

From: Safra Catz <safra.catz@oracle.com>
To: Thomas Kurian <thomas.kurian@oracle.com>; Joyce Westerdahl <joyce.westerdahl@oracle.com>
Sent: 8/15/2013 8:43:14 PM
Subject: RE: Salary Pool for Development

Larry approved

From: Thomas Kurian
Sent: Thursday, August 08, 2013 10:06 PM
To: Larry Ellison; Safra Catz
Subject: Salary Pool for Development

Larry, Safra

Issue: We are continuing to see some of our best developers leave and get big raises as well as RSUs at other companies. We have tried our best with targeted dive and save requests for which we are grateful but we continue to see significant pressure on our development teams. The biggest area of problem that I see is in the US especially in Silicon Valley where a lot of our star developers are leaving for companies. Since we want to be prudent given our corporate financial situation, I would like to give you a proposal on both what we in product development have done to date and what I request going forward.

What we have done and are doing: We have cut back hiring and T&E sharply compared to the budget we submitted and got approved in June. Here is what we have done:

1. Q1 FY 2014: By slowing down hiring sharply in Q1 we have reduced headcount expense by █████ in Q1 – we have already saved nearly █████ and we have eliminated any real hiring for the rest of the quarter and so conservatively will save another █████. Additionally, we have accrued a bonus pool of █████ made in Q4FY2013 which will not be paid. Total Savings = █████
2. Q2 FY 2014: Further, in Q2 FY 2014 we will avoid headcount expense in two ways: (i) We will do a low performer reduction in development with no backfill of the people we let go; and (ii) We will not hire to the currently budgeted numbers of headcount. Through the combination of both of these I will commit to reducing headcount expense by another █████ in Q2FY 2014 relative to the budget that we had approved.
3. The combined savings from Q1 and Q2 would therefore be █████ + █████ = █████.

Salary Pool Request: I would like to ask for a salary pool for the development team of █████ for a 12 months period. However, we are requesting that the salary adjustments to be effective only with the October 15 salary period – hence the fiscal year impact will be █████ (since it only affects 8 months of the year) leading to a net savings to the company of █████ – █████ = █████

Please note:

1. I will commit that we will do the low performer reduction immediately after Open World and prior to any increase in salary expense.
2. These numbers have all been prepared with Ivgen's finance team member who works with me (█████ █████) and with Joyce's team member (Madie Cheruvu).

Thank you
Thomas