Oracle Compensation Guidelines

Total Compensation

Total compensation is a summation of base salary, performance-related bonuses, commissions, and other applicable incentives and benefits.

When determining the employee's total compensation package, the following factors may be taken into account:

- the job's salary range which is based on the external market value for the job,
- the employee's global career level,
- the salaries of other Oracle employees in the same job and location,
- and the individual employee's performance.

In addition to cash compensation and other benefits, there are other 'intangible' benefits of working at Oracle such as your working environment and career opportunities.

Your eligibility to receive each component of total compensation will vary depending on the country in which you are employed and your function here at Oracle.

When is compensation paid out?

MONTHLY	QUARTERLY	ANNUAL
Sales Commission	Consulting Bonus Sales Consulting Bonus Instructor Bonus	Corporate Bonus Stock Option Focal (Base) Salary

These are simple guidelinesfor when salary increases, bonuses, and/or options may be reviewed, paid or granted. This is not a guarantee that an employee will be reviewed for or receive a raise, bonus, or option grant. Such compensation or allocations are offered at the discretion of management.

Base Salary
Base salary is designed to compensate employees for performing their job duties and responsibilities, and to reward for individual performance. It provides employees with a rate of pay that is competitive with other companies in Oracle's industry for similar jobs.

Salary Increases
Oracle management reviews all eligible employees' salaries and assignment changes at one point in time. This process is called the salary review process or the focal review process. Employees are not guaranteed a salary increase. Salary increases are offered at the discretion of your manager.

How are Salary Increases Allocated?
Each Line of Business' (LOB) focal salary increase budget is distributed to the LOB Head via the Compensation Workbench web tool. The LOB Heads and Executive Management have complete discretion when further allocating budgets and awarding salary increases to individuals within their organization.

Who is Eligible for a Salary Increase?
To be eligible for consideration for a focal salary increase and/or assignment change, an employee must meet all of the requirements listed below:

- Be a regular Oracle employee (excludes contractors and temporary employees in most countries)

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- Have been hired and start at least 61 days before the performance period ends. Note: Eligibility may be pro-rated on a daily basis depending on the new hire start date.

To comply with local legislation, some countries require adjustments to these eligibility rules. Eligibility for employees from recent mergers and acquisitions will be evaluated on a case-by-case bases, depending on the agreement between the two companies, For a complete list of eligibility rules by country please consult your manager.

Global Corporate Bonus
The Global Performance Bonus Plan is an annual plan for the performance period: June 1st through May 31st.

Bonuses are discretionary; designed to reward employees for assisting the company in meeting key strategic company goals and objectives; including profitability. Bonuses are not entitlements.
This bonus plan is funded according to performance criteria determined by the Company with individual employee bonuses being ultimately awarded at the discretion of management. The Company regularly reviews the plan and, at it's sole discretion, the Company may cease the plan or change the plan to ensure that the strategic direction of the Company is supported.

How is the Bonus Allocated?
Each LOB's pool is distributed to the Line of Business (LOB) Head via the Compensation Workbench web tool. The LOB Heads and Executive Management have complete discretion when further allocating budgets and awarding bonuses to individuals within their organization.

Who is Eligible?
To be eligible for consideration for a discretionary Global Performance Bonus, an employee must meet all of the requirements listed below:

- Be a regular Oracle employee (excludes contractors, temporary employees in most countries)
- Work in a position that is eligible for the Global Performance Bonus Plan and not eligible for any other variable plan. *Examples of other variable plans which are not eligible for the Global Performance Bonus Plan include: Executive, Sales (including Channel Reps and Managers and Business Development Reps and Managers on revenue plans), Sales Consulting, Consulting, Instructor, and Recruiting plans, as well as employees who are US Overtime eligible.*
- Have been hired and start on or before March 31st (i.e. 61 days before the performance period ends)
- Be eligible for at least 31 days during the performance period
- Be active or on an approved leave of absence the day the bonus is paid

Eligibility may be pro-rated on a daily basis due to the following:

- New hire
- Transfer into or out of a different variable plan
- Paid and unpaid leave of absence during the bonus period (does not include vacation or holiday time)
- Part-time (percentage based on time worked compared to country's full time hours)

To comply with local legislation, some countries require adjustments to these eligibility rules. For example, the corporate global bonus is not paid in every country, such as in [redacted]
Consult your manager for more information.

Eligibility for employees from recent mergers and acquisitions will be evaluated on a case-by-case basis, depending on the agreement between the two companies.

Other Bonuses and Compensation

Consulting Bonus
Oracle Consultants who are "billable" may be eligible to participate in the Consulting Discretionary Bonus Plan. Consulting bonuses are administered through Global Incentive Planning. Further plan information can be found on the Global Incentive Planning & Strategy website.

Instructor Bonus
Oracle Instructors, outside the U.S., who are "billable" are eligible to receive a quarterly bonus. Instructor bonuses are administered through Global Incentive Planning. Further plan information can be found on the Global Incentive Planning & Strategy website.

Sales Bonus
Some sales positions such as Sales Consultants and Business Development Representatives are eligible to receive a quarterly bonus. Sales bonuses are administered through Global Incentive Planning. Further plan information can be found on the Global Incentive Planning & Strategy website..

Sales Commissions
Sales commissions are designed to direct, motivate, and reward sales employees for achieving desired business objectives. Sales commissions are paid monthly and administered through Global Incentive Planning. Further plan information can be found on the Global Incentive Planning & Strategy website.

Spot Bonus
A Spot bonus is a non-cash special recognition bonus valued up to [redacted] (for example, a dinner or gift-of-choice). The award must be submitted on an expense report and categorized as a non-cash bonus. A non-cash bonus greater than [redacted] and all cash bonuses require approval by the CEO office and Human Resources. A Spot bonus is taxable in accordance with country regulations. The intent of this program is to provide managers with a means to recognize truly exemplary employee contributions. It is important that managers do not use this program as a way of providing regular "bonuses" to employees. Managers are accountable to utilize the program in a financially responsible manner, and ensure that a bonus is granted with consideration to budgetary constraints. Misuse of the program may result in a manager being made ineligible for its future use, and/or disciplinary action as deemed appropriate by management and HR.

Patent Awards
In appreciation of our employee-inventors Oracle maintains an active patent award program. Contact your manager or HR Manager for more patent information.

Allowances
Allowances, such as car allowances, may be provided to employees in order for them to perform the duties/responsibilities of their job. In some countries, other allowances, such as transportation or housing, may be applicable. In support of Oracle's commitment in developing practices that protect the environment, employees are encouraged to use the most fuel efficient and cost effective methods of conducting business on behalf of Oracle. Refer to your HR Web site for information specific to your country.

Overtime
Some countries require that employees who work overtime hours be compensated for those overtime hours. For further details contact your manager or HR Web site.

Benefits
Total compensation at Oracle means more than just base salary and bonus/commission incentive programs. It also includes the valuable benefits and perquisite programs available to our employees, such as health and welfare benefits including medical, dental, vision, retirement savings plan with a company match, vacation policy, etc. valued, on average, at approximately [redacted] of an employee's total compensation.

Employee Stock Purchase Plan
The ESPP program provides employees the opportunity to put aside money to purchase stock at a discounted price. For more information regarding the ESPP program contact Employee Stock Services (775) 689-3456 stock_us@oracle.com. ESPP is not available in all regions/countries. Consult your regional HR Web site.

Stock Option Program
The Annual Stock Option Process operates at the sole discretion of the Company. Whether Oracle continues to operate this arrangement, as well as what factors to consider when exercising its discretion will be reviewed regularly to ensure the strategic direction of the Company is supported.
The Stock process is an annual event with awards being granted in June/July. Individual grants are ultimately awarded at the discretion of management.

Who is eligible?
To be eligible:

- you must be a regular Oracle employee [redacted]
- working in a country with [redacted]
- and assigned to a jobcode with career level [redacted].
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Eligibility for employees from recent mergers and acquisitions will be evaluated on a case-by-case basis, depending on the agreement between the two companies.

To comply with local legislation, some countries require adjustments to these eligibility rules. Stock Options are not always granted to employees in some countries. Consult your Human Resources Representative for more information.

Compensation Review & Oversight

Oracle's compensation policy and philosophy is to pay employees in a fair, and non-discriminatory manner. New Hires are paid and are typically placed within the salary range for the job depending on their background experience, skills, market conditions. A new hire's salary is reviewed at hire to make sure they are being placed in the right job, level and salary based on their experience and skills. The HR staff, may analyze, or may request a manager to explain, the reasons for the pay level to ensure that the pay is warranted and consistent with Oracle's guidelines. Similarly, any pay increase that may be given to incumbent employees is consistent with Oracle's compensation policies and is subject to review as warranted.

As noted above, there are a myriad of specific factors that can affect a new hire or incumbent employee's pay. The above reflects the primary factors although there can be others, as well as other non-compensation circumstances that can affect an employee's pay. For example, a new employee may be hired by Oracle as a result of an acquisition in which case the "acquisition hire" comes to Oracle usually in their same job and salary.

Following are some examples of special circumstances that can affect pay decisions: incumbent employee may take a job that is a "downgrade" from a higher level job; or a highly valued employee has received a job offer from another company and Oracle wishes to incentive the employee to remain at Oracle by increasing that employee's compensation. Some departments or business units may also be subject to budgetary constraints that could affect the level of pay/pay increases available to new hires/employees in that organization.

In addition to the forgoing explanations, we have attached company documents describing our compensation philosophy and practices.

Attachments:

1 – Compensation Guidelines
2 – Manager PowerPoint Training