

Oracle Compensation Overview

September 2017

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Deposition Exhibit 53
Deponent: K. Waggoner
Date: July 27, 2018
Reporter: Jane Grossman, CSR No. 5225

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Exhibit P-154

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US Compensation Training Series

- **Q218:**
 - *Compensation Overview (Today's Session)*
 - *Focal Process and Managing Pay*
- **Q318:**
 - *US Compensation "Office Hour"*
- **Q418:**
 - *Equity Program*

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Program Agenda

- *Global Job Architecture*
- *Compensation Transactions*
- *Questions*

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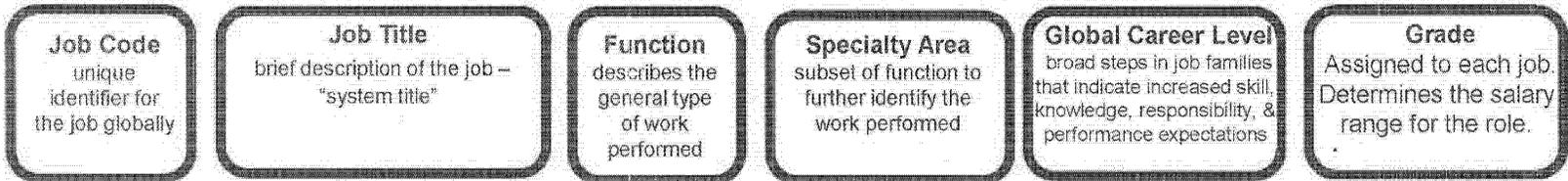
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Oracle Global Job Architecture

Components of a job



46020	Business Analyst 2- Ops	BUSPRAC	BUSPRAC	IC2	N.07
10530	Software Developer 3	PRODEV	SWENG	IC3	E.08
3313	Application Sales Representative IV	SALES	SPECPROD	IC4	E.10S

Jobs are classified using a consistent global framework

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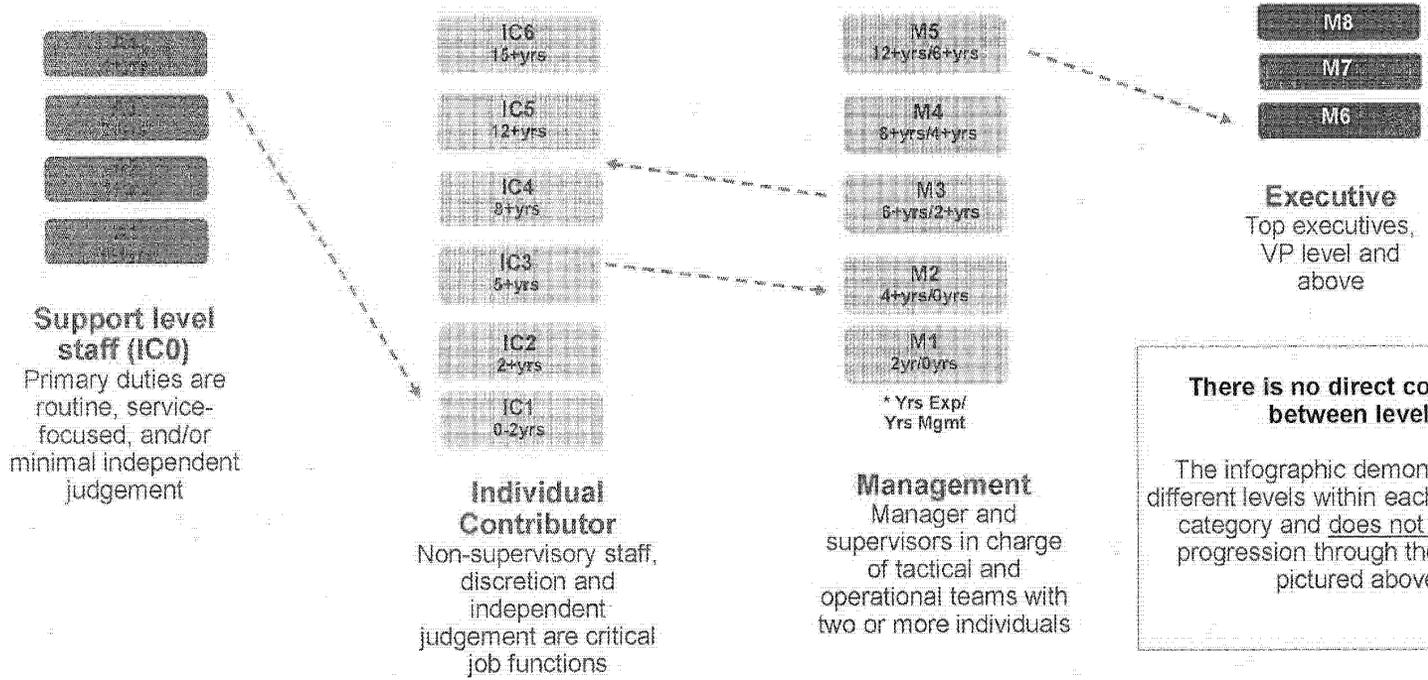
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Global Career Level Guidelines

Includes typical experience levels



Grades and Salary Ranges

- 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.
 - Currently there are HQ and Non-HQ ranges.
 - Sales roles only have HQ ranges.
 - Typically are updated at the beginning of the fiscal year (June 1st).
- Each job is mapped to a grade which corresponds to a salary range
 - In the US, grades start with either an "N" or an "E."
 - Grades that start with an "N" on an Hourly salary basis (salaried eligible for overtime) whereas grades that start with an "E" are on an Annual salary basis (salaried not eligible for overtime).
 - Grades that end with an "S" represent sales roles.

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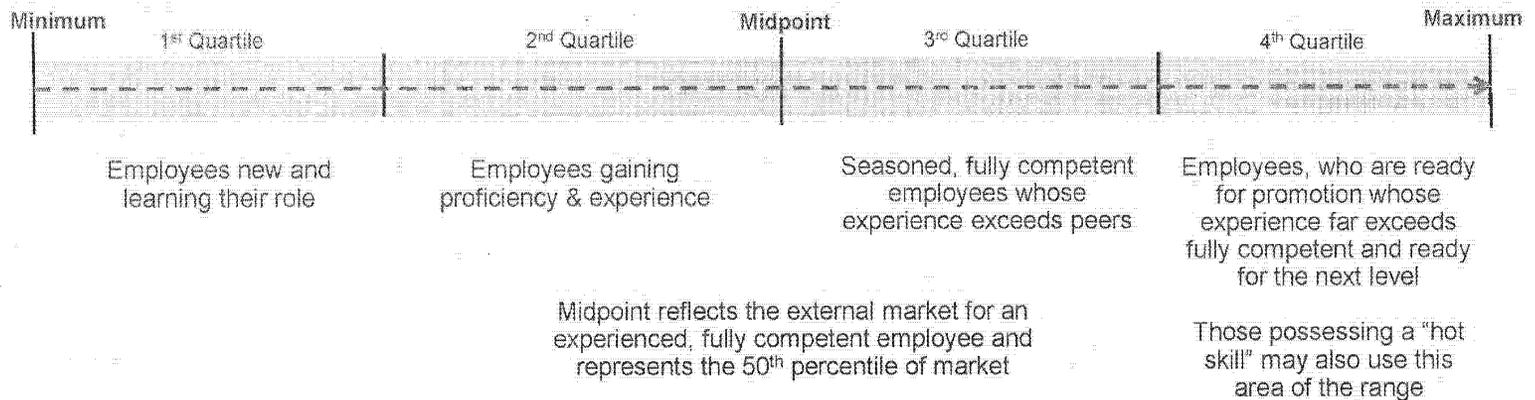
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Salary Ranges



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Compensation Components at Oracle

It's more than just base pay

Base Salary

Linked to an employee's skills and competencies in their current role, sustained performance and local labor market conditions

Short-term Incentives

Provides a mechanism to reward short-term (less than one year) performance and results. Payouts are intended to vary based on performance

Examples of Short-term incentives at Oracle are

- Sales Incentive Plans - tied to individual or team performance against a quota
- Corporate Bonus - discretionary bonus funded based on company performance

Long-term Incentives

Intended to be a retention tool. Equity awards also tie individual awards to adding shareholder value

Oracle uses

- Stock Options
- Restricted Stock Units

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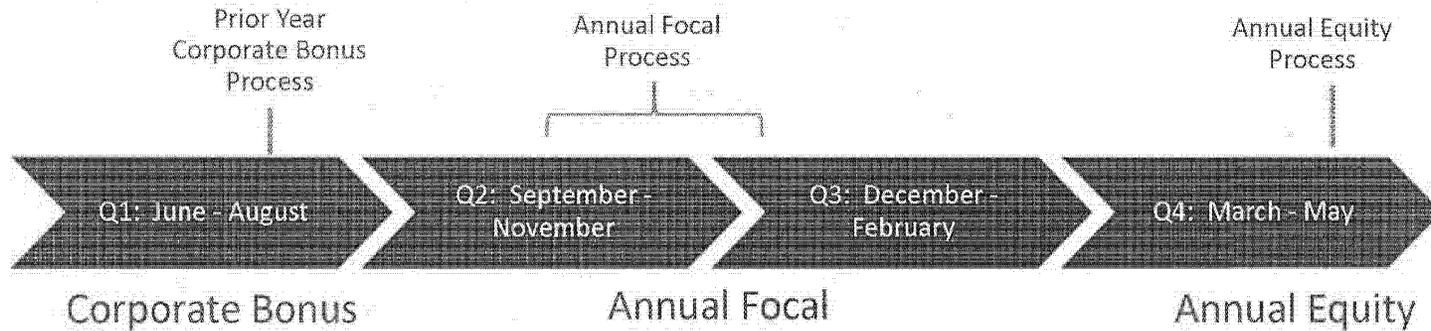
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Compensation Programs



- * 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.

- * 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.

- * The Annual Equity Process operates at the sole discretion of the Company, including what factors to consider when exercising its discretion.
- * Employees are given a CHOICE – 100% stock options, 100% RSU's or 50% options/50% RSU's.

The programs listed above and the estimated timelines are not guaranteed. When approved, communication regarding programs will be provided.

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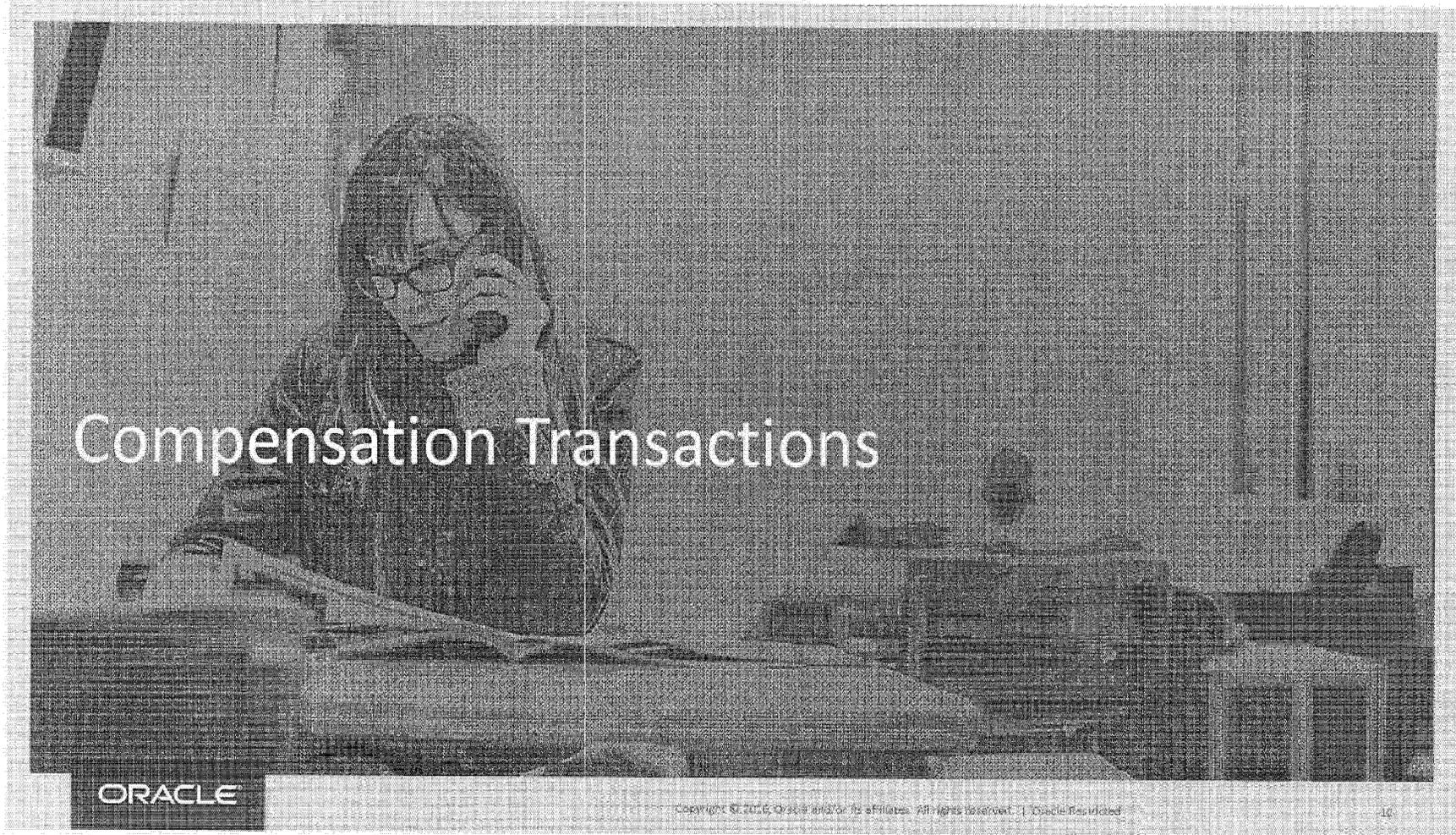
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Compensation Transactions

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Types of Transactions

- New Hire
- Rehire
- Internal Transfer
- Promotions
- International Transfers

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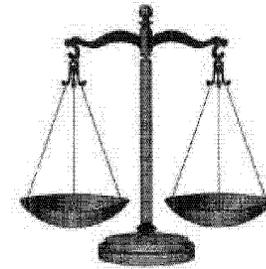
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General Principles of Managing Pay

- 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



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

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Questions To Consider

- Was the right job code/family selected based on the information provided in the justification? Is this job family used on the team? If not, what makes this role different?
- How many years of relevant and related, professional, full-time work experience does the candidate have?
- What is the breadth of that experience as compared to job requirements?
- Where does the proposed base salary fall within the salary range? What is the position in range?
- How does the employee's background, skills, knowledge, work experience and education compare to the job requirements for the job to determine the appropriate level?
- How does the base compare to peers in the organization in the same work location/management hierarchy who have similar skill sets and have been doing the job?

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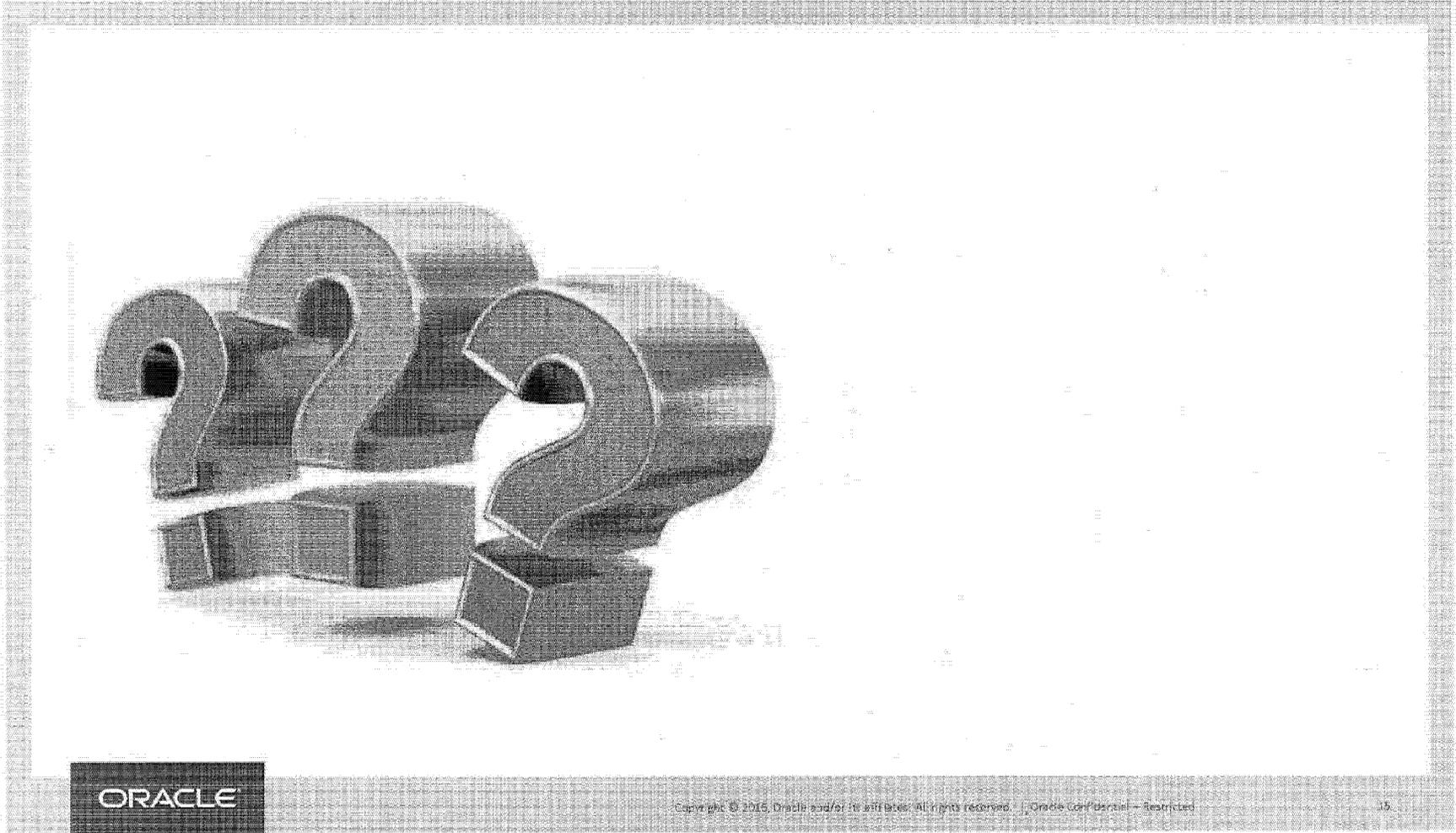
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Appendix

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HR Career Level Reference - IC Levels

This chart is meant to be a general guide for leveling purposes.

PROFESSIONAL LEVEL Guidelines		
Career Level	Typical Yrs Relevant Exp	Breadth of Experience
IC1	0-2	<ul style="list-style-type: none"> - Follows standard practices and procedures in analyzing situations or data from which answers can be readily obtained. - Builds stable working relationships internally. - Contributes through FOLLOWING DIRECTIONS: Activity with guidance and problem solving with assistance.
IC2	2+	<ul style="list-style-type: none"> - Exercises judgment within defined procedures and practices to determine appropriate action. - Builds productive working relationships internally and externally. - Contributes INDEPENDENTLY: Completes own role largely independently with some assistance and guidance.
IC3	5+	<ul style="list-style-type: none"> - Demonstrates good judgment in selecting methods and techniques for obtaining solutions. - Networks with senior internal and external personnel in own area of expertise. - Contributes through EXPERTISE: Duties and tasks are varied and are complex requiring independent judgment.
IC4	8+	<ul style="list-style-type: none"> - Exercises judgment in selecting methods, techniques and evaluation criteria for obtaining results. - Networks with key contacts outside own area of expertise. - Contributes through OTHERS: Leading contributor providing direction and mentoring to others.
IC5	12+	<ul style="list-style-type: none"> - Exercises independent judgment in methods, techniques and evaluation criteria for obtaining results. - Creates formal networks involving coordination among groups. - Contributes through LEADERSHIP: Manages and plans implementation of company policy for achieving business goals.
IC6	15+	<ul style="list-style-type: none"> - Works on issues that impact design/selling success or address future concepts, products or technologies. - Creates formal networks with key decision makers and serves as external spokesperson for the organization. - Contributes through STRATEGY: Develops and advises on company policy, contributing through strategy definition and implementation.

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HR Career Level Reference- MGR Levels

This chart is meant to be a general guide for leveling purposes.

MANAGER LEVEL Guidelines			
Career Level	Typical Yrs Relevant Exp	Typical Yrs Managing EEs	Breadth of Experience
M1	2+	0+	<ul style="list-style-type: none"> - First line supervisor within a single function or work group. - Provides direction to employees according to established policies and management guidance. - Administers company policies that directly affect subordinate employees. - Contributes INDEPENDENTLY
M2	4+	0+	<ul style="list-style-type: none"> - First line manager with operational focus within a single function or work group. Must have a minimum of 2 full-time direct reports on an ongoing basis. - Provides tactical direction to staff and executes against stated objectives. - Ensures that operational policies are followed. Responsible for delivery of agreed service standards/levels. - Contributes through OTHERS
M3	6+	2+	<ul style="list-style-type: none"> - First line manager within a single department or work group; or second line manager of two to three multi-functional areas, departments or work groups. - Responsible for tactical direction of staff including IC's, high-level contributors. - Modifies and executes company policies that affect immediate operation(s) and may also have company-wide effect. - Contributes through OTHERS
M4	8+	4+	<ul style="list-style-type: none"> - Senior-level manager with designated revenue targets below line VP level. - Responsible for maintaining strategic direction and goal attainment of staff. Responsible for a team of managers/high level contributors who manage teams/departments. - Negotiates resources and quality control standards across departments. - Contributes through LEADERSHIP
M5	12+	6+	<ul style="list-style-type: none"> - Senior level manager with designated revenue targets greater than Director, but below VP level. Manages first line managers, senior managers and directors. - Responsible for a team of managers/senior managers/directors and/or high level contributors who manage teams/departments - Negotiates resources and quality control standards across departments. - Contributes through LEADERSHIP
M6	15+	10+	<ul style="list-style-type: none"> - Executive (VP) responsible for multiple functions, departments, and/or diverse geographic marketplaces. Reports to an SVP. - Manages a team of directors and/or high-level individual contributors. - Develops and ensures the implementation of strategic plans and objectives. - Contributes through STRATEGY

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Manager Compensation Reference Tools

Career Level	How to get there	Access Name	What it does
E-Business Suite (GSI)	Log into SSA → Other Self Service Applications	Information Workbench (IWB)	Direct report work history, salary ranges, equity, and/or bonuses.
HCM	Log Into SSA → MyHR	My Team	<p>Team Compensation: Enables you to view the job assignment, salary, and annual target variable history of employees in your organization.</p> <p>Location where managers can enter promotions and base and/or "other compensation (i.e. annual target variable) changes of employees in their organization.</p> <p>IMPORTANT: Salary ranges only reflect HQ ranges.</p>
HCM	Log Into SSA → MyHR	Workforce Compensation	Used to manage the annual focal and equity programs.

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Additional Compensation Resources on the HR Portal

United States

● ● ● U.S. Compensation

REWARDS:

Did you know about the **GLOBAL SERVICE AWARD PROGRAM?**

FYI: THE ORACLE GLOBAL SERVICE AWARD PROGRAM rewards employees who reach a service milestone of 5, 10, 15, 20, 25, 30, 35 and 40 years. After receiving a notification via email, eligible employees may place an order for the award of their choice via the Service Award web site. There are different award levels according to an employee's years of service and position.

SELECT a Compensation topic below:

U.S. Compensation Information:

Relocation Expenses
Employee Referral Program in the U.S.
Patent Awards
Meal and Rest Periods for overtime eligible employees
Overtime Eligible
Salary Ranges

Payroll Topics

Payroll Related Questions
How to Contact Payroll
Sign up for/modify direct deposit
View Your Paycheck Online
Access the payroll schedule
Minimum Wage Information
Poster

Global Compensation Information

What is total compensation?
When is compensation, such as base salary and stock paid out?
What is a base salary?
Salary Increases
Global Corporate Bonus
Other Bonuses
Employee Referral Program
Allowances
Overtime
Benefits

Employee Stock Purchase Plan
Stock Option Program
Domestic Transfers
International Transfers
Promotions
Discretionary Titles
Global Career Levels
Global Compensation Contacts
Oracle's Compensation Philosophy

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