EXHIBIT
PENGAD 800-631-6989
Waggoner 7
5-1-19 SB

Summary of Comments on How to Use the PowerPoint Template

Page: 1

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:54 PM

Program Agenda

Compensation Systems Fundamentals

- Oracle Job Table
- Career Level Tracks
- Salary Ranges
- Compa Ratio
- Sales Comp Mixes

Pay Decisions

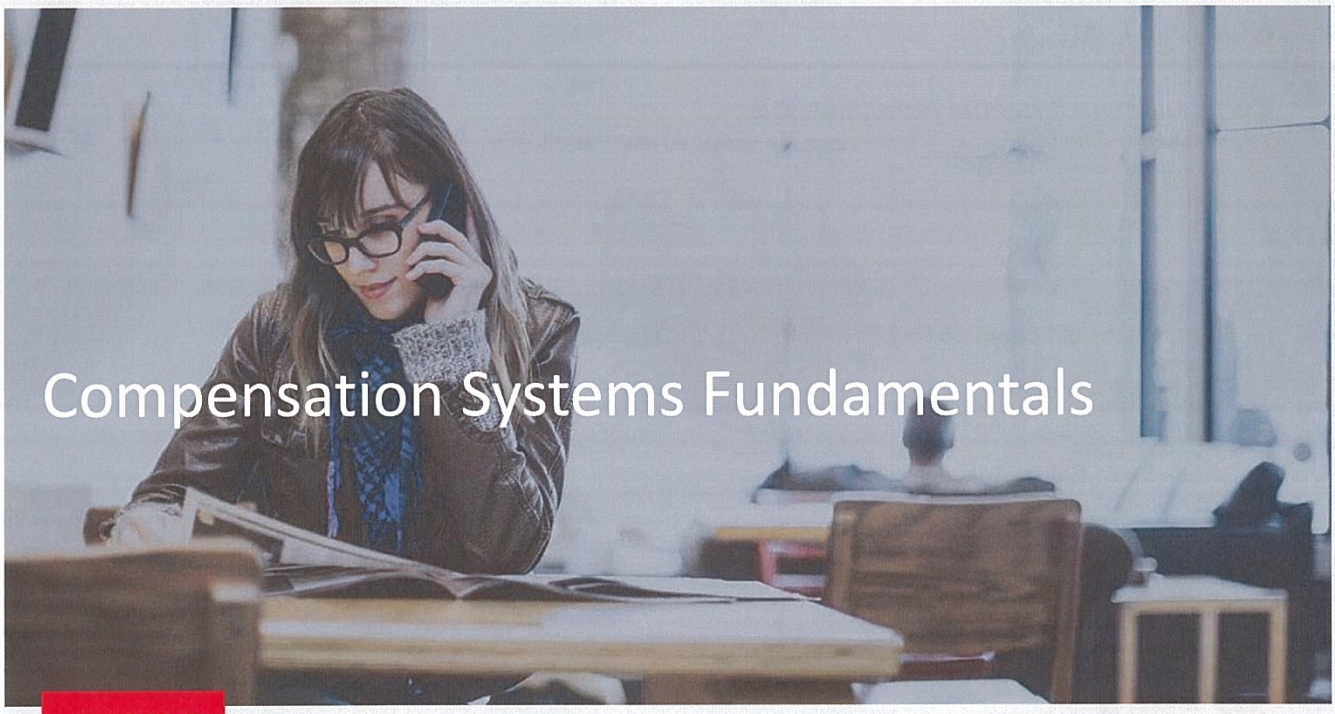
- Principles of Managing Pay
- New Hires
- Internal Transfers
- International Transfers
- Promotions
- Off-Cycle Salary Adjustments
- Business Justifications

Compensation Programs

- Annual Equity Program
- Global Corporate Bonus
- Sales and Non-Sales Salary Increases
- Workforce Compensation Replaces Compensation Workbench

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Confidential – Restricted



Compensation Systems Fundamentals

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Confidential – Restricted

ORACLE_HQCA_0000056234-4

1

Global Job Table

Unique number

System job title

Type of work performed (not LOB specific)

Specialty

Global Career Level - Broad hierarchal category

Job Code	Job Title	Function	Specialty Area	Career Level
3313	Applications Sales Representative IV	SALES	SPECPROD	IC4
10530	Software Developer 3	PRODEV	SWENG	IC3

Every employee with same Job Code will have the same Global Job Title, Function, Specialty Area and Global Career Level

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Confidential – Restricted

Page: 4

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:55 PM

Jobs at Oracle are classified using a consistent global framework. Each job is assigned 5 core elements.
These elements are:
The Job Code which is the unique identifier for the job and is one of about 1300 Job Codes included in the global job table.
The Job Title which is a brief description of the job – known as the "system title". In general the global jobtitle is not the title the employee might use to describe his job to colleagues or clients or use it for a busines card.
The Function describes the general type of work the employee performs. This isn't specific to the employee's LOB.
The Specialty Area is a subset of the function and is intended to further identify the work performed.
Finally, the Career Level is a broad category that indicates increased skill, knowledge, and responsibilities and performance expectations. The higher the career level, the higher the complexity of the job duties.

As shown in our example, the job title, function, speciality and career level will be the same globally.

1

Global Career Levels

- Global career levels are a set of broad, hierarchical categories related to the level at which a job is performed
- Responsibilities, contribution and job complexity increase from one job level to the next in the hierarchy
- The global career level structure has two paths: Management (M1-M10) and Individual Contributor (IC0 – IC6). **There is no correlation between M and IC level**

Management
Primary responsibility is management
Levels M1 to M10

≠

Individual Contributor
All other employees including team leaders
Levels IC0 to IC6

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Confidential – Restricted

Page: 5

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:55 PM

As mentioned on the prior slide, global career levels are a set of broad categories related to the level a job is performed. These levels indicate where responsibilities, individual contributions and job complexity increase from one job level to the next.

The career level for a job in one organization with the same level of responsibilities and complexity as a job in another organization, will be the same level. This means that if a job in Finance does have the same level of responsibilities and complexity as a job say in Sales, the career level of the two jobs will be the same.

The career level structure has 2 paths. Management positions and Non-Management positions which are referred to as Individual Contributors. There is no direct mapping between M-levels and IC-levels. Each career path is considered separate from the other, and transfers or job changes across the paths should be evaluated on a case-by-case basis.

Global Career Levels

Individual Contributor (IC) Career Levels

Career Level	Job Title	Discretionary Title	Responsibilities
IC1	Software Developer 1	Associate Member of Technical Staff	Little to no experience, gaining competence in own area with direct guidance from management.
IC2	Software Developer 2	Member of Technical Staff	Understands role, performs moderately complex problem solving with guidance from management.
IC3	Software Developer 3	Senior Member of Technical Staff	Fully competent in own area. May have project lead role.
IC4	Software Developer 4	Principal Member of Technical Staff	Leading contributor individually and as a team member, provides direction & mentoring to others.
IC5	Software Developer 5	Senior Principal Member of Technical Staff	Provide leadership and expertise in development of new or changes to products/services/processes.
IC6	Software Developer 6	Architect	Acknowledged expert within company and/or industry. Provides strategic leadership in development & direction of products/services/processes.

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Confidential – Restricted

Global Career Levels

Manager (M) Career Levels (2 or more direct reports)

Career Level	Job Title	Discretionary Title	Responsibilities
M1 - M2	Software Development Manager	Manager, Software Development	Leads dev. team of individual contributors. Minimal people management experience.
M3	Software Development Senior Manager	Senior Manager, Software Development	Leads dev. Team of individual contributors. Generally has 2 or more years of people management experience.
M4	Software Development Director	Director, Software Development	Strategic leadership across functional areas through a team of individual contributors and managers.
M5	Software Development Senior Director	Senior Director, Software Development	Strategic leadership across functional areas through a team of individual contributors and managers. Broad functional exp, enabling mgmt of PM, QA, Dev, etc.
M6	Software Development Vice President	Vice President, Development	Strategic leadership across functional areas through a team of directors. High conceptual complexity, significant intangible or external factors.
M7 – M10	Snr VP, Exec VP, Pres	Senior VP, Exec VP, President, CTO& Chairman	Senior Executive Staff

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Confidential – Restricted

1

Choosing the Correct Job Code

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 8

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:56 PM

When choosing a job code, you should select the job that most closely reflects the role. It is important to remember that the job code need not be in a specific function just because an employee is in a specific LOB. An example of this is Admin Assistants. Admins have a function of Admin but can be located across the organization.

If the job code is incorrect there could be an impact to the employee's compensation, including their salary range, bonus eligibility, overtime eligibility and compensation plan eligibility.

In some cases an incorrect job code could impact an offer letter or employment terms especially for M&A employees and hamper access to manager self service and compensation program tools.

Please contact your assigned HR business partner, if you have questions about the job classification of any of your employees. You may be asked to provide information on the duties of the job to determine and ensure the appropriate job code assignment is provided.

1

Choosing the Correct Job Code

- The Job code selected should be the job which most closely reflects the role in the organization

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 9

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:57 PM

When choosing a job code, you should select the job that most closely reflects the role. It is important to remember that the job code need not be in a specific function just because an employee is in a specific LOB. An example of this is Admin Assistants. Admins have a function of Admin but can be located across the organization.

If the job code is incorrect there could be an impact to the employee's compensation, including their salary range, bonus eligibility, overtime eligibility and compensation plan eligibility.

In some cases an incorrect job code could impact an offer letter or employment terms especially for M&A employees and hamper access to manager self service and compensation program tools.

Please contact your assigned HR business partner, if you have questions about the job classification of any of your employees. You may be asked to provide information on the duties of the job to determine and ensure the appropriate job code assignment is provided.

1

Choosing the Correct Job Code

- The Job code selected should be the job which most closely reflects the role in the organization

Why is this so important?

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 10

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:57 PM

When choosing a job code, you should select the job that most closely reflects the role. It is important to remember that the job code need not be in a specific function just because an employee is in a specific LOB. An example of this is Admin Assistants. Admins have a function of Admin but can be located across the organization.

If the job code is incorrect there could be an impact to the employee's compensation, including their salary range, bonus eligibility, overtime eligibility and compensation plan eligibility.

In some cases an incorrect job code could impact an offer letter or employment terms especially for M&A employees and hamper access to manager self service and compensation program tools.

Please contact your assigned HR business partner, if you have questions about the job classification of any of your employees. You may be asked to provide information on the duties of the job to determine and ensure the appropriate job code assignment is provided.

1

Choosing the Correct Job Code

- The Job code selected should be the job which most closely reflects the role in the organization

Why is this so important? What might be impacted by inaccurate job mapping?

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 11

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:57 PM

When choosing a job code, you should select the job that most closely reflects the role. It is important to remember that the job code need not be in a specific function just because an employee is in a specific LOB. An example of this is Admin Assistants. Admins have a function of Admin but can be located across the organization.

If the job code is incorrect there could be an impact to the employee's compensation, including their salary range, bonus eligibility, overtime eligibility and compensation plan eligibility.

In some cases an incorrect job code could impact an offer letter or employment terms especially for M&A employees and hamper access to manager self service and compensation program tools.

Please contact your assigned HR business partner, if you have questions about the job classification of any of your employees. You may be asked to provide information on the duties of the job to determine and ensure the appropriate job code assignment is provided.

1

Choosing the Correct Job Code

➢ The Job code selected should be the job which most closely reflects the role in the organization

Why is this so important? What might be impacted by inaccurate job mapping?

- Salary Range

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 12

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:57 PM

When choosing a job code, you should select the job that most closely reflects the role. It is important to remember that the job code need not be in a specific function just because an employee is in a specific LOB. An example of this is Admin Assistants. Admins have a function of Admin but can be located across the organization.

If the job code is incorrect there could be an impact to the employee's compensation, including their salary range, bonus eligibility, overtime eligibility and compensation plan eligibility.

In some cases an incorrect job code could impact an offer letter or employment terms especially for M&A employees and hamper access to manager self service and compensation program tools.

Please contact your assigned HR business partner, if you have questions about the job classification of any of your employees. You may be asked to provide information on the duties of the job to determine and ensure the appropriate job code assignment is provided.

1

Choosing the Correct Job Code

➢ The Job code selected should be the job which most closely reflects the role in the organization

Why is this so important? What might be impacted by inaccurate job mapping?

- Salary Range
- Bonus eligibility

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 13

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:57 PM

When choosing a job code, you should select the job that most closely reflects the role. It is important to remember that the job code need not be in a specific function just because an employee is in a specific LOB. An example of this is Admin Assistants. Admins have a function of Admin but can be located across the organization.

If the job code is incorrect there could be an impact to the employee's compensation, including their salary range, bonus eligibility, overtime eligibility and compensation plan eligibility.

In some cases an incorrect job code could impact an offer letter or employment terms especially for M&A employees and hamper access to manager self service and compensation program tools.

Please contact your assigned HR business partner, if you have questions about the job classification of any of your employees. You may be asked to provide information on the duties of the job to determine and ensure the appropriate job code assignment is provided.

1

Choosing the Correct Job Code

➢ The Job code selected should be the job which most closely reflects the role in the organization

Why is this so important? What might be impacted by inaccurate job mapping?

- Salary Range
- Bonus eligibility
- Overtime eligibility

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 14

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:57 PM

When choosing a job code, you should select the job that most closely reflects the role. It is important to remember that the job code need not be in a specific function just because an employee is in a specific LOB. An example of this is Admin Assistants. Admins have a function of Admin but can be located across the organization.

If the job code is incorrect there could be an impact to the employee's compensation, including their salary range, bonus eligibility, overtime eligibility and compensation plan eligibility.

In some cases an incorrect job code could impact an offer letter or employment terms especially for M&A employees and hamper access to manager self service and compensation program tools.

Please contact your assigned HR business partner, if you have questions about the job classification of any of your employees. You may be asked to provide information on the duties of the job to determine and ensure the appropriate job code assignment is provided.

1

Choosing the Correct Job Code

➢ The Job code selected should be the job which most closely reflects the role in the organization

Why is this so important? What might be impacted by inaccurate job mapping?

- Salary Range
- Bonus eligibility
- Overtime eligibility
- Visa eligibility, systems access, and more

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 15

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:57 PM

When choosing a job code, you should select the job that most closely reflects the role. It is important to remember that the job code need not be in a specific function just because an employee is in a specific LOB. An example of this is Admin Assistants. Admins have a function of Admin but can be located across the organization.

If the job code is incorrect there could be an impact to the employee's compensation, including their salary range, bonus eligibility, overtime eligibility and compensation plan eligibility.

In some cases an incorrect job code could impact an offer letter or employment terms especially for M&A employees and hamper access to manager self service and compensation program tools.

Please contact your assigned HR business partner, if you have questions about the job classification of any of your employees. You may be asked to provide information on the duties of the job to determine and ensure the appropriate job code assignment is provided.

1

Salary Ranges

Job Code ➡ Salary Grade ➡ Salary Range

- Salary ranges are a tool to assist managers in making decisions about pay
  - Broad ranges allow managers to account for differences in experience, skills, competencies and performance of candidates and incumbents
  - Salary ranges are developed at the country level
    - Some countries may have multiple ranges because of within country pay differences
      - US – HQ and Non-HQ
  - Salary ranges are developed locally using 3rd party salary survey information
    - Market data is reviewed relative to the particular job and it is typical to find a variance between functions. For instance, market data for the sales function differs when compared to market data for the support function.

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 16

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:58 PM

Each job code in the global table is assigned to a salary grade that refers to a salary range.

Salary ranges are a tool designed to assist in making decisions about pay by providing ranges that are considered fair and competitive in the local labor market for a specific job. Oracle's ranges are intentionally broad to allow managers to differentiate between employees who are new to their roles and still learning, and those who are fully qualified, very experienced and top performers.

Salary ranges are developed at the local country level, since there are market differences from one country to the next, as well as even within-country differences in some cases. For example, jobs in Silicon Valley are paid higher than those in Orlando, FL, so we have a differential in the US for non-HQ jobs.

Salary survey information from 3rd party consulting companies is used to develop our salary ranges. Market data is reviewed relative to the particular job and it's typical to vary between functions. For instance, market data for the sales function differs when compared to market data for the support function.

Understanding Salary Ranges

Several factors should be considered to position pay:

Performance
Experience
Knowledge
Skill

In relation to

Market (External Equity)
Peers (Internal Equity)

Employees who are still learning their role, or whose contribution is below the required standard

Employees who are fully experienced, competent and solid performers

Employees whose contribution is exceptionally high or ready for a promotion

1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
$36,159	$42,938	$49,718	$56,498	$63,278
Minimum		**Midpoint**	**Maximum**

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Confidential – Restricted

Page: 17

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:58 PM

Salary ranges are the link between internal and external equity and assists in making pay decisions during the recruitment process, focal reviews, job changes and also for a promotion. Jobs that have the same local market value are grouped into the same local grade level, and have the same salary range. There are multiple jobs in each grade, often across different LOBs.

Salary ranges are reviewed annually and based on the review of this market data, the salary range structure can be moved as a whole or individual jobs may change grades from year-to-year (up or down).

So, how do we determine the correct placement of an employee in their salary range? The business climate and salary increase budgets play a key role in how managers are able to position employees within their range.

Other factors to consider when determining an appropriate position in the salary range are:
The employee's skills, knowledge, and experience and perhaps education (if a requirement for the job).
Position in the range of others in the organization who have similar skill sets for the same role.
Sustained performance by the employee.

So, specifically, let's review the ideal usage of a salary range.

Employees who are still learning their role, or employees whose contribution is below the standard should generally be positioned somewhere between the minimum and the 1st quartile. We find that with some teams, and in particular with Mergers and Acquisitions, we might have employees perhaps with limited skills, experience or education that truly are shy of meeting particular job requirements and therefore, might be under the minimum of the assigned salary range.
Hopefully over time these employees will have opportunities to increase their skills and knowledge and gain experience and, as budgets allow, their pay can be re-aligned.

As we see in this example, using the U.S. salary range for the Implementation Consultant II (an IC2)

The midpoint typically reflects the external market rate for an experienced, fully competent and solid performing employee performing this job.
The 3rd and 4th quartiles should generally include employees who are our top performers, who are ready for promotion or for those who possess a "hot skill".
The maximum is typically the highest salary that should be paid for a job.

As a manager, you may not always have the budget to perfectly place all your employees, but we wanted to give you an overview and understanding of the intended usage of the salary range.

1

Base Salary – Compa-Ratio

- Compa-Ratio is the ratio of the employee's salary to the midpoint of their job's salary range.
- Example:

  Annual salary - $52,000

  Local salary range midpoint - $49,718

  Compa-ratio = Employee salary ÷ Range Midpoint x 100

  = $52,000 ÷ $49,718 x 100

  = 104.5
- How do we use Compa-Ratio?
  - Salary benchmarking of peers in role
  - International transfers between two countries
  - Periodic salary reviews

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 18

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:58 PM

An employee's compa-ratio is the ratio of their full time equivalent base salary to the midpoint of their assigned job's salary range. With this calculation, you have an opportunity to look at employees in different jobs and to gain a sense of their pay relative to each other. This is helpful when you are managing employees doing different kinds of work, at different levels and in different countries or regions within a country. Of course, it is important to remember that not everyone has, nor should they have, the same compa-ratio. The right compa-ratio for each employee depends on their individual experience, skills, contributions and performance.

To calculate a compa-ratio, as shown in our example for an Implementation Consultant II, we will divide the annual salary of $52,000 by the midpoint of $49,718 with a resulting compa-ratio of 104.5 This means that the employee is paid at 104.5% of the midpoint, or almost 5% over the midpoint of the range. This data point would indicate that the employee is fully experienced and competent to successfully perform the duties of the job and is being paid slightly over the current market of the job.

1

Sales – Pay Mix

Base Pay	ATV (Annual Target Variable)	OTE (On-Target Earnings)
An employee may impact based on their performance	Standard targets based on influence over sales outcomes	$

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 19

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:59 PM

At Oracle, we have variable pay components such as those found within our consulting or corporate plans however, this slide is just speaking specifically about sales plans.

Base pay, as you know, is what an employee is given for a job which may be impacted by the employee with various factors such as their performance. The Annual Target Variable (ATV) is an earning opportunity for the employee based on achievement of their sales goals. It is this equation of base salary and the target variable that provides the 'Pay Mix' ratio of the job. The overall purpose of the pay mix is to help establish a motivating risk/reward proposition for those employees with influence over sales outcomes. Of course, the higher the jobs influence the higher the pay mix should be. Adding an employees base pay and their ATV provides their OTE (On-Target Earnings).

So, for instance, an Applications Sales Rep I and II (in the U.S.) is provided a standard [redacted] pay mix which indicates the employee is given [redacted] of their earnings in their base pay and a [redacted] TV opportunity. This highly leveraged [redacted] pay mix indicates a significant influence over a sale. An example of a lower leveraged job is the pre-sales consultant with a standard pay mix of [redacted]. This pay mix indicates their influence for the sale is not as great and therefore most of their dollars (or [redacted] is found in their base pay with [redacted] leveraged in the ATV.

Of course, for some employees based on attainment of their specific sales goals, they will find that their base pay when combined with their variable pay can be very rewarding.

1

Sales – Pay Mix

Job Code	Job Title	Career Level	Pay Mix (most leveraged)	Pay Mix (least leveraged)	Target Variable (ATV) Minimum	Target Variable (ATV) Mid	Target Variable (ATV) Maximum	On-Target-Earnings (OTE) Minimum	On-Target-Earnings (OTE) Midpoint	On-Target-Earnings (OTE) Maximum
[redacted]										

- Global Incentive Comp (GIC) Team
- Standard v. Non-Standard Pay Mix

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 20

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:59 PM

Here's a look at a standard pay mix for a sales role at Oracle. In this instance, we are looking at an Alliances Consultant role. For this role, the standard pay mix between base salary and target variable can be as leveraged as [redacted]% base / [redacted] variable) or less leveraged as [redacted] It then shows what the min, mid, and max base salary and target variables for each sceniario can be.

The Global Incentive Comp Team is responsible for maintaining the sales pay mixes. They also review all sales roles offered to ensure the Terms are in line with the standards. It is important to keep the sales pay mix within these standard mixes. This ensures consistency in the roles and teams across Oracle, and avoids pushback from our Global Incentive Comp Team and the BoD.

1

Pay Decisions

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Restricted

Page: 21

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:59 PM

Thanks Jana

In the next section of our presentation, I will review several types of pay decisions you may make as a manager.

1

General Principles of Managing Pay

- Compensation and benefits must be in line with the standard for the job
- Balance external and internal equity
- Consider the relevant knowledge, skills, abilities and experience of the employee
- Differentiate rewards by performance but manage within your budget
- Be honest and open with communications on rewards and performance
- These principles apply globally

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 22

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:47:59 PM

Managing pay is an art, not a science, and there are various factors to consider.

Here are some of the general principles of managing pay.

Compensation and benefits offered to employees should be in line with the Oracle local standard for the job.

Managers need to balance external and internal equity, as well as the relevant knowledge, skills, abilities and experience of the employee or candidate.

Rewards should be differentiated by performance which can be a challenge when managing within your budget.

It is important for managers to be open and honest with their employees when it comes to rewards and performance. However, it is equally important that you never make specific promises.

Remember these principles apply globally.

1

New Hires

- When posting a position
  - Choose the correct job family and career level
    - Most closely reflects the role and level of the work required
- When determining an offer
  - Make final determination of correct career level for the candidate – may differ from level of posting – one level up or down
    - Based on experience and skill set of candidate
  - Review salary range for proposed position and salary range position of existing incumbents in work group
  - Understand variable pay plan, if any eligibility
  - Review candidate and proposed package with HRBP prior to making candidate offer

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 23

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:00 PM

When hiring a new employee you must first post a position. Choose the job family based on the family that most closely reflects the role. The Career level should be chosen based on the level of work the organization requires not the level that it would be nice to have or the level of the current members of the team.

When you're making an offer, make the final career level determination based on the candidate's experience and skill set. The career level may differ from the level of the posting – one level up or down is allowed with no additional posting requirements. Also review the current salary range and the position in the salary range of existing incumbents in the work group.

Be sure you understand if the position is eligible for any variable pay such as the Global Corporate Bonus or a sales incentive plan.

1

Scenario #1

New Hire – Choosing a Career Level and Salary

- Position posted as a M4
  - Will have 4 reports – 1 IC3, 2 IC4s and 1 IC5
- Candidate has 10 years experience including 2 years management experience
- Key factors in determining career level
  - Job Scope
  - Candidate's experience
- Key factors in determining starting salary
  - Peer salaries with similar skills, experience, and job
  - Local market salary data to ensure offer competitiveness

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 24

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:00 PM

Let's review a scenario on choosing a career level and salary for a new hire.

Here are some of the facts.

The position is posted as a M4. The position will have 4 reports – 1 IC3, 2 IC4s and 1 IC5.

The candidate has 10 years experience including 2 years management experience.

The key factors in determining the career level are the job scope and the candidate's experience.

The key factor in determining the starting salary is where the peers doing similar work are paid.

Based on the this information what would you recommend?

The candidates management experience and the size and makeup of the proposed team isn't strong enough to qualify for the M4 level. When posting a job, you are free to hire one level up or down, so in this case, a potential recommendation would be M3 instead.

Determine the salary based on the pay of peers with similar experience and skills doing similar work in the organization.

1

Scenario #2

New Hire – Choosing a Career Level and Salary

- Position posted as a M2
  - Will not have any direct reports
- Candidate has 7 years experience including 1 year management experience
- Key factors in determining career level
  - Job Scope
  - Candidate's experience
  - Number of direct reports

*Taleo postings may be adjusted up or down one level from what was posted. It must be <u>within</u> the same IC or M career track. You cannot adjust across career tracks.

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 25

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:00 PM

Let's review a scenario on choosing a career level and salary for a new hire.

Here are some of the facts.

The position is posted as a M2. The position is not likely have any direct reports immediately, but may in the future. This is why the hiring manager posted the role as an M2

The candidate has 7 years experience including 1 year management experience.

The key factors in determining the career level are the job scope and the candidate's experience. It's also important for manager hires to consider the size of the team and level of the direct reports.

Based on the this information what would you recommend?

Because the new hire will not immediately manage a team consisting of at least 2 direct reports, this hire should not be in a manager role. The role should instead be hired as an individual contributor based on the candidate's experience and current expected scope of the role. If or when a team is built under this employee, a promotion to a manager role would be appropriate.

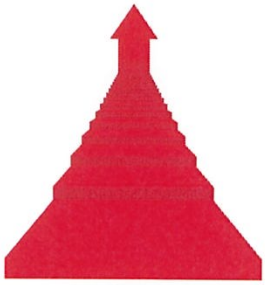
Based on these facts, and the candidates level of applicable experience, a more appropriate level to hire would be an IC3 or IC4 role.

*It is important to know that once you've posted a Taleo req as a manager or individual contributor role, you cannot adjust the req between the two career tracks. You can adjust up or down one level within the same career track , but not across M or IC tracks (ie. IC to M, M to IC). So in this scenario, the hiring manager would need to post a new IC3 or IC4 level role and hire the candidate against that req.

1

Promotions

- A promotion is typically a move to a new job with greater responsibility and impact to the company.
  - Some promotions are within the same job family and career path and
  - Others can be to a new job family or career path
- Promotions are not always accompanied by a salary increase
  - Salary should, however, be appropriately positioned in new salary range



ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 26

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:00 PM

** LOB timing for promotions.

A promotion is typically a move to a new job with greater responsibility and impact to the Company. Some promotions are within the same job family and career path and others can be to a new job family or career path.

Promotions aren't always accompanied by a salary increase. The salary should be appropriately positioned in the new salary range. If an employee is positioned very low in their current range, or has a salary that is not in line with the peer group in the new role, a promotion without a salary increase could cause internal equity issues, and may even cause the employee to fall below the minimum of the new range.

1

Promotions

- Key factors for IC promotions
  - Skills, experience, and performance of the employee
  - Scope of the job
- For promotions from IC to Manager
  - No direct mapping between paths
  - Consider scope of the job and previous management experience to determine level
- Key factors for Management promotions
  - Scope of job and business need for job at new level
  - Experience, performance, and results of the employee

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 27

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:01 PM

Key factors to consider for IC promotions are the skills, experience, and performance of the employee and the scope of the job.

For promotions from IC to Manager the new career level should be determined based on the scope of the new job and the previous management experience of the candidate. There is no direct mapping between the IC and M career paths.

Key factors for management promotions are the scope of the job and business need for a job at the new level. The employee's experience and results are also important factors.

1

Polling Question

Under which situation would you feel a promotion is appropriate?

A. An employee has been in the same grade for quite awhile and is due a promotion

B. I'm concerned the employee may leave the organization

C. The salary of my employee appears to be low and by giving them a promotion I get a chance to increase it

D. An employee mentions to you that a colleague next to them is doing the same job but has a higher career level. They've asked to be promoted.

E. None of the above

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 28

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:01 PM

Read the slide and do poll.

Best answer is E.

A. Promoting someone simply because they have been around for a while and seem "due" for a promotion, doesn't mean it is appropriate to promote the employee. If the person's role isn't changing and you have no need for higher level work to be performed, then a promotion isn't really a good idea.

This situation is a little tougher. We shouldn't promote someone just to retain them but we should be sure that we provide development and growth opportunities for employees. If this employee is a top performer or critical to your organization but there is no business need for the next higher level, discuss other opportunities with your manager and HR manager. If you promote but there is no change to the job duties, this may be a short-term answer.

Promoting someone already low in their range will potentially lead to bigger problems.

In this situation, you should discuss with your HR manager.

When considering whether a promotion is appropriate it is important that you objectively look at the experience, skills and performance of the employee.

IC Product Development Promotion Template

1

Employee Name: _____

Current Career Level and Job Code: _____

# of Years in Current Position:_____

Current Salary: _____

Performance Rating:_____

Manager: _____

Proposed Position and Job Code:_____

# of Years in Industry_____

Min Salary for New Position_____

VP/SVP: _____

Please address the following factors, including examples when recommending promotions to senior development positions in Product Development.

SUMMARY OF EXPERIENCE
(Provide a brief description of current and previous experience, education, and areas of responsibilities.)

SCOPE OF POSITION
(Describe the scope and complexity of the technical work being performed. Describe how the position or deliverable is important to Oracle's strategic plan or revenue.)

TECHNICAL ABILITY
Describe the individual's technical skills: skill in solving technical problems, time needed to solve difficult problems with minimal direction, creativity in problem solving, ability to present new ideas/concepts, judgment in evaluation of alternative courses of action, reliability of design and project decisions.)

TEAMWORK AND INFLUENCE WITHIN ORACLE
(Describe the individual's ability to be effective in a team; ability and willingness to help others when needed; ability and willingness to direct the efforts of others formally or informally; working relationships with other group members. Describe the amount and quality of inter-action with other Oracle groups and what results have been achieved. How has the position contributed to their success or how has it influenced other groups to ensure the success of their own strategic projects?)

EXTERNAL VISIBILITY
(How much time does the individual spend representing Oracle to outside interests, such as customers, partners, press and analysts. These contacts should address a technology, product or program area that is highly visible and recognized as an independent entity.)

ACHIEVEMENT
(Describe specific, significant deliverables or accomplishments attributed to this individual as the major contributor. Who within or outside of Oracle would know of these achievements? Also explain how the individual exhibits the qualities of leadership, technical credentials and overall ability to represent their group/ST both within and outside Oracle.)

Recommendations
(Comments from other senior management staff, both within and outside of group – Min of three.)

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Number: 1 Author: Date: Indeterminate

Management Promotion Template
Miranda Organization

Employee Name: _____ **Manager:** _____

Current Career Level and Job Code: _____ **Proposed Position and Job Code:**_____

# of Years in Current Position:_____ **# of Years in Industry**_____

Current Salary: _____ **Min Salary for New Position**_____

Performance Rating:_____ **VP/SVP:** _____

Please address the following factors, including examples when recommending promotions to Management positions.

BUSINESS NEED
(Describe Organization Structural need for a position at this level; attach proposed org. chart.)

SUMMARY OF EXPERIENCE
(Provide a brief description of current and previous experience, education, and areas of responsibilities.)

MANAGEMENT SKILLS
(Briefly describe the individual's management skills which reflect their ability to get tasks done while attracting and retaining good employees)

SCOPE OF POSITION
(Describe expanded scope and responsibility. Define how the position or deliverable is important to Oracle's strategic plan or revenue. Quantify size or complexity of the task, i.e. numbers of people to manage or influence, magnitude of product for Oracle or technical challenges.)

Metrics: Headcount and Span of Control
Current Position HC: # Employees under this position ____; # Direct Reports_____: # Mgmt Level of reports_____
Proposed Position HC: # Employees under this position ____; # Direct Reports_____: # Mgmt Level of reports_____

SIGNIFICANCE OF POSITION AND IMPACT ON THE COMPANY
(Describe the position's significance and how it impacts products, revenue generation, critical technology or its importance to customers/ partners.)

EXTERNAL VISIBILITY
(How much time does the individual spend representing Oracle to outside interests, such as customers, partners, press and analysts. These contacts should address a technology, product or program area that is highly visible and recognized as an independent entity.)

TEAMWORK AND INFLUENCE WITHIN ORACLE

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Number: 1 Author: Date: Indeterminate

1

Internal Transfers

- The starting point for transfers should be lateral – salary and career level
  - Internal transfers should not be used as means to increase salaries
  - However, if the new role has a change in pay mix or there is a change to job family, some adjustment may be appropriate

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 31

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:02 PM

The starting point for internal transfers should typically be lateral for both salary and career level. Transfers should not be used as a means to increase salaries or give promotions.

However, if the new role has a change in the mix of base and variable pay, an adjustment may be appropriate.

Typically we don't adjust the career level for a transfer. However, if the transfer involves a change in job family, sometimes an adjustment is appropriate.

1

Scenario - Internal Transfer

- I have an internal candidate I would like to hire but he will only transfer if I promote him.
- He has the exact skill set I need for my group and we desperately need the help.
- I'm going to tell him that I'll promote him and give him a salary bump to ensure he accepts my offer.

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 32

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:02 PM

Let's review a Scenario on an internal transfer

READ SLIDE ALOUD

What's wrong with these statements based on what we just discussed on the previous slide.

Internal transfers are typically lateral – salary and career level. Focus on the business need & the level of contribution they will make in the new role. If the employee's background (their experience and skill set) is such that a promotion is reasonable at the time of the transfer, a strong justification will be needed to get it approved.

Don't ever make promises prior to getting final approval from BOD. You may review the package that you intend to request, but make it clear that it is pending final approval. This situation is a good example of when it is a good idea to engage the help of your HR manager.

1

International Transfers

- A cross border transfer is a permanent move from one country to another
- Only employees who have unique or highly specialized skills are considered for this type of transfer
- You should pay appropriately in the new country. Don't simply transfer at the current salary converted to the new currency
- Pay levels for the same job differ from country to country even where currency is the same
  - In Europe several countries use the Euro but have different salary ranges
- Generally, lateral move with no change in career level

ORACLE

Oracle Restricted
Copyright © 2016, Oracle and/or its affiliates. All rights reserved.

Page: 33

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:02 PM

An international transfer is a cross border permanent move from one country to another. It isn't an assignment.

Only employees who have unique or highly specialized skills are considered for this type of transfer.

You should pay appropriately in the new country. Don't transfer at the current salary converted to the new currency.

Pay levels for the same job differ markedly from country to country even where currency is the same. In Europe several countries use the Euro but have different salary ranges which are based on the local labor market.

Generally international transfers are lateral moves with no change in career level.

1

International Transfers (cont.)

- To determine appropriate salary for international transfer transferring to the same position in a new country use the employee's current compa-ratio and keep it constant in the salary range of the new country.
  - This methodology places the salary at the same position in range in the new country as in the old country
  - If employee's current compa-ratio is extremely high or extremely low it may be appropriate to use the new peer group to place the salary appropriately
  - Don't convert the current salary to the new currency
  - If transfer is into a completely different job family, then determine salary as if a new hire
- Compa-ratio = current salary / midpoint of salary range

ORACLE

Oracle Restricted
Copyright © 2016, Oracle and/or its affiliates. All rights reserved.

Page: 34

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:02 PM

To determine an appropriate salary for an international transfer where the employee is transferring to the same position in a new country, use the employee's current compa-ratio and keep it constant in the salary range of the new country.

This methodology places the salary at the same position in range in the new country as in the old country

If employee's current compa-ratio is extremely high or extremely low it may be appropriate to use the new peer group to place the salary appropriately

As we've mentioned earlier, don't just convert the current salary to the new currency

If the transfer is into a completely different job family, then determine the salary as if the employee is a new hire.

The Compa-ratio is calculated by dividing the current salary of the employee by the midpoint of the salary range.

Because the international transfer process can be complex, please reach out to your HR manager for assistance in determining an appropriate salary.

1

Off-Cycle Salary Increases

- An off cycle increase may be needed for:
  - Competitive counter offer (Dive and Save)
  - Job change with change to the variable pay plan
- Off Cycle increases in FY17 – limited
- Always Consult your HR Business Partner

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 35

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:02 PM

Off-cycle increases are not very common at Oracle, but they do occur. An off-cycle increase may be necessary to accompany a promotion with a significant increase in responsibility, to counter an offer from a competitor – known as a dive and save or when there is a change to the variable pay.

To qualify as a dive and save, a written offer is required.

When there is a decrease in variable, typically when an employee is moving from a Sales or Pre-sales position to a Non-sales position or from a Sales or Pre-sales role with more leverage, the new base salary should be determined based on the employee's experience and pay of the peers in the new workgroup and a base increase may be appropriate.

For any proposed pay action, please proactively work with your respective HR manager. They can assist you in determining if an increase is appropriate and if so what the appropriate amount is and timing should be depending on the country and situation.

We expect that off-cycle increases will continue to be very limited in FY17 company wide.

1

Workflow Justifications

- An effective justification should include:
  - New Hires/Transfers
    - Description of the job and the business need for it
    - Skills and experience of the candidate and how they meet the requirements of the job
    - Data used to determine salary offer
  - Off-Cycle Promotions
    - Attach relevant information on the scope of the new job
    - If an increase is proposed, position in new salary range and comparison to peers
  - Dive and Saves
    - Performance and results
    - Impact to business if employee leaves organization
- Justifications should be thorough yet concise and be based on facts not feelings

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 36

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:03 PM

An effective justification is important to a smooth approval process for any job or pay change. It is important that relevant information is provided for all the subsequent approvers.

For new hires you should include a description of the job and the business need for it. You should also include the skills and experience of the candidate and how they meet the requirements of the job. You should also describe how you determined the salary offer.

For off-cycle promotions or any base pay increases, you should include relevant information about the scope of new position or why an employee needs the proposed pay increase. Included in the details will also be the position in the new salary range and comparison to the peers in the same position. The approvers also like to see a sentence that speaks to the urgency of the proposed pay increase to gain a full picture of the request.

For dive and saves, you should include performance and results of the employee and the impact to the business if the employee leaves.

Justifications should be thorough yet concise and be based on facts not feelings.

Again, please work with your Hr Manager when writing justifications.

1

Recap

- Each situation should be reviewed on a case-by-case basis but the principles should be applied as consistently as possible
- There are no absolute right or wrong or "one size fits all" answers
- Look at the whole picture, not just the position in the salary grade
  - Internal equity
  - Skills, Knowledge, Competencies, etc.
- Reasons for the decision should be documented
- The salary and benefits should be set correctly for the new position
- The increase/change in status should not be backdated
- When in doubt, consult your HR Business Partner

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

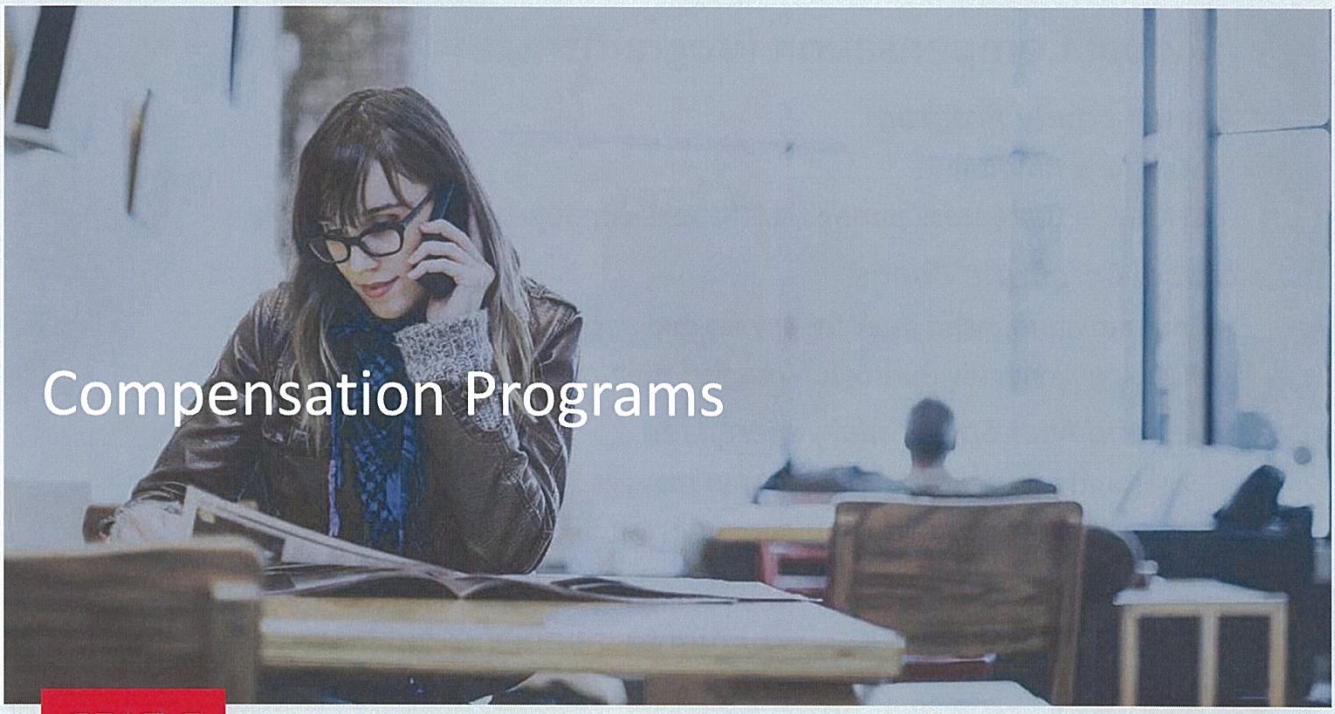
Page: 37

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:03 PM

It is important to remember that compensation decisions are made on a case-by-case basis and many pieces of information need to be considered in each instance. There is not a "one size fits all" solution for managing pay. As we have reviewed, you should look at the whole picture when making a pay decision, including internal equity, as well as the knowledge, skills and competencies of the employee.

You should document the information you used to make your decision. The salary and benefits should be set correctly for the position.

The increase or job change should not be backdated.



Compensation Programs

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Confidential – Internal/Restricted/Highly Restricted

1

Global Compensation Programs

- *Annual Equity Program*
  - May/June timeframe
  - CHOICE – 100% stock options, 100% RSU's or 50% options/50% RSU's
- *Global Corporate Bonus*
  - Program announced after fiscal year end earnings announcement
  - Planning generally during July/August timeframe
- *Sales and Non-Sales Salary Increases*
  - Sales and non-sales salary reviewed managed separately
  - Sales salary review twice annually Sept/Oct and May/June timeframes
  - Non-Sales salary review generally Sept/Oct timeframe
- *Workforce Compensation (WC) tool to manage comp programs*

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved.

Page: 39

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:03 PM

There are several compensation programs that you may be asked to make recommendations for your employees. Annual Equity, Global Corporate Bonus, Sales and Non-Sales Salary Increases. Currently these programs are run at separate times. Each program has a different eligibility criteria so not all employees are eligible for all programs. We will review these programs in more detail in the next few slides.

We have used Compensation Workbench (CWB) in the past to make recommendations for our the compensation programs. Workforce Compensation is replacing CWB this year. Workforce Compensation also referred to as Fusion Workforce Compensation (FWC) is the tool we are currently selling as part of our HCM product.

1

What is Workforce Compensation?

- Workforce Compensation (WC) is an Oracle Self Service Application for managing compensation processes, allowing you to:
  - Model and allocate budgets
  - Publish (pass down) budgets to subordinate managers
  - Rate, Rank and Award individual employees
  - Review historical compensation information
  - View and download employee information for off-line work for further analysis
  - View submission status of subordinate managers
- Where can I find Workforce Compensation (WC)?
  - Employee Self Service Cloud > MyHR > My Team > Workforce Compensation

ORACLE

Copyright © 2016, Oracle and/or its affiliates. All rights reserved. |

Page: 40

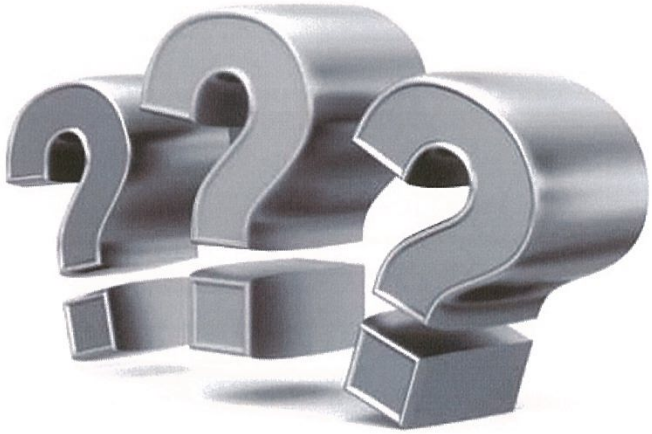
Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:04 PM

What is Workforce Compensation?

WC is an Oracle Self-Service Application for managing compensation processes and is very similar to CWB. However, it has more flexibility than CWB. The new tool allows you to model and allocate budgets, publish or pass down budgets to managers below you, rate and/or rank employees, make stock, bonus and salary recommendations, review recommendations submitted by your subordinate managers and then submit recommendations for your entire organization to your manager.

You can also view historical compensation information and download employees information and work off-line.

1



Copyright © 2016, Oracle and/or its affiliates. All rights reserved. | Oracle Confidential – Restricted

ORACLE_HQCA_0000056234-76

Page: 41

Number: 1 Author: Presenter Subject: Presentation Notes Date: 4/27/2019 8:48:04 PM

Thank you for your time....

closing comments.....