Oracle Compensation
M&A Orientation Meeting

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May 20, 2015
Agenda

1. Organizations
2. Compensation at Oracle
3. Job Framework
4. Job Mapping
5. Q&A
Compensation Organizations

Global
Kate Waggoner

US
Lisa Gordon

Canada
Don MacKay

LAD
Rita Cocchiola

EMEA
John Lewis

APAC
Eric Low

GIC
Greg Myers
Compensation at Oracle
Rewarding Our Employees

• Oracle compensates employees based upon their contributions to the Company and Oracle's financial performance

• The goal is to attract, retain, and motivate the very best qualified employees

• Central to Oracle's total compensation philosophy are
  – Recognition and reward
  – Open communication
  – Market competitiveness
Rewarding Our Employees

• Different Job Functions with Different types of pay needs
  – Sales – commissions/incentives related to individual or pool performance
  – Consulting - variable pay related to pool funding, utilization, and manager discretion
  – Development, Support, F&A – corporate bonus plan tied to business results and manager discretion

• Most roles in Oracle have a salary range to guide managers in recruitment and salary changes during the annual focal cycle

• Differences: local legislation and practices
  – i.e. OT eligibility, legislated profit sharing
Global Compensation Processes

• Equity
  – May/June timeframe with early July grant
  – Offer time-based stock options and RSUs
    • employees are given a choice during process (100% options; 50/50; 100% RSUs) with a few country exceptions
  – Not all countries are eligible

• Corporate Bonus
  – July/August timeframe, after FY earnings announcement in June

• Salary Increases
  – Sales and Non-Sales done separately, and timing varies
Managing Compensation Processes & Budgets

• Eligibility guidelines exist for each process
• Budgets are set at the very top exec level & each LOB head has his/her own method of allocating
• Each LOB will have its own timeline which aligns with overall global timeline
• When budget is lean, extra care and attention must be given to awarding the appropriate people, ie. top performers with low compa-ratios
Off-Cycle Pay Adjustments

• Promotion
• Competitive counter offer
• A change between commission and bonus based compensation
• A change of job to a different on-target earnings (OTE) split
Job Framework
# Job Framework

<table>
<thead>
<tr>
<th>FUNCTION</th>
<th>SPECIALTY AREA</th>
<th>PRODUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What does the employee do?</strong> This field describes the type of work the person performs; it is not necessarily specific to the organization in which they work.</td>
<td><strong>What specialist work does the employee perform within the professional function?</strong> If an employee’s role covers more than one specialist area, then chose the specialist area which is most representative.</td>
<td><strong>Is the position associated with a particular product?</strong></td>
</tr>
<tr>
<td>Pre-Sales</td>
<td>PRESALES</td>
<td>As part of the sales team, gives technical credibility to the technical/solution sell.</td>
</tr>
<tr>
<td>Solutions Architect</td>
<td>SOLARCH</td>
<td>Through detailed industry knowledge articulates and promotes full Oracle and allied partner software and services portfolio to provide complete customer solution.</td>
</tr>
<tr>
<td>Technical Account Management</td>
<td>TECHACC</td>
<td>Development and maintenance of global partners &amp; major accounts. Provision of ongoing technical focus to meet strategic business needs.</td>
</tr>
</tbody>
</table>
# Job Framework (Global Career Levels)

## Individual Contributors

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC0</td>
<td>A1 - Entry</td>
</tr>
<tr>
<td>IC1</td>
<td>A2 - Intermediate</td>
</tr>
<tr>
<td>IC2</td>
<td>A3 - Senior</td>
</tr>
<tr>
<td>IC3</td>
<td>A4 - Highly Skilled</td>
</tr>
<tr>
<td>IC4</td>
<td>Learning</td>
</tr>
<tr>
<td>IC5</td>
<td>Developing</td>
</tr>
<tr>
<td>IC6</td>
<td>Career</td>
</tr>
</tbody>
</table>

## Management

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
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<tbody>
<tr>
<td>M1</td>
<td>Supervisor</td>
</tr>
<tr>
<td>M2</td>
<td>Manager</td>
</tr>
<tr>
<td>M3</td>
<td>Sr. Manager</td>
</tr>
<tr>
<td>M4</td>
<td>Director</td>
</tr>
<tr>
<td>M5</td>
<td>Sr. Director</td>
</tr>
<tr>
<td>M6</td>
<td>VP</td>
</tr>
<tr>
<td>M7</td>
<td>SVP</td>
</tr>
<tr>
<td>M8</td>
<td>EVP</td>
</tr>
<tr>
<td>M9</td>
<td>President</td>
</tr>
<tr>
<td>M10</td>
<td>CEO &amp; CTO</td>
</tr>
</tbody>
</table>
Job Mapping
Job Mapping

• Central point of contact
• Coordination with Global Teams
• New Hire
  – Better coordination with job mapping and compensation integration
  – Will own Oracle’s Job Framework
Q & A