our CEOs</p>	

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<p>13· and they let us know if we can afford that amount or not. 14· If we can't afford it, we go in and we shave from certain 15· countries. 16· . . . Q· Okay. 17· . . . A· Might take U.S. down to 2.8 or whatever so 18· that we can get within an overall budget that we can 19· afford -- 20· . . . Q· Okay. 21· . . . A· -- for our business conditions at that 22· time. 23· So we start at the very, very, very top 24· level. 25· . . . Q· Okay.</p>	
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<p>1· . . . A· And then we plug in those country 2· percentages. And then from there, the budget is assigned 3· to each: Safra Catz, Mark Hurd, and Larry Ellison, and 4· then it gets cascaded each level, one level at a time. 5· . . . Q· Okay. And then once that budget is 6· approved, can any changes be made to it? 7· MS. CONNELL: Objection. Vague. 8· . . . A· The very top level budget? I mean, we 9· could -- Safra could say: We're going to spend a little 10· bit more here. 11· . . . Q· (By Mr. Song) Okay. 12· . . . A· But it really -- we start out with that, 13· and nobody has authority to make changes to that top 14· number except for our CEOs. 15· . . . Q· Okay. So once the managers get the budget 16· cascaded down to them -- and so, for example, Safra, 17· under her line of business, would decide how much each 18· manager gets, what their budget is? 19· MS. CONNELL: Objection. Assumes facts. 20· Misstates her testimony. 21· . . . A· It goes one level at a time. 22· . . . Q· (By Mr. Song) Okay. 23· . . . A· So I meet with Safra to ask her how she 24· would like to push down her top number. 25· . . . Q· Okay.</p>	
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<p>1· . . . A· Say her top -- her overall percentage</p>	

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<p>2· globally is 3.8 percent. 3· . . . Q· Okay. 4· . . . A· Depending on the area that we're talking 5· about, she might say -- you know, or actually, what I -- 6· what I usually start to do for her is model -- go back 7· into the countries, because she might have a leader who 8· has a much larger population in India where that country 9· percentage was 9 percent, and so maybe she would say, 10· "Give them 5.7 because they've got U.S., they've got 11· India, they've got people all over the world." 12· So she makes the decision for the next 13· level down -- 14· . . . Q· Okay. 15· . . . A· -- what their budget would be, and then 16· those reports make their decision for the next level 17· down. 18· . . . Q· Okay. 19· . . . A· It goes, usually, one level at a time.</p>	
<p>253:20-255:3</p> <p>20· . . . Q· Okay. So if you're at the bottom level, 21· like the M-2 or M-1, you don't have any say in, like 22· changing the budget or anything like that? 23· MS. CONNELL: Objection. Misstates -- 24· . . . Q· (By Mr. Song) You're stuck with it? 25· MS. CONNELL: Objection. Misstates her</p> <p>254</p> <p>1· testimony. 2· . . . A· I wouldn't say you're stuck with it. 3· . . . Q· (By Mr. Song) Okay. 4· . . . A· Some -- sometimes -- and the budget 5· cascading might stop at varying levels. Sometimes an M-2 6· will get a budget, sometimes they won't. 7· Sometimes -- they can enter in increases 8· for people without having a budget in their -- in their 9· module. They could make recommendation. They could 10· enter that in without having -- having a budget given to 11· them. 12· Because sometimes you might get to, like, 13· say the director level and they're going to say, "My 14· budget is \$100,000. I'm going to hold it at my level, 15· but let everybody else make the input. And then in the</p>	

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<p>16· end, it's going to all work within my budget.” 17· So it varies at what level they get them. 18· . . . Q· Uh-huh. 19· . . . A· When you say, “Is the M-2 then stuck with 20· that budget,” not necessarily, because many of the 21· leaders hold some in reserve, knowing -- 22· . . . Q· Oh, okay. 23· . . . A· -- that they will have people who say, “I 24· have this situation, and the budget you gave me isn't 25· going to be enough to rectify the situation. Could I</p> <p>255</p> <p>1· please have more?” 2· So they're not necessarily stuck with it. 3· There's a lot of conversation around that.</p>	
<p>255:4-256:12</p> <p>4· . . . Q· Okay. So if -- if a manager is given a 5· budget and they feel like they need more money to keep 6· their employees or their -- his or her employees deserved 7· more, they can just ask their -- their manager for more 8· money? 9· . . . A· They could ask, yes. 10· . . . Q· Yeah? Okay. 11· . . . A· Yeah. 12· . . . Q· And does that happen often? 13· . . . A· It does, actually. 14· . . . Q· Okay. Where -- okay. And what are the -- 15· what are the justifications for asking for more money? 16· MS. CONNELL: Objection. Assumes facts. 17· Calls for speculation. 18· . . . A· Goodness. The -- some justifications that 19· I could think of that have been used, maybe somebody got 20· a -- they're -- maybe they have a couple of people who 21· are -- who have really been knocking it out of the park, 22· and they're not quite to midpoint, and they need a little 23· bit more so that they can take care of both of those 24· people and not -- we use the phrase, you know, rob Peter 25· to pay Paul.</p>	

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<p>256</p> <p>1 · · · · Q: (By Mr. Song) Yeah. 2 · · · · A: They don't -- they don't want to give a 3 · bunch of people zero so they can cover, like, two 4 · critical cases. 5 · · · · Q: Uh-huh. 6 · · · · A: So that would be a situation where they 7 · would go up their chain to say: I really need an extra 8 · \$10,000 so I can boost these guys a little bit more 9 · because of, you know, either their performance or their 10 · position and range or maybe they're at a risk for 10 · leaving. 12 · · · · Q: Uh-huh.</p>	
<p>256:13-17</p> <p>13 · · · · A: We also, in product development, see 14 · situations where there were off-cycle promotions that 15 · didn't include a raise and so they gave the promotion to 16 · them saying, "I will hit you with a raise on the next 17 · focal cycle."</p>	
<p>256:18-257:6</p> <p>18 · · · · Q: Uh-huh. 19 · · · · A: And then the raise needed for that would 20 · be a little bit more than what a typical focal would be 21 · because you have to account for, also, their increase in 22 · responsibility. 23 · · · · · So if a manager has someone that they need 24 · to address because they gave them a dry promotion during 25 · the year, they might say, "I need another five grand</p> <p>257</p> <p>1 · because this 3 percent isn't sufficient because I 2 · promoted them, too." 3 · · · · Q: Okay. And do you know how often those 4 · requests for extra money are approved? 5 · · · · A: It is very rare to see them rejected, 6 · actually.</p>	
<p>257:7-19</p> <p>7 · · · · Q: Oh, okay. And do the budgets for transfer 8 · employees -- so we were just talking specifically about 9 · the focal review budget.</p>	

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<p>10 · · · · · Would the -- would the budget for -- is 11 · there a separate budget for transfers? 12 · · · · A · The -- the transfer employees, throughout 13 · the year, would just have to fall within that 14 · manager's -- kind of like new hires. 15 · · · · Q · Okay. 16 · · · · A · I mean, they have to operate within their 17 · own -- within their own budget for -- 18 · · · · Q · Okay. 19 · · · · A · -- their cost center budget.</p>	
<p>257:20-261:5</p> <p>20 · · · · Q · Okay. So aside from focal review budgets, 21 · are there other salary budgets? 22 · · · · A · I mean, each -- 23 · · · · Q · Or is that the main one? 24 · · · · A · That's the main -- I mean, that's the only 25 · one that I get involved in --</p> <p>258</p> <p>1 · · · · Q · Okay. 2 · · · · A · -- or that compensation gets involved in. 3 · · · · Q · Uh-huh. 4 · · · · A · You know, I know, like at our executives 5 · level, they've got a certain budget in mind for -- you 6 · know, for fiscal '20, you can spend 4 percent globally or 7 · whatever. So they have -- they're assigned budgets and 8 · working through the beginning of each fiscal year, what 9 · their -- what their budget metrics are going to look 10 · like. They have in mind what their budget is, but a -- 11 · · · · Q · Okay. 12 · · · · A · -- a broad Oracle -- 13 · · · · Q · And is there a separate budget for new 14 · hires? 15 · · · · A · No. That goes -- 16 · · · · Q · No? 17 · · · · A · -- to what I was saying before. 18 · · · · Q · Okay. 19 · · · · A · It all has to fall within their -- 20 · · · · Q · And then what about mergers and 21 · acquisitions? 22 · · · · A · Mergers and acquisitions are treated 23 · completely separately.</p>	

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<p>24 · · · · Q · Okay.</p> <p>25 · · · · A · And -- because we never know when they're</p> <p>259</p> <p>1 · going to come or if they're going to come or how many at</p> <p>2 · a time, and each of those is evaluated on -- it's very</p> <p>3 · specific to that situation.</p> <p>4 · · · · Q · Okay. Is there a specific budget for</p> <p>5 · that, for mergers and acquisitions?</p> <p>6 · · · · A · That's case-by-case basis.</p> <p>7 · · · · Q · Okay. So typically, there's not a set</p> <p>8 · budget for salaries for acquired employees?</p> <p>9 · · · · A · It's totally case -- we don't have a --</p> <p>10 · sometimes we'll say -- you're saying increases for those</p> <p>11 · people?</p> <p>12 · · · · Q · Or just --</p> <p>13 · · · · A · Or what are you --</p> <p>14 · · · · Q · -- to take them on? Like --</p> <p>15 · · · · A · To take them on?</p> <p>16 · · · · Q · Yeah, like if you're going to have, like,</p> <p>17 · 50 new employees join, is there a budget set aside in</p> <p>18 · case or when you guys do -- because I --</p> <p>19 · · · · A · No.</p> <p>20 · · · · Q · -- I hear you have them pretty often?</p> <p>21 · · · · A · Yeah. We do have them often and</p> <p>22 · there's --</p> <p>23 · · · · Q · Yeah.</p> <p>24 · · · · A · -- no way to plan for it.</p> <p>25 · · · · Q · Okay.</p> <p>260</p> <p>1 · · · · A · So no --</p> <p>2 · · · · Q · So it's not --</p> <p>3 · · · · A · -- ahead of time --</p> <p>4 · · · · Q · -- planned for? Okay.</p> <p>5 · · · · A · -- there is not a --</p> <p>6 · · · · Q · All right.</p> <p>7 · · · · A · Yeah.</p> <p>8 · · · · Q · That's what I was just trying to figure</p> <p>9 · out.</p> <p>10 · · · · · And then you mentioned that some managers</p> <p>11 · hold many in reserve, knowing that they're going to get</p> <p>12 · requests for money?</p>	

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<p>13 ···· A. Uh-huh. 14 ···· Q. Now, is that -- is that coming from the 15 ·top of Oracle, that they're telling managers or 16 ·executives to hold money in reserve? Or is that 17 ·something that managers just do on their own? 18 ···· A. Managers just do that on their own. 19 ···· Q. Like some if they want to -- 20 ···· A. Uh-huh. 21 ···· Q. -- or they think they're going to come to 22 ·that need? 23 ···· A. Yeah. 24 ···· Q. Is there any kind of a reserve budget for 25 ·salaries?</p> <p>261</p> <p>1 ···· A. What do you mean by that? 2 ···· Q. Like -- so the main kind of salary budget 3 ·or for increases, sounds like it's for the focal review; 4 ·is that right? 5 ···· A. Uh-huh.</p>	
<p>261:6-19</p> <p>6 ···· Q. So what about -- so we also talked about 7 ·off-cycle raises. Where does that money come from? 8 ···· A. Also from the manager's own budget. 9 ···· Q. Okay. 10 ···· A. So it has to fit within their budget for 11 ·that -- 12 ···· Q. Existing budget? 13 ···· A. -- quarter or their year or whatever. 14 ···· Q. Okay. 15 ···· A. It's -- it's my understanding that they 16 ·work with their finance person to sort of accrue for, you 17 ·know, a few percent. Some might accrue for 1 percent 18 ·during the year or whatever, but that's very -- very 19 ·leader-specific.</p>	
<p>262:24-263:21</p> <p>24 ······ Okay. We haven't talked about bonuses, so 25 ·I wanted to talk a little bit about how bonuses are given</p> <p>263</p> <p>1 ·at Oracle.</p>	

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<p>2 · · · · A. Okay.</p> <p>3 · · · · Q. Is that -- I guess my first question, is</p> <p>4 · that part of the focal process as well? Because we saw</p> <p>5 · it in one of the forms.</p> <p>6 · · · · A. Yeah. The bonus is -- so for most</p> <p>7 · employees in product development for the -- and for -- in</p> <p>8 · IT and support, it's for the employees who are not</p> <p>9 · eligible for overtime. There is what's called -- what we</p> <p>10 · call the corporate bonus program, and that is another one</p> <p>11 · that is funded based on fiscal year results.</p> <p>12 · · · · · And since the 2013, this time period</p> <p>13 · started, we've had incredibly lean corporate bonus</p> <p>14 · budgets.</p> <p>15 · · · · Q. Okay.</p> <p>16 · · · · A. We don't know for -- 2019 just finished</p> <p>17 · May 31 of 2019, we don't know yet if there's going to be</p> <p>18 · a bonus for that.</p> <p>19 · · · · Q. Okay.</p> <p>20 · · · · A. There wasn't one for FY '18. There was a</p> <p>21 · tiny one for FY '17.</p>	
<p>263:22-264:19</p> <p>22 · · · · Q. And does performance or product, any of</p> <p>23 · those things, factor into bonuses?</p> <p>24 · · · · · MS. CONNELL: Objection. Incomplete</p> <p>25 · hypothetical.</p> <p>264</p> <p>1 · · · · A. Our -- our guidelines and our guidance</p> <p>2 · really is that the corporate bonus should be the way</p> <p>3 · to -- to reward people for a really great year, for a</p> <p>4 · great performance, whether it's a critical project they</p> <p>5 · completed or just if they were outstanding overall.</p> <p>6 · Generally, that's where the bonus gets filtered to, is</p> <p>7 · the high-performing individuals.</p> <p>8 · · · · Q. (By Mr. Song) Okay. So it's primarily</p> <p>9 · based on performance?</p> <p>10 · · · · A. That's what our -- I mean, I can't speak</p> <p>11 · for every manager and every decision that's made.</p> <p>12 · · · · Q. Uh-huh.</p> <p>13 · · · · A. But that's really where our -- where the</p> <p>14 · compensation got -- what the --</p> <p>15 · · · · Q. The guidelines?</p>	

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<p>16 · · · · A. -- compensation philosophy and guidelines 17 · would say that the bonus recognizes -- 18 · · · · Q. Performance? 19 · · · · A. -- performance.</p>	
<p>264:20-266:19</p> <p>20 · · · · Q. Okay. And do the -- is there -- is it 21 · always annual, or is it -- I mean, I know it's dependent 22 · on -- 23 · · · · A. If we're going to have one -- 24 · · · · Q. -- money? 25 · · · · A. Yeah.</p> <p>265</p> <p>1 · · · · Q. But if all things were working out well, 2 · it's annual, like, if you've got the budget for it? 3 · · · · A. Yes, yeah. 4 · · · · Q. Okay. 5 · · · · A. It would be to recognize performance each 6 · fiscal year. If we're going to have one -- 7 · · · · Q. Okay. 8 · · · · A. -- it recognizes the prior completed year. 9 · · · · Q. Okay. And is there a specific budget 10 · for -- for bonuses? 11 · · · · A. Absolutely. 12 · · · · Q. Okay. 13 · · · · A. Yeah. 14 · · · · Q. And -- and is that similar to the fiscal 15 · review budget? How does that work? 16 · · · · A. No. That one is: Our CEOs with finance 17 · accrue, throughout the year, how much they think we will 18 · be able to afford. And then if they decide we will be 19 · going forward with paying out a bonus, they tell me a 20 · dollar amount at the very top level. 21 · · · · Q. Okay. And then does it cascade down, the 22 · way the other budget did? 23 · · · · A. Yes. Same way. 24 · · · · Q. Okay. But this is more at the end of the 25 · fiscal year, correct?</p> <p>266</p> <p>1 · · · · A. Yes. 2 · · · · Q. And then the -- the amount of the -- the</p>	

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<p>3· budget that's cascaded down, how is that -- how is that 4· figured out? Like, how do they calculate that? 5· MS. CONNELL: Objection. Vague. 6· . . . A· So the very top level pool, as I said, is 7· decided with our CEO in finance. 8· . . . Q· (By Mr. Song) Uh-huh. 9· . . . A· And then that ends up becoming, we -- we 10· calculate from that number the percentage of the eligible 11· salaries that is. 12· . . . Q· Okay. 13· . . . A· So whether it comes out to be 1.2 percent 14· of all eligible salaries in the company -- 15· . . . Q· Okay. 16· . . . A· -- then the next level cascading, 17· everybody would get 1.2, across the board. So then from 18· the Safra, Mark, and Larry directs, they all get 1.2. 19· And how they cascade from there is up to them.</p>	<p>Errata: A· So the very top level pool, as I said, is decided with our CEO and finance.</p>
<p>266:20-267:20</p> <p>20· . . . Q· Okay. So would it also be dependent on 21· how many employees are within your line of business? 22· . . . A· That factors into the eligible salary. So 23· yes, you get the percentage of the eligible salaries. If 24· you have more employees, you probably have a higher 25· eligible salary. So your dollar amount to spend would be</p> <p>267</p> <p>1· more. 2· . . . Q· Okay. And at the -- at the manager level, 3· when they're actually making the bonus decisions, how are 4· they doing that? Is it just up to their discretion? 5· MS. CONNELL: Objection. Calls for 6· speculation. 7· . . . A· The -- the corporate bonus program is a 8· discretionary program. It's manager input. 9· . . . Q· (By Mr. Song) Okay. So the -- the manager 10· gets to decide how much to -- how much and who to give it 11· to? 12· . . . A· Yes. 13· . . . Q· Okay. And are there guidelines for the 14· manager on how to, you know, distribute bonuses? 15· . . . A· In our compensation guidelines and when 16· we've had bonuses, we do speak to being sure --</p>	

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<p>17· refreshing managers on how they should really focus on 18· the people who had an outstanding year or maybe they 19· contributed to a really critical project that year, but 20· just sort of highlighting -- our guidelines highlight for 267:21-22</p>	
<p>21· them, especially in years of lean budget -- which is what 22· we've had for the last many years -- specifying for them, 267:23-268:6</p>	
<p>23· "Remember to focus on the people who are" -- done -- so 24· who contributed in that particular fiscal year to the 25· most important things.</p> <p>268</p> <p>1· . . . Q. Okay. And are the -- the bonuses that 2· managers decide to give employees reviewed? Is there, 3· like, a supervision of -- or check on -- 4· . . . A. So that follows the same as the focal. So 5· it works -- it kind of works its way up within the 6· workforce compensation module.</p>	
<p>268:7-18</p> <p>7· . . . Q. Okay. And are there any systems in place 8· to try to ensure equity or fairness in distributing the 9· bonuses? 10· . . . MS. CONNELL: Objection. Vague. Assumes 11· facts. Beyond the scope of the PMK topics for which 12· she's been designated. 13· . . . A. I don't know. I mean, there's nothing 14· centrally mandated or done. 15· . . . Q. (By Mr. Song) Uh-huh. 16· . . . A. If different HR business partners go in 17· and try to do that, they -- they maybe could. But I 18· don't know of anything centrally done.</p>	
<p>268:19-25</p> <p>19· . . . Q. And so it's the -- the same managers that 20· are making the salary decisions, they're the ones that 21· are also making the bonus decisions? 22· . . . A. Correct. 23· . . . Q. Okay. 24· . . . A. It's the direct managers for the eligible</p>	

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25 · employees.	
269:1-6	
1 · · · · Q · Okay. And has anything changed in the 2 · bonus program in the last year? 3 · · · · · MS. CONNELL: Objection -- 4 · · · · A · We haven't had -- 5 · · · · · MS. CONNELL: -- vague. 6 · · · · A · -- one.	
269:16-272:19	
16 · · · · Q · But can you tell me about the stock 17 · program? 18 · · · · A · Yeah. It's -- we grant them -- starting 19 · this year, we do just restricted stock units. 20 · · · · · For prior to this year, we gave employees 21 · the choice of whether they wanted to receive their grant 22 · as stock options, RSUs, or a combination of the two, and 23 · the budget for that. I model out that budget, and it's 24 · based on head count and location and career level and 25 · function.	
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1 · · · · · And -- and then that overall high budget, 2 · once again, gets approved by our CEOs. And -- and then I 3 · break that down into what it means for each one of their 4 · direct reports based on their head count, in which 5 · countries, in which functions, and all those kinds of 6 · things. 7 · · · · · So similarly, it works its way down kind 8 · of one at a time. 9 · · · · Q · Okay. And what are RSUs? 10 · · · · A · Restricted stock units. 11 · · · · Q · Okay. What's the difference between that 12 · and the stock option that you mentioned? 13 · · · · A · So a stock option gives you the -- gives 14 · you the right to purchase Oracle shares in the future at 15 · the -- at the price at which they were granted. 16 · · · · · So, for example, if somebody got a grant 17 · on January 1 of 2019 at \$54, in -- and there's an 18 · expiration of ten years. They vest 25 percent a year for 19 · four years, and after each vesting, they could sell them 20 · or they could hang on -- they could exercise them or hang 21 · onto them. But they have ten years to do something with	

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22· them. 23· If -- say they got 100 -- 100 stock -- 24· I'll say 1,000 stock options on January 1 of 2019 at \$54. 25· 2020, 250 of them vest, and if the price was up to 60,	
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1· they could decide to either buy those 250 at \$54 and 2· they've already gained \$6 a share, or they could just 3· sit on it and wait for more to vest. And they have ten 4· years to decide what they want to do with them. Within 5· that ten years, if the price goes up to \$100, they've 6· just gained \$46 on all thousand shares. 7· With RSUs, restricted stock units, that 8· also has a four-year vesting period, but when they vest, 9· one year -- the first year out when they vest, we 10· automatically -- there's a taxable event and we 11· automatically distribute them right away. So it's 12· more -- it's more like a -- it doesn't have as much of a 13· retention capability in it because they get the value of 14· it every year on the year.	
15· . . . Q· Okay.	
16· . . . A· Whereas with options, the longer -- 17· generally, the longer you hold onto the options, the more 18· money you're going to make as long the company continues 19· to grow and as long as the stock price grows.	
20· . . . Q· Okay. And who's making those stock	
21· decisions?	
22· . . . A· What decisions?	
23· . . . Q· Like to -- whether to give somebody a	
24· stock option and who gets them?	
25· . . . A· The managers.	
272	
1· . . . Q· The -- so the same managers who are doing 2· the salary and the bonus?	
3· . . . A· So let me -- let me rephrase -- let me 4· step back.	
5· So it's the same program, it's the same 6· workforce compensation module. Equity is held at a much 7· higher level at Oracle. We don't -- while everyone IC-1 8· and above is eligible to receive equity, it's only about 9· 20 percent of our global population actually get equity	

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<p>10· and so the budgets -- 11· . . . Q· Okay. 12· . . . A· -- and the decisions are made much higher. 13· . . . Q· Okay. 14· . . . A· It doesn't go down to, like, the M-2s and 15· the M-3s. It's generally more M-4 and above, probably, 16· who make those decisions because it really is about the 17· retention of our higher-level, critical, 18· key-to-maintain -- or key-to-retain employees that end up 19· getting equity.</p>	
<p>272:20-274:19</p> <p>20· . . . Q· Okay. And are all employees eligible for 21· equity? 22· . . . A· Yes. 23· . . . Q· Okay. So it doesn't matter if your IC 24· or -- 25· . . . A· IC-1 and above.</p> <p>273</p> <p>1· . . . Q· Okay. 2· . . . A· Not IC-0s. IC-1 and above, they're 3· eligible to receive it. 4· . . . Q· And do you know if IC-1s do get stock 5· options? 6· . . . A· We have some of them who do. 7· . . . Q· Okay. And do you know -- have any idea 8· what the percentage is? 9· . . . A· Tiny. 10· . . . Q· Tiny? 11· . . . A· Tiny. Our IC-1s, I will say most of the 12· IC-1s that we see who get it are the -- like the 13· executive assistants of some of our top leaders. 14· . . . Q· Okay. 15· . . . A· Because they are pretty critical-to-retain 16· employees, so . . . 17· . . . Q· Okay. 18· . . . A· And they fall into that IC-1 category. 19· . . . Q· Okay. What level do employees really 20· start to take -- take advantage of the stock options? 21· . . . MS. CONNELL: Objection. Vague. Calls 22· for speculation. 23· . . . A· What do you mean at what level do they</p>	

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<p>24 · start --</p> <p>25 · · · · Q · (By Mr. Song) So -- so --</p> <p>274</p> <p>1 · · · · A · -- to take advantage?</p> <p>2 · · · · Q · -- you said at IC-1, it's a tiny</p> <p>3 · percentage?</p> <p>4 · · · · A · Uh-huh.</p> <p>5 · · · · Q · Is it at a IC-4 where, you know, maybe 50,</p> <p>6 · 60 percent start getting --</p> <p>7 · · · · · MS. CONNELL: Object --</p> <p>8 · · · · Q · (By Mr. Song) -- the stock options?</p> <p>9 · · · · · MS. CONNELL: Objection. Assumes facts --</p> <p>10 · · · · Q · (By Mr. Song) Just --</p> <p>11 · · · · · MS. CONNELL: -- vague and ambiguous.</p> <p>12 · · · · A · So it depends.</p> <p>13 · · · · Q · (By Mr. Song) Okay.</p> <p>14 · · · · A · It very much depends on the function and</p> <p>15 · what the role is. In some organizations, they might --</p> <p>16 · it's only IC-5s and -6s and then M-4s and above. In</p> <p>17 · other organizations, they may decide they've got some</p> <p>18 · critical retain -- critical retentions down at the IC-3</p> <p>19 · level. It really depends. It varies drastically.</p> <p>275:16-276:15</p> <p>16 · · · · Q · (By Mr. Song) Ms. Waggoner, before the</p> <p>17 · break, did you say that Oracle had lean years from '13 to</p> <p>18 · '19? Were those the years?</p> <p>19 · · · · A · I -- off the top of my head, I don't</p> <p>20 · remember the exact years, but we've had some lean ones of</p> <p>21 · late, yes.</p> <p>22 · · · · Q · Okay.</p> <p>23 · · · · A · Yes.</p> <p>24 · · · · Q · And do you --</p> <p>25 · · · · A · When it comes to bonus, when it comes to</p> <p>276</p> <p>1 · bonus.</p> <p>2 · · · · Q · Oh, okay. What about in terms --</p> <p>3 · · · · A · And --</p> <p>4 · · · · Q · -- of just general -- generally -- so what</p> <p>5 · about just generally?</p> <p>6 · · · · · MS. CONNELL: Objection. Vague and beyond</p>	

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<p>7· the scope of the topics for which she’s been designated 8· to testify. 9· . . . A· So if we’re talking about focal and 10· equity -- or focal and bonus budgets, focal budgets have 11· been fairly lean, too. We’ve had a good last few years 12· of at least having something. 13· . . . Q· (By Mr. Song) Uh-huh. 14· . . . A· The bonus budgets have been very rare and 15· very small when we’ve had them.</p>	
<p>279:24-280:22</p> <p>24· . . . Q· All right. And are there situations where 25· a new hire could -- could be assigned or placed in a</p> <p>280</p> <p>1· different job code or job title than they initially 2· applied for? 3· MS. CONNELL: Objection. Incomplete 4· hypothetical. Calls for speculation. 5· . . . A· So in the posting process, in the 6· requisition posting process, the manager selects the job 7· code that most closely represents the role that they have 8· to fill and the level at which they would like to fill 9· it. Depending on the candidate they choose, they are 10· free to go one level up or one level down, depending on 11· what that candidate brings to the table. 12· If they bring someone in a little bit more 13· senior than what they originally posted for and they’re 14· going to give them a little bit more complexity in their 15· responsibility, they could go one career level up in 16· that, but that’s the only time that the job code would 17· change when they come on board. 18· . . . Q· (By Mr. Song) Okay. When you say “one 19· level up or one level down,” you’re talking -- 20· . . . A· Yes. 21· . . . Q· -- about the career level? 22· . . . A· The career level.</p>	
<p>280:23-281:3</p> <p>23· . . . Q· Okay. 24· . . . A· So like -- 25· . . . Q· So like a –</p>	

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<p>281</p> <p>1 · · · · A. -- a software developer 3, they could 2 · bring them on as a 4, or a software developer 3, they 3 · could bring them on as a 2, depending on that candidate.</p>	
<p>282:7-13</p> <p>7 · · · · Q. (By Mr. Song) Well, do promotion -- well, 8 · I mean, let me first ask, do promotions always come with 9 · a raise? 10 · · · · A. They do not always come with a raise. 11 · · · · Q. Okay. And is that what's -- is that 12 · what's termed a "dry promotion," without a raise? 13 · · · · A. Correct.</p>	
<p>282:14-283:15</p> <p>14 · · · · Q. Okay. But promotions can lead to raises? 15 · · · · A. Yes. 16 · · · · Q. Okay. So then how are promotions decided 17 · at Oracle? 18 · · · · MS. CONNELL: Objection. Assumes facts. 19 · Vague. 20 · · · · A. So if somebody -- somebody could apply for 21 · a job that's been posted internally for -- for a 22 · promo- -- and it could -- might be a higher career level, 23 · whether it's an IC to a management job; maybe they're 24 · interested in managing a team, they could apply and 25 · express interest in it that way.</p> <p>283</p> <p>1 · · · · Managers also are supposed to be having 2 · frequent conversations with their employees about their 3 · own career aspirations and career development. So an 4 · employee could advocate for themselves in that way and 5 · say, "You know, one day I'm really actually interested 6 · in -- in managing a team. Could we please discuss what 7 · my path might look like in order to get promoted in that 8 · way?" 9 · · · · Or maybe as they've worked, say, at an 10 · IC-3 level, maybe their job has gotten more -- more 11 · complex and more responsibility has been added to their</p>	

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<p>12· · plate over time. A manager could say, "You know, they've 13· · been here, they've done well, their roles and duties now 14· · meet the IC-4 level. I'm going to submit them for that 15· · promotion."</p>	
<p>283:16-284:11</p> <p>16· · · · Q· (By Mr. Song) And then how is it 17· · determined whether it will be a wet or a dry promotion? 18· · · · A· For the most part, most of the -- most of 19· · the dry promotions happen in the product development 20· · function, specifically the product development leaders 21· · who used to report to Thomas Kurian. 22· · · · Q· Okay. 23· · · · A· They had a practice of doing -- doing 24· · their promotions at one time during the year and with the 25· · plan to address the money part at -- at focal.</p> <p>284</p> <p>1· · · · · The other -- other organizations around 2· · the company, an increase will a little more typically 3· · come with a promotion. But there could be cases where 4· · maybe the employee is already fairly compensated in the 5· · new range and maybe they would say, "We're just going to 6· · give you an equity grant to recognize this promotion 7· · instead." Or maybe just a -- a cash bonus or something 8· · to recognize it instead. 9· · · · · But it isn't -- there isn't a 10· · one-size-fits-all in that as well. It's kind of a 11· · case-by-case.</p>	
<p>284:12-285:4</p> <p>12· · · · Q· Okay. And how is the promotion process 13· · initiated? 14· · · · · MS. CONNELL: Objection. Vague. 15· · · · A· So -- actually, promotions can also happen 16· · within a focal. So in that case, the manager would put 17· · in -- enter in the new job code within the focal, and 18· · they would enter in the new job code and the -- and the 19· · reward, the compensation reward associated within a 20· · focal. 21· · · · · The -- the process to initiate a promotion 22· · for an individual employee, if -- if it is just a 23· · promotion on the same team with the same manager, the</p>	

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<p>24· manager would submit a Workflow that --</p> <p>25· . . . Q· (By Mr. Song) Okay.</p> <p>285</p> <p>1· . . . A· -- assigns the -- the next-level job to</p> <p>2· that person. If it's that they're applying for a</p> <p>3· requisition, it would go through -- they would apply and</p> <p>4· then it would go through that -- that Workflow.</p>	
<p>285:5-23</p> <p>5· . . . Q· Can an employee also initiate -- I mean,</p> <p>6· can they request promotion?</p> <p>7· . . . A· They could certainly have conversations</p> <p>8· with their managers about their desire to be promoted,</p> <p>9· yes.</p> <p>10· . . . Q· Okay. And it's essentially the manager</p> <p>11· that's making the decision on the promotion?</p> <p>12· . . . A· Yes. Either the -- if it's applying for a</p> <p>13· different -- for an opening for a requisition and</p> <p>14· applying for that, then the manager decides if they're</p> <p>15· going to hire them into that position; or if there's</p> <p>16· going to be a promotion to an employee, the manager would</p> <p>17· have to decide that the -- that they want to promote</p> <p>18· them.</p> <p>19· . . . Q· And the manager would also be making the</p> <p>20· decision on a wet or dry promotion?</p> <p>21· . . . A· Yes. They would, yeah. And sometimes</p> <p>22· with consultation with HR or if HR engages comp, but yes,</p> <p>23· it's a manager decision.</p>	
<p>285:24-286:14</p> <p>24· . . . Q· Okay. And is there any review of the</p> <p>25· promotion process?</p> <p>286</p> <p>1· . . . MS. CONNELL: Objection. Vague.</p> <p>2· . . . A· It's the same as the Workflow process that</p> <p>3· come -- that is outlined in our matrix, the Exhibit 8.</p> <p>4· If it involves money, it goes all the way -- it goes up</p> <p>5· the chain.</p> <p>6· . . . If it is just a -- and then the other</p> <p>7· reviews, it speaks in Exhibit 8, if it's a job change to</p> <p>8· a position below an M-4, it only has to go up one level.</p>	

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<p>9 · But if it's a job change to a director or senior 10 · director, it goes up to a few levels; and then job change 11 · to M-6 or above, it goes up to the CEO office. 12 · So it depends. But it's -- it's the 13 · Workflow process. Kind of like the offer, where it has 14 · to go through various stages.</p>	
<p>286:15-287:7</p> <p>15 · . . . Q · (By Mr. Song) All right. And then can you 16 · tell me about the dive and save? Is dive and save a 17 · policy at Oracle? 18 · . . . A · I -- not a policy. 19 · . . . Q · Okay. 20 · . . . A · Dive and saves happen at Oracle. 21 · . . . Q · All right. 22 · . . . A · And essentially, that refers to an 23 · employee who has an offer to leave Oracle. They have an 24 · offer in hand for a higher compensation package than 25 · they're earning at Oracle, and they could go to their</p> <p>287</p> <p>1 · manager to say, "I'm resigning. I've gotten an offer at 2 · X company," and the manager may say, "I would like to 3 · counter." 4 · It's essentially a counter to an external 5 · offer and then -- and then they could -- if the employee 6 · would stay for our counteroffer, then they would initiate 7 · a transaction for that counteroffer.</p>	
<p>294:7-16</p> <p>7 · . . . Q · Okay. And then just a budget question 8 · regarding dive and save. 9 · Is there a specific budget for dive and 10 · save? 11 · . . . A · No. 12 · . . . Q · No? So where would this money come from, 13 · which budget -- 14 · . . . A · That would have to come from their own 15 · budget -- from the own manager's budget for that fiscal 16 · year.</p>	
<p>295:14-296:16</p> <p>14 · Can you tell me about the approval process 15 · for dive-and-save requests?</p>	<p>Oracle objects that OFCCP has designated testimony that lacks foundation. (296:9-16)</p>

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<p>16 · · · · · MS. CONNELL: Objection. Assumes facts. 17 · · · Calls for speculation. Lacks foundation. 18 · · · · A. · So the formal approval process would 19 · · happen through Workflows. Like I said, it goes up the 20 · · chain of command. 21 · · · · · What each line of business or what each 22 · · leader requires as far as their own approval process, I 23 · · can't speak to the individual. Like this whole email 24 · · chain and who needs to approve what, I -- it probably 25 · · isn't consistent throughout the entire company, but once</p> <p>296</p> <p>1 · · a -- once a manager enters it into Workflow, it has to go 2 · · through the approval matrix. 3 · · · · Q. · (By Mr. Song) Okay. Similar to salary 4 · · increases or raises? 5 · · · · A. · Off-cycle, yes, or new hires or . . . 6 · · · · Q. · Okay. And do you know if justifications 7 · · are required for dive and save? 8 · · · · · MS. CONNELL: Objection. Vague. 9 · · · · Q. · (By Mr. Song) It's at the bottom of that 10 · · email, the first page, talks about the details and 11 · · justification. 12 · · · · A. · I would think so. I don't think -- I 13 · · mean, in this case, Thomas isn't going to approve if they 14 · · just send something saying, "I need to give a 22 percent 15 · · raise to this person." He's going to want to know why, 16 · · so yeah, I would think so.</p>	
<p>296:17-298:15</p> <p>17 · · · · Q. · Okay. And then the third sentence of the 18 · · email at the bottom: "The completed dive and save 19 · · template is attached." 20 · · · · · Do you know what template they're talking 21 · · about? 22 · · · · A. · I am going to guess that it's -- 23 · · · · · MS. CONNELL: Don't -- don't guess. 24 · · · · · THE WITNESS: All right. 25 · · · · A. · Well, it's what follows.</p> <p>297</p> <p>1 · · · · · MS. CONNELL: Yeah. 2 · · · · A. · The document --</p>	<p>Oracle objects that OFCCP has designated testimony that lacks foundation.</p>

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<p>3 ····· MS. CONNELL: It -- 4 ····· A. -- speaks for itself. 5 ····· MS. CONNELL: -- speaks for itself. Yeah. 6 ····· A. It's -- it's right there. 7 ····· Q. (By Mr. Song) Okay. But -- so that's just 8 ····· an email -- so but the template would not be Exhibit 88? 9 ····· MS. CONNELL: Objection. Calls for 10 ····· speculation and the documents speak for themselves. 11 ····· A. I don't think so. When they say it's 12 ····· attached, I would think that's what this is (indicating). 13 ····· Q. (By Mr. Song) Okay. If you turn to the 14 ····· next page, at the very top, in bold, it says, "If 15 ····· approved, Steve will have 39 left in his dive and save 16 ····· budget." 17 ····· So -- 18 ····· A. Yes, I see that. 19 ····· Q. -- do you know what that means? 20 ····· A. I don't know exactly what that means, but 21 ····· given it's the number 39, I would say they were given, by 22 ····· Thomas, X number of opportunities in a fiscal year to 23 ····· dive and save and -- 24 ····· Q. Uh-huh. 25 ····· A. -- he can do it 39 more times in the year.</p> <p>298</p> <p>1 ····· Q. Okay. You don't think that's referring to 2 ····· money, like -- 3 ····· A. No. 4 ····· Q. Okay. 5 ····· A. Absolutely not. 6 ····· Q. Okay. And so the dive-and-save budget is 7 ····· not referring to money, but the number of employees they 8 ····· can do dive and save on? 9 ····· MS. CONNELL: Objection. The document 10 ····· speaks for itself. Calls -- 11 ····· A. That's what it looks like. 12 ····· Q. (By Mr. Song) So for this dive-and-save 13 ····· request, it looks like Thomas Kurian was the final 14 ····· approver; is that correct? 15 ····· A. It appears that way.</p>	
<p>300:5-17</p> <p>5 ····· A. If we go back to the Exhibit 8 again.</p>	

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<p>6 Q. (By Mr. Song) Okay. 7 A. Because it involves money. 8 Q. Uh-huh. 9 A. It says, base salary change increase goes 10 up to that CEO office of approvals -- 11 Q. Okay. So it would just -- 12 A. -- so -- 13 Q. -- even -- the dive and save would just 14 follow this -- 15 A. Yes, absolutely. 16 Q. -- same approval process? 17 A. Same Workflow process.</p>	
<p>300:18-302:16</p> <p>18 Q. All right. And then regarding both these 19 people in, let's see, 88 and 89, so it would be Lauren 20 Cohn and Andrew Ioannou -- I'm not sure if I'm 21 pronouncing that correctly -- do you know why these 22 people weren't addressed during the focal review, why 23 their salaries weren't addressed during the focal review? 24 A. I don't know that we can say that they 25 weren't. I --</p> <p>301</p> <p>1 Q. Okay. 2 A. I mean, it doesn't -- I don't know that 3 you can draw that conclusion, unless it says specifically 4 in here that it wasn't. 5 Q. Well, the -- you know, like, for example, 6 if we turn to page [sic] 88, you know, the -- under 7 "Proposal," it says: Lauren Cohn's salary is astonishing 8 low. At \$76,345, her salary falls far below the grade -- 9 job grade range of 85,000 to 154,592.03. Her direct 10 reports in the U.S. are earning 45 percent to 65 percent 11 more than she is. 12 So it seems like it would be difficult to 13 say that her salary was addressed during focal review if 14 she's that -- that underpaid. 15 So is there -- so do you know why her 16 situation wasn't addressed during focal review? 17 MS. CONNELL: Objection. Assumes facts. 18 Argumentative. Beyond the scope of the PMK topics for 19 which she's been designated. Calls for speculation.</p>	<p>Oracle objects that OFCCP has designated testimony that lacks foundation.</p>

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<p>20 · · · · A. I don't know individual circumstances, but 21 · as I mentioned before, I don't think we can draw the 22 · conclusion that she got nothing at focal. 23 · · · · Q. (By Mr. Song) Okay. Well -- all right. 24 · So maybe she got something at focal, but -- or, okay, let 25 · me rephrase that question.</p> <p>302</p> <p>1 · · · · · Then why wasn't she given a -- whether she 2 · was or wasn't given a raise at focal, why wasn't she 3 · given a larger raise during focal? 4 · · · · · MS. CONNELL: Same objections. Calls for 5 · speculation. Beyond the scope of the PMK testimony -- 6 · PMK topics for which she's been designated. Assumes 7 · facts. 8 · · · · A. I can't speak to the specific scenario. 9 · · · · Q. (By Mr. Song) Okay. Are there any 10 · processes in place during focal review to catch 11 · situations like this? 12 · · · · · MS. CONNELL: Objection. Assumes facts. 13 · Vague and ambiguous. Lacks foundation. 14 · · · · A. I wouldn't say "processes in place." 15 · They -- during a focal, it could be -- it could come to 16 · the larger attention of a manager.</p>	
<p>306:25-308:7</p> <p>25 · · · · · If we turn to page -- I mean, to</p> <p>307</p> <p>1 · Exhibit 89, so we have this Mr. Andrew Ioannou. So I 2 · have the -- I have the same question for him. 3 · · · · · Do you know why his salary situation 4 · wasn't addressed during focal review? 5 · · · · · MS. CONNELL: Objection. Assumes facts. 6 · Beyond the scope of the topics for which she's been 7 · designated to testify. Lacks foundation. And calls for 8 · speculation. 9 · · · · A. Similar situation. I think if you look at 10 · the form, the second page, it says, "Last Salary Increase 11 · Percentage" was 7 percent. 12 · · · · Q. (By Mr. Song) Uh-huh. 13 · · · · A. I can tell you, 7 percent for a focal is 14 · huge --</p>	<p>Oracle objects that OFCCP has designated testimony that lacks foundation.</p>

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<p>15 ···· Q· Okay. 16 ···· A· -- at Oracle. 17 ···· Q· Okay. 18 ···· A· So it appears to me that they did try -- 19 · you know, I don't know the date. They didn't give the 20 · date of this, but it appears to me that he had to have 21 · been getting large increases. 22 ···· Q· All right. So if that's huge for a focal, 23 · what's the average percentage increase for a focal? 24 ····· MS. CONNELL: Objection. Assumes facts. 25 ···· A· I don't -- I don't know the average. I</p> <p>308</p> <p>1 · just know, you know, of the -- when we have had focals in 2 · the U.S. in the last decade -- 3 ···· Q· (By Mr. Song) Uh-huh. 4 ···· A· -- a 2.8 to 3 percent -- or 2.5 to 5 · 3 percent budget is really all we've been getting. 6 ···· Q· Okay. 7 ···· A· So 7 percent is major.</p>	
<p>308:8-24</p> <p>8 ···· Q· Okay. So if some -- if the 2.5 -- or the 9 · budget was 2.5 to 3 percent, would most employees be 10 · getting 2.5 to 3 percent? 11 ····· MS. CONNELL: Objection. Misstates her 12 · testimony. Assumes facts. 13 ····· And I want to designate this section as 14 · confidential. 15 ···· A· No, because I stated that not everybody 16 · gets a focal. 17 ···· Q· (By Mr. Song) Okay. 18 ···· A· I believe I said it was in the -- 19 ···· Q· Yes. 20 ···· A· -- 60 -- 40 to 60 or -- 21 ···· Q· That's correct. 22 ···· A· -- I forget what my range was. 40 to 80 23 · over the course of how many years. So if somebody gets 24 · 7, obviously that means a couple people get nothing.</p>	<p>Oracle objects that OFCCP has designated testimony that lacks foundation.</p>
<p>309:18-25</p> <p>18 ···· Q· So if there -- so when you say "lateral," 19 · do you mean -- do you mean transfer, is that the same</p>	

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<p>20· thing as transfer -- 21· MS. CONNELL: Objection -- 22· . . . Q· (By Mr. Song) -- to Oracle? 23· MS. CONNELL: -- vague. 24· . . . A· So a -- a lateral transfer just means same 25· career level, same pay.</p>	
<p>310:2-24</p> <p>2· So lateral transfer, but when -- when -- 3· I've seen those terms used -- and actually, I think 4· you've used lateral and transfer today, too. Do you mean 5· the same thing, lateral -- does that lateral mean 6· transfer, or is that -- or are they different terms or 7· different definitions? 8· MS. CONNELL: Objection. Vague. 9· . . . A· I mean, in general, when we discuss a 10· lateral, it would be a transfer to a different team or a 11· different manager, probably. 12· . . . Q· (By Mr. Song) All right. 13· . . . A· Yeah. I mean, I think so. 14· . . . Q· Okay. And when you mean lateral or 15· transfer, you're talking within Oracle, correct? 16· . . . A· Correct. 17· . . . Q· Okay. And if somebody transfers, does 18· that always include a pay raise? 19· MS. CONNELL: Objection. Assumes facts. 20· Lacks foundation. 21· . . . Q· (By Mr. Song) Or does it never include a 22· pay raise? 23· . . . A· So this is -- when I say "lateral," if I 24· say "lateral," that means same level, same pay.</p>	
<p>310:25-311:1</p> <p>25· . . . Q· Okay.</p> <p>311</p> <p>1· . . . A· So lateral means there is no pay raise.</p>	
<p>311:15-312:4</p> <p>15· . . . Q· (By Mr. Song) Okay. What would the 16· process be for a transfer to get a pay raise? 17· . . . A· The same as any other Workflow, where the 18· receiving manager would submit a Workflow for that person 19· and put in the change in pay into that Workflow, and then 20· it would go up the approval change -- chain.</p>	

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<p>21 · · · · Q · Okay. And who decides -- and review would 22 · · be similar to the -- 23 · · · · A · Correct. 24 · · · · Q · -- Workflow that we've previously 25 · · discussed?</p> <p>312</p> <p>1 · · · · · And the factors considered would be the 2 · · same? 3 · · · · · MS. CONNELL: Objection. Incomplete 4 · · hypothetical.</p>	
<p>312:5-20.</p> <p>5 · · · · A · So the factors to give a raise, they -- 6 · · position and range, whether there's an increase -- if 7 · · there's a -- in a transfer, maybe it is somebody who 8 · · is -- who is applying for a higher-level position and 9 · · they've been selected for a higher-level position. 10 · · · · · If it is essentially the same level of 11 · · job, performing overall similar duties and 12 · · responsibilities that they were previously performing, 13 · · that's mostly when we really say that -- that it should 14 · · be lateral and a pay raise would not be warranted. And 15 · · the reason for that is because we don't want a toxic 16 · · environment of infighting and -- 17 · · · · Q · (By Mr. Song) Poaching? 18 · · · · A · -- poaching and people trying to lure 19 · · people from one job to another by just giving them more 20 · · money.</p>	<p>Errata: A · So the factors to give a raise, they -- position in range, whether there's an increase -- if there's a -- in a transfer, maybe it is somebody who is -- who is applying for a higher-level position and they've been selected for a higher-level position.</p>
<p>312:21-313:4</p> <p>21 · · · · Q · All right. What if some -- what if a 22 · · manager wanted to give a transfer a pay raise, how would 23 · · that work? 24 · · · · A · So it would be part of the Workflow. 25 · · · · Q · Uh-huh.</p> <p>313</p> <p>1 · · · · A · And they would write in their 2 · · justification -- in the justification portion why they 3 · · believe that a pay raise is warranted in that particular 4 · · situation.</p>	

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<p>327:20-23</p> <p>20· So you mentioned that there were lean 21· . years. You weren't sure exactly how far it went back, 22· . but the last couple of years, there have been some lean 23· . years.</p>	
<p>327:24-328:16</p> <p>24· Has Oracle been able to -- to keep pace 25· . with market rates in those lean years?</p> <p>328</p> <p>1· MS. CONNELL: Objection. Vague and 2· . ambiguous. Beyond the scope of the PMK topics. 3· . . . A. I guess what -- what -- I'm not sure where 4· . you're getting -- what do you mean by that? 5· . . . Q. (By Mr. Song) So because Oracle was 6· . experiencing some lean years, were they able to continue, 7· . you know, paying its employees at market rates? Or did 8· . they have to go below market rates because of the lean 9· . years? 10· MS. CONNELL: Same objections. 11· . . . A. Well, what I mean by "lean years" is 12· . little to no focal budget. 13· . . . Q. (By Mr. Song) Uh-huh. 14· . . . A. So if you give -- if we give little to no 15· . focal budget, naturally we're not keeping up with the way 16· . the market has grown.</p>	