

ORACLE CORP
Form DEF 14A
September 26, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

Oracle Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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500 Oracle Parkway

Redwood City, California 94065

September 26, 2018

To our Stockholders:

You are cordially invited to attend the 2018 Annual Meeting of Stockholders of Oracle Corporation. Our Annual Meeting will be held on Wednesday, November 14, 2018, at 10:00 a.m., Pacific Time, in the Oracle Conference Center, located at 350 Oracle Parkway, Redwood City, California.

We describe in detail the actions we expect to take at the Annual Meeting in the attached Notice of 2018 Annual Meeting of Stockholders and proxy statement. We have also made available a copy of our Annual Report on Form 10-K for fiscal 2018. We encourage you to read the Form 10-K, which includes information on our operations, products and services, as well as our audited financial statements.

This year, we will again be using the Notice and Access method of providing proxy materials to stockholders via the Internet. We believe that this process provides stockholders with a convenient and quick way to access the proxy materials and vote, while allowing us to conserve natural resources and reduce the costs of printing and distributing the proxy materials. We will mail to most of our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and the Form 10-K and vote electronically via the Internet. This notice will also contain instructions on how to receive a paper copy of the proxy materials. All stockholders who are not sent a notice will be sent a paper copy of the proxy materials by mail or an electronic copy of the proxy materials by email. See Questions and Answers about the Annual Meeting beginning on page 67 for more information.

Please use this opportunity to take part in our corporate affairs by voting your shares on the business to come before this meeting. **Whether or not you plan to attend the meeting, please vote electronically via the Internet or by telephone, or, if you requested paper copies of the proxy materials, please complete, sign, date and return the accompanying proxy card or voting instruction card in the enclosed postage-paid envelope.** See How Do I Vote? on page 5 of the proxy statement for more details. Voting electronically, by telephone or by returning your proxy card does NOT deprive you of your right to attend the meeting and to vote your shares in person for the matters acted upon at the meeting. If you cannot attend the meeting in person, we invite you to watch the meeting via webcast by going to www.oracle.com/investor.

Sincerely,

Lawrence J. Ellison

Chairman and Chief Technology Officer

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500 Oracle Parkway

Redwood City, California 94065

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE	10:00 a.m., Pacific Time, on Wednesday, November 14, 2018
PLACE	Oracle Conference Center 350 Oracle Parkway Redwood City, California 94065
LIVE WEBCAST	Available on our website at www.oracle.com/investor , starting at 10:00 a.m., Pacific Time, on Wednesday, November 14, 2018
ITEMS OF BUSINESS	<ol style="list-style-type: none">(1) To elect 14 director nominees to serve on the Board of Directors until our 2019 Annual Meeting of Stockholders.(2) To hold an advisory vote to approve the compensation of our named executive officers.(3) To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2019.(4) To consider and act on four stockholder proposals, if properly presented at the Annual Meeting.(5) To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.
RECORD DATE	September 17, 2018
PROXY VOTING	It is important that your shares be represented and voted at the Annual Meeting. You can vote your shares electronically via the Internet, by telephone or by completing and returning the proxy card or voting instruction card if you requested paper proxy materials. Voting instructions are provided in the Notice of Internet Availability of Proxy Materials, or, if you requested printed materials, the instructions are printed on your proxy card and included in the accompanying proxy statement. You can revoke a proxy at any time prior to its exercise at the Annual Meeting by following the instructions in the proxy statement.

**M E E T I N G
ADMISSION**

You are entitled to attend the Annual Meeting only if you are a stockholder as of the close of business on September 17, 2018, the record date, or hold a valid proxy for the meeting. **In order to be admitted to the Annual Meeting, you must present proof of ownership of Oracle common stock on the record date.** This can be a brokerage statement or letter from a bank or broker indicating ownership on September 17, 2018, the Notice of Internet Availability of Proxy Materials, a proxy card, or legal proxy or voting instruction card provided by your broker, bank or nominee. Any holder of a proxy from a stockholder must present the proxy card, properly executed, and a copy of the proof of ownership. **Stockholders and proxy holders must also present a form of photo identification such as a driver's license.** We will be unable to admit anyone who does not present identification or refuses to comply with our security procedures.

Brian S. Higgins

Vice President, Associate General Counsel and Secretary

September 26, 2018

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2018 Annual Meeting of Stockholders

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. For more complete information about these topics, please review our Annual Report on Form 10-K for fiscal 2018 and the contents of this Proxy Statement. Fiscal 2018 began on June 1, 2017 and ended on May 31, 2018. Fiscal 2019 began on June 1, 2018 and ends on May 31, 2019.

The Notice of Internet Availability of Proxy Materials, this Proxy Statement and the accompanying proxy card or voting instruction card, including an Internet link to our Annual Report on Form 10-K for fiscal 2018, were first made available to stockholders on or about September 26, 2018.

2018 Annual Meeting of Stockholders

Date and Time

Wednesday, November 14, 2018

10:00 a.m., Pacific Time

Live Webcast

Available on our website at www.oracle.com/investor, starting at 10:00 a.m., Pacific Time, on Wednesday, November 14, 2018

Place

Oracle Conference Center

350 Oracle Parkway

Redwood City, CA 94065

Attendance

You are entitled to attend the Annual Meeting only if you are a stockholder as of the close of business on September 17, 2018, or hold a valid proxy for the meeting. **If you plan to attend the Annual Meeting, you will need to provide photo identification, such as a driver's license, and proof of ownership of Oracle common stock as of September 17, 2018 in order to be admitted to the Annual Meeting.** We will be unable to admit anyone who does not present identification or refuses to comply with our security procedures.

Record Date

September 17, 2018

Voting Roadmap

Agenda Item	Board Recommendation	Page
<u>Election of 14 directors</u>	For Each Nominee	52
<u>Advisory vote to approve the compensation of our named executive officers (NEOs)</u>	For	53

<u>Ratification of selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2019</u>	For	55
<u>Stockholder proposals</u>	Against	58

Corporate Governance Highlights

Pledging policy adopted in January 2018
Stockholder proxy access right adopted in June 2016
Ongoing Board refreshment: 2 independent directors added in 2018, for a total of 4 directors added in the last 4 fiscal years
Majority of independent directors (9 out of 14) and 100% independent Board committees
29% of Board members are women or come from a diverse background
Active stockholder outreach and engagement program
Annual director elections
Director majority voting policy
Separate Board Chair and Chief Executive Officer roles
Lead independent director
Single class of voting stock and no supermajority voting provisions
Annual Board and committee performance evaluations
Robust director and senior officer stock ownership guidelines
Anti-hedging policy applicable to all employees and directors
Stockholders representing at least 20% of the outstanding votes have the right to call a special meeting

Stockholder right to act by written consent

Table of Contents**Director Nominees**

In Proposal No. 1, we are asking you to vote FOR each of the 14 director nominees listed below. Each director attended at least 75% of all Board meetings and applicable committee meetings during fiscal 2018.

Nominee	Age	Director Since	Independent	Current Committees
Jeffrey S. Berg	71	1997		Independence (Chair)
Chairman of Northside Services, LLC; Former Chairman and Chief Executive Officer (CEO), International Creative Management, Inc.				Finance and Audit
Michael J. Boskin	72	1994		Governance Finance and Audit (Chair)
Tully M. Friedman Professor of Economics and Hoover Institution Senior Fellow, Stanford University				
Safra A. Catz	56	2001		
CEO, Oracle Corporation				
Bruce R. Chizen	63	2008		Governance (Chair)
Senior Adviser to Permira Advisers LLP; Venture Partner, Voyager Capital; Former CEO, Adobe Systems Incorporated				Finance and Audit
George H. Conrades*	79	2008		Compensation (Chair)
Executive Advisor and Former Chairman and CEO, Akamai Technologies, Inc.; Managing Partner, Longfellow Venture Partners				Independence
Lawrence J. Ellison	74	1977		
Chairman, Chief Technology Officer (CTO) and Founder, Oracle Corporation				
Hector Garcia-Molina	64	2001		Independence
Leonard Bosack and Sandra Lerner Professor (Emeritus), Departments of Computer Science and Electrical Engineering, Stanford University				
Jeffrey O. Henley	73	1995		
Vice Chairman of the Board, Oracle Corporation				
Mark V. Hurd	61	2010		
CEO, Oracle Corporation				
Renée J. James	54	2015		

Chairman and CEO, Ampere Computing LLC; Operating Executive, The Carlyle Group; Former President, Intel Corporation			
Charles W. Moorman IV	66	2018	Compensation
Senior Adviser and Former CEO of Amtrak; Former CEO of Norfolk Southern Corporation			
Leon E. Panetta	80	2015	Governance
Co-founder and Chairman, Panetta Institute for Public Policy; Former U.S. Secretary of Defense; Former Director of the Central Intelligence Agency			Compensation
William G. Parrett	73	2018	Finance and Audit
Former CEO of Deloitte Touche Tohmatsu			
Naomi O. Seligman	80	2005	Compensation (Vice Chair)

Senior Partner, Ostriker von Simson, Inc.

* Current lead independent director. See Corporate Governance Board Leadership Structure on page 20 for more information.

Active and Engaged Board

We have an active and engaged Board that is committed to fulfilling its fiduciary duty to act in good faith in the best interests of our company and all of our stockholders. The number of Board and committee meetings held in fiscal 2018 is set forth below.

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Stockholder Outreach and Board Responsiveness

We have a long tradition of engaging with our stockholders to solicit their views on a wide variety of issues, including corporate governance, environmental and social matters, executive compensation and other issues.

Independent Director Engagement. On a regular basis, certain of our independent directors hold telephonic or in-person meetings with stockholders. The Board believes these meetings are important because they foster a relationship of accountability between the Board and stockholders and help us better understand and respond to our stockholders' priorities and perspectives.

Fiscal 2019 3 independent directors held meetings with 8 institutional stockholders representing approximately 15% of our outstanding unaffiliated shares, and offered to meet with stockholders representing an additional 11% of outstanding unaffiliated shares.

Fiscal 2018 3 independent directors held meetings with 10 institutional stockholders representing approximately 22% of our outstanding unaffiliated shares.

Executive Director Engagement. As part of our regular Investor Relations engagement program, our executive directors hold meetings with a number of our institutional stockholders throughout the year. We also hold an annual financial analyst meeting at Oracle OpenWorld in San Francisco where analysts are invited to hear presentations from key members of our management team, including our executive directors. In fiscal 2018, our executive directors held meetings with stockholders representing approximately 40% of our outstanding unaffiliated shares (all percentages above calculated based on data available as of June 30, 2018).

Board Responsiveness. Below is a summary of recent feedback we have received from our stockholders and the Board's response.

What We Heard	The Board's Response
Add directors to the Board to maintain a mix of new and longer-tenured directors	Board Refreshment. The Board elected Mr. Moorman and Mr. Parrett as directors in May 2018, and has added a total of four new directors in the past four fiscal years. The Governance Committee continues to consider potential director candidates on an ongoing basis.
Pledging of Oracle securities by executives and directors should be limited	Adoption of Pledging Policy. In January 2018, the Governance Committee adopted a Pledging Policy, which prohibits Oracle directors, executive officers and their immediate family members from (1) holding Oracle securities in a margin account and (2) pledging Oracle securities as collateral to secure or

guarantee indebtedness, subject to two exceptions: (a) pledges of securities of a target company that are in place at the time Oracle acquires such company are permitted and (b) Oracle's founder may continue to pledge Oracle securities as collateral to secure or guarantee indebtedness.

Director compensation should be reduced

Reductions in Director Compensation. In May 2018, the Board (1) eliminated per-meeting fees for non-employee directors, (2) significantly reduced the value of non-employee director equity awards for committee chairs and (3) capped annual and initial non-employee director equity awards at a maximum dollar value (previously, such grants were set at a fixed number of shares). See page 14 for details.

NEO equity awards should not vest based solely on the passage of time

100% Performance-Based Equity Compensation Granted. In fiscal 2018, Mr. Ellison, Ms. Catz, Mr. Hurd and Mr. Kurian each received an equity award consisting entirely of performance-based stock options (PSOs) that may be earned only upon the attainment of rigorous stock price, market capitalization and operational performance goals over a five-year performance period. See pages 26 to 27 for details on the PSOs.

Performance metrics should better align with stockholder value

New Rigorous Performance Goals. Six of the seven PSO tranches may be earned only if Oracle satisfies a combination of (1) an operational performance goal tied to significant growth of Oracle's cloud business and (2) a substantial increase in Oracle's market capitalization. The seventh PSO tranche may be earned only upon significant growth in Oracle's stock price. None of the goals were satisfied in fiscal 2018, and thus no portion of the PSOs have been earned to date.

NEO compensation should be reduced

Significant Decrease in Equity Compensation Value. The PSOs will result in a decrease in equity compensation value for the grantees. When the grant date fair value of the PSOs is annualized over the five-year performance period, it represents a 47% decrease from the value of the fiscal 2017 equity awards granted to each of Mr. Ellison, Ms. Catz and Mr. Hurd and a 59% decrease from the value of the fiscal 2017 equity awards granted to Mr. Kurian.

Long-term equity awards should have a minimum three-year performance

Five-Year Performance Period. The PSOs may be earned over a five-year performance period. The PSOs were granted with the expectation that no additional equity awards will be granted to Mr. Ellison, Ms. Catz, Mr. Hurd and

period

Mr. Kurian until 2022 at the earliest.

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Executive Compensation Highlights

Significant Fiscal 2018 Compensation Changes in Response to Stockholder Feedback

In fiscal 2018, Mr. Ellison, Ms. Catz, Mr. Hurd and Mr. Kurian each received an equity award consisting entirely of PSOs that may be earned only upon the attainment of rigorous stock price, market capitalization and operational performance goals over a five-year performance period. When the grant date fair value of the PSOs is annualized over the five-year performance period, it represents a **47% decrease** from the value of the fiscal 2017 equity awards granted to each of Mr. Ellison, Ms. Catz and Mr. Hurd and a **59% decrease** from the value of the fiscal 2017 equity awards granted to Mr. Kurian.

* Accounting grant date fair value of tranches that are deemed probable of achievement based on analysis conducted by an independent outside advisor.

Elements of Fiscal 2018 Compensation

Mr. Ellison, Ms. Catz, Mr. Hurd and Mr. Kurian

Emphasis on Performance-Based Compensation

In fiscal 2018, an average of **98.9%** of the total compensation (as reported in the Summary Compensation Table on page 42) of Mr. Ellison, Ms. Catz, Mr. Hurd and Mr. Kurian was **performance-based**.

See pages 31 to 35 for details regarding the elements of our NEOs compensation in fiscal 2018.

Compensation Best Practices

Best Practices We Employ	Practices We Avoid
High proportion of NEO compensation is performance-based and at-risk	No severance benefit plans or agreements except as provided under our equity incentive plan to employees generally or as required by law
Annual risk assessment of compensation programs	No single-trigger change in control vesting of equity awards
Caps on maximum payout of bonuses and performance-based equity awards	No change in control acceleration of performance-based cash bonuses
Independent compensation consultant and independent compensation committee	No minimum guaranteed vesting for performance-based equity awards
Compensation recovery (clawback) policy for cash bonuses in the event of a financial restatement	No discretionary cash bonuses for NEOs
Modest dilution rates from equity awards	No tax gross-ups for NEOs
Robust stock ownership guidelines	No payout or settlement of dividends and dividend equivalents on unvested equity awards
	No supplemental executive retirement plans, executive pensions or excessive retirement benefits
	No repricing, cash-out or exchange of underwater stock options without stockholder approval

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PROXY STATEMENT

We are providing these proxy materials in connection with Oracle Corporation's 2018 Annual Meeting of Stockholders (the Annual Meeting). The Notice of Internet Availability of Proxy Materials (the Notice), this proxy statement and the accompanying proxy card or voting instruction card, including an Internet link to our most recently filed Annual Report on Form 10-K, were first made available to stockholders on or about September 26, 2018. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. Please read it carefully.

HOW DO I VOTE?

Your vote is important. You may vote on the Internet, by telephone, by mail or by attending the Annual Meeting and voting by ballot, all as described below. The Internet and telephone voting procedures are designed to authenticate stockholders by use of a control number and to allow you to confirm that your instructions have been properly recorded. If you vote by telephone or on the Internet, you do not need to return your proxy card or voting instruction card. **Telephone and Internet voting facilities are available now and will be available 24 hours a day until 11:59 p.m., Eastern Time, on November 13, 2018.**

Vote on the Internet

If you are a stockholder of record, you may submit your proxy by going to www.voteproxy.com and following the instructions provided in the Notice. If you requested printed proxy materials, you may follow the instructions provided with your proxy materials and on your proxy card. If your shares are held with a broker, you will need to go to the website provided on your Notice or voting instruction card. Have your Notice, proxy card or voting instruction card in hand when you access the voting website. On the Internet voting site, you can confirm that your instructions have been properly recorded. If you vote on the Internet, you can also request electronic delivery of future proxy materials.

Vote by Telephone

If you are a stockholder of record, you can also vote by telephone by dialing 1-800-PROXIES (1-800-776-9437). If your shares are held with a broker, you can vote by telephone by dialing the number specified on your voting instruction card. Easy-to-follow voice prompts will allow you to vote your shares and confirm that your instructions have been properly recorded. Have your proxy card or voting instruction card in hand when you call.

Vote by Mail

If you have requested printed proxy materials, you may choose to vote by mail, by marking your proxy card or voting instruction card, dating and signing it, and returning it in the postage-paid envelope provided. If the envelope is missing and you are a stockholder of record, please mail your completed proxy card to American Stock Transfer & Trust Company, LLC, 6201 15th Avenue, Brooklyn, New York 11219. If the envelope is missing and your shares are held with a broker, please mail your completed voting instruction card to the address specified therein. Please allow sufficient time for mailing if you decide to vote by mail.

Please note that if you received a Notice, you cannot vote by marking the Notice and returning it. The Notice provides instructions on how to vote by Internet and how to request paper copies of the proxy materials.

Voting at the Annual Meeting

The method or timing of your vote will not limit your right to vote at the Annual Meeting if you attend the Annual Meeting and vote in person. However, if your shares are held in the name of a bank, broker or other nominee, you must obtain a legal proxy, executed in your favor, from the holder of record to be able to vote at the Annual Meeting. You should allow yourself enough time prior to the Annual Meeting to obtain this proxy from the holder of record.

The shares voted electronically, telephonically, or represented by the proxy cards received, properly marked, dated, signed and not revoked, will be voted at the Annual Meeting.

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BOARD OF DIRECTORS

Nominees for Directors

Our Board of Directors (the Board) consists of 14 directors, 12 of whom stood for election at our last annual meeting of stockholders. The Board unanimously elected Charles W. Moorman IV and William G. Parrett as directors effective as of May 9, 2018, and Mr. Moorman and Mr. Parrett will stand for election at the Annual Meeting along with our other 12 directors. Mr. Moorman and Mr. Parrett were identified as potential directors by the Nomination and Governance Committee (the Governance Committee).

Director Qualifications

Our Corporate Governance Guidelines (described in detail in [Corporate Governance](#) [Corporate Governance Guidelines](#) on page 17) contain Board membership qualifications that apply to Board nominees recommended by the Governance Committee. The Governance Committee strives for a mix of skills, experience and perspectives that will help create an outstanding, dynamic and effective Board. In selecting nominees, the Governance Committee assesses the independence, character and acumen of candidates and endeavors to collectively establish areas of core competency of the Board, including, among others, industry knowledge and experience; management, accounting and finance expertise; and demonstrated business judgment, leadership and strategic vision. The Governance Committee values diversity of backgrounds, experience, perspectives and leadership in different fields when identifying nominees. As noted in our Corporate Governance Guidelines, the Governance Committee is committed to actively seeking women and minority candidates for the pool from which director candidates are chosen.

The Governance Committee also takes **director tenure** into consideration when making director nomination decisions and believes that it is desirable to maintain a mix of longer-tenured, experienced directors and newer directors with fresh perspectives. The Governance Committee and the Board also believe that longer-tenured, experienced directors are a significant strength of the Board, given the large size of our company, the breadth of our product offerings and the international scope of our organization. See [Corporate Governance](#) [Director Tenure, Board Refreshment and Diversity](#) on page 22 for more information.

Below we identify the key experiences, qualifications and skills our director nominees bring to the Board and that the Board considers important in light of Oracle's businesses and industry.

Industry Knowledge and Experience. We seek to have directors with experience as executives or directors or in other leadership positions in the particular technology industries in which we compete because our success depends on developing and investing in innovative products and technologies. This experience is critical to the Board's ability to understand our products and business, assess our competitive position within the technology industry and the strengths and weaknesses of our competitors, maintain awareness of technology trends and innovations, and evaluate potential acquisitions and our acquisition strategy.

Management, Accounting and Finance Expertise. We believe that an understanding of management practices, accounting, finance and financial reporting processes is important for our directors. We value management experience in our directors as it provides a practical understanding of organizations, processes, strategies, risk management and the methods to drive change and growth that permit the Board to, among other things, identify and recommend improvements to our business operations, sales and marketing approaches and product strategy. We also seek to have at least one director who qualifies as an audit committee financial expert, and we expect all of our directors to be financially knowledgeable.

Business Judgment, Leadership and Strategic Vision. We believe that directors with experience in significant leadership positions are commonly required to demonstrate excellent business judgment, leadership skills and strategic vision. We seek directors with these characteristics as they bring important insights to Board deliberations and processes.

The Board evaluates its own composition in the context of the diverse experiences and perspectives that the directors collectively bring to the boardroom. Their backgrounds provide the Board with vital insights in areas such as:

Finance and Accounting	Technology Industry	Cybersecurity and Risk Management	Mergers and Acquisitions
Operation of Global Organizations	Computer Science	Governmental Affairs and Regulation	Strategic Transformation
International Tax and Monetary Policy	Intellectual Property	Executive Leadership and Talent Development	Customer Perspective

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The experiences, qualifications and skills of each director that the Board considered in his or her nomination are included below the directors' individual biographies on the following pages. The Board concluded that each nominee should serve as a director based on the specific experience and attributes listed below and the direct personal knowledge of each nominee's previous service on the Board, including the insight and collegiality each nominee brings to the Board's functions and deliberations. The age of each director is provided as of September 17, 2018, the record date for the Annual Meeting.

Jeffrey S. Berg	
Independent Director	<p>Mr. Berg has been an agent in the entertainment industry for over 40 years. Mr. Berg has served as Chairman of Northside Services, LLC, a media and entertainment advisory firm, since May 2015. Mr. Berg was Chairman of Resolution, a talent and literary agency he founded, from January 2013 until April 2015. Between 1985 and 2012, he was the Chairman and CEO of International Creative Management, Inc. (ICM), a talent agency for the entertainment industry. He has served as Co-Chair of California's Council on Information Technology and was President of the Executive Board of the College of Letters and Sciences at the University of California at Berkeley. He previously served on the Board of Trustees of the Anderson School of Management at the University of California at Los Angeles.</p> <p>Qualifications: As the former CEO of ICM, Mr. Berg brings to the Board over 25 years of leadership experience running one of the world's preeminent full service talent agencies in the entertainment industry. Mr. Berg's prior experience as CEO and as a representative of some of the world's most well-known celebrities offers the Board a unique perspective with respect to managing a global brand in rapidly changing industries and in management, compensation and operational matters.</p>
Age: 71	
Director since 1997	
Board Committees:	
Independence (Chair), Finance and Audit, Governance	

Michael J. Boskin	
Independent Director	<p>Dr. Boskin is the Tully M. Friedman Professor of Economics and Hoover Institution Senior Fellow at Stanford University, where he has been on the faculty since 1971. He is CEO and President of Boskin & Co., Inc., a consulting firm. He was Chairman of the President's Council of Economic Advisers from February 1989 until January 1993. Dr. Boskin previously served as a director of Exxon Mobil Corporation.</p>
Age: 72	
Director since 1994	

Board Committees:
Finance and Audit
(Chair)

Qualifications: Dr. Boskin is recognized internationally for his research on world economic growth, tax and budget theory and policy, U.S. saving and consumption patterns and the implications of changing technology and demography on capital, labor, and product markets. He brings to the Board significant economic and financial expertise and provides the Board with a unique perspective on a number of challenges faced by Oracle due to its global operations, including, for example, questions regarding international tax and monetary policy, treasury functions, currency exposure and general economic and labor trends and risks. In addition, Dr. Boskin's experience as CEO of his consultancy firm and as a director of another large, complex global organization provides the Board with important perspectives in its evaluation of Oracle's practices and processes.

Safra A. Catz

Chief Executive Officer

Age: 56

Director since 2001

Ms. Catz has been our CEO since September 2014. She served as our President from January 2004 to September 2014 and as our CFO most recently from April 2011 until September 2014. Ms. Catz was previously our CFO from November 2005 until September 2008 and our Interim CFO from April 2005 until July 2005. Prior to being named President, she held various other positions with us since joining Oracle in 1999. Ms. Catz is currently a director of The Walt Disney Company and previously served as a director of HSBC Holdings plc.

Qualifications: In her current role at Oracle, Ms. Catz is primarily responsible for all operations at Oracle other than product development, sales and marketing, consulting, support and Oracle's industry-specific global business units. Ms. Catz also leads the execution of our acquisition strategy and integration of acquired companies and products. Our Board benefits from Ms. Catz's many years with Oracle and her unique expertise regarding Oracle's strategic vision, management and operations. Prior to joining Oracle, Ms. Catz developed deep technology industry experience as a managing director with the investment banking firm Donaldson, Lufkin & Jenrette from 1986 to 1999 covering the technology industry. With this experience, Ms. Catz brings valuable insight regarding the technology industry generally, and in particular in the execution of our acquisition strategy. In addition, Ms. Catz's service as a director of other large, complex global organizations provides the Board with important perspectives in its evaluation of Oracle's practices and processes.

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Bruce R. Chizen	
Independent Director	<p>Mr. Chizen is currently an independent consultant and has served as Senior Adviser to Permira Advisers LLP, a private equity firm, since July 2008, and as a Venture Partner at Voyager Capital, a venture capital firm, since August 2009. He has also served as an Operating Partner for Permira Growth Opportunities, a private equity fund, since June 2018. From 1994 to 2008, Mr. Chizen served in a number of positions at Adobe Systems Incorporated, a provider of design, imaging and publishing software, including CEO (2000 to 2007), President (2000 to 2005), acting CFO (2006 to 2007) and strategic adviser (2007 to 2008). Mr. Chizen currently serves as a director of Synopsys, Inc.</p> <p>Qualifications: As the former CEO of Adobe, Mr. Chizen brings to the Board first-hand experience in successfully leading and managing a large, complex global organization in the technology industry. In particular, Mr. Chizen’s experience in heading the extension of Adobe’s product leadership provides the Board with a perspective applicable to challenges faced by Oracle. In addition, Mr. Chizen’s current roles at Permira and Voyager require him to be very familiar with companies driven by information technology or intellectual property, which provides the Board with valuable insights in its deliberations regarding Oracle’s acquisition and product strategies. The Board also benefits from Mr. Chizen’s financial expertise and significant audit and financial reporting knowledge, including his experience as the former acting CFO of Adobe. Mr. Chizen’s service as a director of a large, complex global organization, as well as smaller private companies, provides the Board with important perspectives in its evaluation of Oracle’s practices and processes.</p>
Age: 63	
Director since 2008	
Board Committees:	
Governance (Chair), Finance and Audit	

George H. Conrades	
Independent Director	<p>Mr. Conrades has served as an Executive Adviser to Akamai Technologies, Inc., a content delivery network services provider for media and software delivery and cloud security solutions, since June 2018. He previously served as Akamai’s CEO from 1999 to 2005 and Chairman from 1999 to March 2018. Mr. Conrades currently serves as a Managing Partner at Longfellow Venture Partners, a private venture fund advising and investing in early stage healthcare and technology companies. He also served as a Venture Partner at Polaris Venture Partners, an early stage investment company, from 1998 to 2012 and is currently Partner Emeritus. Mr. Conrades previously served as a director of Akamai Technologies, Inc., Ironwood Pharmaceuticals, Inc. and Harley-Davidson, Inc.</p>
Age: 79	
Director since 2008	
Board Committees:	
Compensation (Chair),	

Independence

Qualifications: As the former CEO of Akamai, Mr. Conrades brings to the Board first-hand experience in successfully leading and managing a large, complex global organization in the technology industry. Mr. Conrades' experience provides the Board with a perspective applicable to challenges faced by Oracle. In addition, Mr. Conrades' current role at Longfellow Venture Partners requires him to be very familiar with growth companies, including those driven by information technology or intellectual property, which provides the Board with valuable insights in its deliberations regarding Oracle's acquisition and product strategies. Mr. Conrades' service as a director of large, complex global organizations, as well as smaller private companies, provides the Board with important perspectives in its evaluation of Oracle's practices and processes.

Lawrence J. Ellison

Chairman, Chief
Technology Officer and
Founder

Mr. Ellison has been our Chairman of the Board and CTO since September 2014. Mr. Ellison served as our CEO from June 1977, when he founded Oracle, until September 2014. He previously served as our Chairman of the Board from May 1995 to January 2004.

Age: 74

Director since 1977

Qualifications: Mr. Ellison is Oracle's founder and served as our CEO since we commenced operations in June 1977 through September 2014. He is widely regarded as a technology visionary and one of the world's most successful business executives. Mr. Ellison's familiarity with and knowledge of our technologies and product offerings are unmatched. He continues to lead and oversee our product engineering, technology development and strategy. For over 40 years he has successfully steered Oracle in new strategic directions in order to adapt to and stay ahead of our competition and changing industry trends. Mr. Ellison is our largest stockholder, beneficially owning approximately 31% of the outstanding shares of our common stock, directly aligning his interests with those of all of our stockholders.

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Hector Garcia-Molina	
<p>Independent Director</p> <p>Age: 64</p> <p>Director since 2001</p>	<p>Mr. Garcia-Molina has been the Leonard Bosack and Sandra Lerner Professor in the Departments of Computer Science and Electrical Engineering at Stanford University since October 1995 and served as Chairman of the Department of Computer Science from January 2001 to December 2004. He has been a professor at Stanford University since January 1992 and a professor emeritus since January 2018. From August 1994 until December 1997, he was the Director of the Computer Systems Laboratory at Stanford University.</p>
<p>Board Committees:</p> <p>Independence</p>	<p>Qualifications: Widely regarded as an expert in computer science, Mr. Garcia-Molina brings to the Board significant technical expertise in the fields of computer science, generally, and database technology, specifically. He is the author of numerous books, journal articles, papers and reports documenting his research on a variety of technology subjects, including distributed computing systems, digital libraries and database systems. Mr. Garcia-Molina is a Fellow of the Association for Computing Machinery and the American Academy of Arts and Sciences and from 1997 to 2001 was a member of the President’s Information Technology Advisory Committee. He also serves as a Venture Advisor for Onset Ventures and is a member of technical advisory boards of numerous private companies. In these roles, and as a former director of other public companies, Mr. Garcia-Molina has helped oversee the strategy and operations of other technology companies and brings a valuable technical and industry-specific perspective to the Board’s consideration of Oracle’s product strategy, competitive positioning and technology trends.</p>
Jeffrey O. Henley	
<p>Vice Chairman</p> <p>Age: 73</p> <p>Director since 1995</p>	<p>Mr. Henley has served as our Vice Chairman of the Board since September 2014. Mr. Henley previously served as our Chairman of the Board from January 2004 to September 2014. He served as our Executive Vice President and CFO from March 1991 to July 2004.</p>
	<p>Qualifications: Our Board benefits from Mr. Henley’s many years with Oracle and his significant expertise and knowledge regarding our strategic vision, management and operations. Mr. Henley meets regularly with significant Oracle customers and is instrumental in closing major commercial transactions worldwide. This role allows Mr. Henley to remain close to our customers and the technology industry generally. Mr. Henley also brings to the Board significant financial and accounting expertise from his service as our former CFO and in other finance positions prior to joining</p>

Oracle.

Mark V. Hurd

Chief Executive Officer

Mr. Hurd has been our CEO since September 2014. He served as our President from September 2010 to September 2014. Prior to joining us, he served as Chairman of the Board of Directors of Hewlett-Packard Company from September 2006 to August 2010 and as CEO, President and a member of the Board of Directors of Hewlett-Packard Company from April 2005 to August 2010.

Age: 61

Director since 2010

Qualifications: In his current role at Oracle, Mr. Hurd is responsible for sales and marketing, consulting, support and Oracle’s industry-specific global business units. Our Board benefits from Mr. Hurd’s insight as he guides Oracle’s sales and marketing efforts, manages our support and consulting organizations and acts as a primary contact for our customers. As the former CEO of Hewlett-Packard Company and NCR Corporation, Mr. Hurd brings to the Board first-hand experience in successfully leading and managing large, complex global sales, support and consulting organizations in the technology industry. In addition, Mr. Hurd’s prior experience as Chairman of Hewlett-Packard Company’s board and as a director of another large, public company provides the Board with important perspectives in its evaluation of Oracle’s practices and processes.

Renée J. James

Non-Employee Director

Ms. James has served as Chairman and CEO of Ampere Computing, which produces high-performance processors for compute, storage, and other cloud computing needs, since October 2017. Ms. James also has served as an Operating Executive for The Carlyle Group, a global alternative asset manager, since February 2016. In her role with Carlyle, Ms. James evaluates new technology investments for the firm and advises portfolio companies on their strategic direction and operational efficiency. In January 2016, Ms. James concluded a 28-year career with Intel Corporation, where she most recently served as President. Ms. James is Chair of the National Security Telecommunications Advisory Committee to the President of the United States. She also serves as a director of Citigroup Inc., Sabre Corporation and Vodafone Group Plc.

Age: 54

Director since 2015

Qualifications: As a seasoned technology executive, Ms. James brings to the Board extensive, international experience managing large, complex global operations in the technology industry. In her distinguished career at Intel, Ms. James held a variety of positions in research and development leadership in both software and hardware and the management of global manufacturing. Our Board benefits from the leadership,

industry and technical expertise Ms. James acquired at Ampere and Intel and through her service on the boards of public and private companies in the technology and financial services industries. In addition, Ms. James brings to the Board expansive knowledge of cybersecurity gained through the positions she has held at Intel and as Chair of the National Security Telecommunications Advisory Committee to the President of the United States.

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Charles W. Moorman IV	
Independent Director	<p>Mr. Moorman is currently a Senior Advisor to Amtrak, where he previously served as President and CEO from August 2016 until January 2018. Mr. Moorman was previously CEO (from 2005 to 2015) and Chairman (from 2006 to 2015) of Norfolk Southern Corporation, a transportation company. From 1975 to 2005, he held various positions in operations, information technology, and human resources at Norfolk Southern Corporation. Mr. Moorman serves as a director of Chevron Corporation and Duke Energy Corporation, and previously served as a director of Norfolk Southern Corporation.</p>
Age: 66	
Director since 2018	
Board Committees:	
Compensation	<p>Qualifications: As the former CEO of Norfolk Southern Corporation, Mr. Moorman brings to the Board extensive experience leading and managing the operations of a large, complex Fortune 500 company. Mr. Moorman's forty-year career with Norfolk Southern included numerous senior management and executive positions requiring expertise in engineering, technology, finance and risk management. Mr. Moorman also brings to the Board significant regulatory expertise and familiarity with environmental affairs gained through his leadership roles at both Amtrak and Norfolk Southern. In addition, Mr. Moorman's service as a director of other large public companies provides the Board with important perspectives in its evaluation of Oracle's practices and processes.</p>

Leon E. Panetta	
Independent Director	<p>Secretary Panetta served as U.S. Secretary of Defense from 2011 to 2013 and as Director of the Central Intelligence Agency from 2009 to 2011. Prior to that time, Secretary Panetta was a member of the United States House of Representatives from 1977 to 1993, served as Director of the Office of Management and Budget from 1993 to 1994 and served as President Bill Clinton's Chief of Staff from 1994 to 1997. He is the co-founder and Chairman of the Panetta Institute for Public Policy and currently serves as moderator of the Leon Panetta Lecture Series, a program he created. Secretary Panetta previously served as Distinguished Scholar to Chancellor Charles B. Reed of the California State University System and professor of public policy at Santa Clara University.</p>
Age: 80	
Director since 2015	
Board Committees:	
Compensation, Governance	<p>Qualifications: With a distinguished record of public service at the highest levels of government, Secretary Panetta brings to the Board robust, first-hand knowledge of government affairs and public policy issues. Secretary Panetta's 16 years of experience in the U.S. House of Representatives and service in the administrations of</p>

two U.S. Presidents allow him to advise the Board on a wide range of issues related to Oracle's interactions with governmental entities. In addition, Secretary Panetta's service as a leader of large and complex government institutions, including the U.S. Department of Defense, the Central Intelligence Agency and the Office of Management and Budget, provides the Board with important perspectives on Oracle's operational practices and processes, as well as risk management and oversight.

William G. Parrett

Independent Director

Age: 73

Director since 2018

Board Committees:

Finance and Audit

Mr. Parrett served as the CEO of Deloitte Touche Tohmatsu, a multinational professional services network, from 2003 until 2007. He joined Deloitte in 1967 and served in a series of roles of increasing responsibility until his retirement in 2007. Mr. Parrett serves as a director of The Blackstone Group L.P., the Eastman Kodak Company and Conduent Inc. He previously served as a director of Thermo Fisher Scientific Inc., UBS Group AG and iGate Corporation. Mr. Parrett is a Certified Public Accountant with an active license.

Qualifications: As the former CEO of Deloitte Touche Tohmatsu, Mr. Parrett brings to the Board significant experience leading and managing the operations of a large, complex global organization. Mr. Parrett is highly skilled in the fields of auditing, accounting and internal controls, and risk management, and he brings valuable financial expertise to the Board. In addition, Mr. Parrett's service as a director of other public companies in the technology and financial services sectors provides the Board with important perspectives in its evaluation of Oracle's practices and processes.

Naomi O. Seligman

Independent Director

Age: 80

Director since 2005

Board Committees:

Compensation (Vice Chair)

Ms. Seligman is a senior partner at Ostriker von Simson, Inc., a technology research firm which chairs the CIO Strategy Exchange. Since 1999, this forum has brought together senior executives in four vital quadrants of the IT sector. From 1977 until June 1999, Ms. Seligman served as a co-founder and senior partner of the Research Board, Inc., a private sector institution sponsored by 100 chief information officers from major global corporations. She also currently serves as a director of Akamai Technologies, Inc. Ms. Seligman previously served as a director of iGate Corporation and The Dun & Bradstreet Corporation.

Qualifications: As a senior partner at Ostriker von Simson, Inc. and co-partner of the CIO Strategy Exchange, and in her prior role as a co-founder and senior partner of the Research Board, Ms. Seligman is recognized as a thought leader in the technology industry. Ms. Seligman also serves as an independent advisor to some of

the largest multinational corporations where she helps oversee global strategy and operations, which provides our Board with important perspectives in its evaluation of Oracle's practices and processes. The Board also benefits from Ms. Seligman's unique experience and customer-focused perspective and the valuable insights gained from the senior-level relationships she maintains throughout the technology industry.

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Table of Contents***Recommendations of Director Candidates***

The Governance Committee will consider all properly submitted candidates recommended by stockholders for Board membership. Our Corporate Governance Guidelines (available on our website at www.oracle.com/goto/corpgov) set forth the Governance Committee's policy regarding the consideration of all properly submitted candidates recommended by stockholders as well as candidates recommended by current Board members and others.

Any stockholder wishing to recommend a candidate for consideration for nomination by the Governance Committee must provide a written notice to the Corporate Secretary of Oracle at 500 Oracle Parkway, Mailstop 5op7, Redwood City, California 94065, or by email (Corporate_Secretary@oracle.com) with a confirmation copy sent by mail. The written notice must include the candidate's name, biographical data and qualifications and a written consent from the candidate agreeing to be named as a nominee and to serve as a director if nominated and elected. By following these procedures, a stockholder will ensure the Governance Committee's consideration of a submitted candidate. However, there is no guarantee that the candidate will be nominated.

Potential candidates for directors are generally suggested to the Governance Committee by current Board members and stockholders and are evaluated at meetings of the Governance Committee. In evaluating such candidates, every effort is made to complement and strengthen skills within the existing Board. The Governance Committee seeks Board approval of the final candidates recommended by the Governance Committee. The same identifying and evaluating procedures apply to all candidates for director, whether submitted by stockholders or otherwise.

Information regarding procedures for the stockholder submission of director nominations to be considered at our next annual meeting of stockholders may be found in Corporate Governance Proxy Access and Director Nominations on page 18 and Stockholder Proposals for the 2019 Annual Meeting on page 66.

Board Meetings

Our business, property and affairs are managed under the direction of the Board. Members of the Board are kept informed of our business through discussions with our Chairman, Vice Chairman, CEOs, General Counsel, Corporate Secretary and other officers and employees, by reviewing materials provided to them, by visiting our offices and by participating in meetings of the Board and its committees.

During fiscal 2018, the Board met seven times (four regularly scheduled meetings and three special meetings). **Each director attended at least 75% of all Board and applicable committee meetings in fiscal 2018.** Board members are expected to attend our annual meeting of stockholders, and all of our directors serving on the Board at the time of our last annual meeting of stockholders in November 2017 attended that meeting.

**Number of Board and Committee Meetings
Fiscal 2018****Committees, Membership and Meetings**

The current standing committees of the Board are the Finance and Audit Committee (F&A Committee), the Nomination and Governance Committee (Governance Committee), the Compensation Committee and the Committee on Independence Issues (Independence Committee).

Each committee reviews its charter at least annually, or more frequently as legislative and regulatory developments and business circumstances warrant. Each of the committees may make additional recommendations to our Board for revision of its charter to reflect evolving best practices. The charters for the F&A, Governance, Compensation and Independence Committees are posted on our website at www.oracle.com/goto/corpgov.

Table of Contents***Committee Membership***

The table below identifies committee membership as of September 17, 2018, the record date of the Annual Meeting.

Director	Finance and Audit	Compensation	Governance	Independence
Jeffrey S. Berg				Chair
Michael J. Boskin	Chair			
Safra A. Catz				
Bruce R. Chizen			Chair	
George H. Conrades		Chair		
Lawrence J. Ellison				
Hector Garcia-Molina				
Jeffrey O. Henley				
Mark V. Hurd				
Renée J. James				
Charles W. Moorman IV				
Leon E. Panetta				
William G. Parrett				
Naomi O. Seligman		Vice Chair		

The Board has determined that all directors who served during fiscal 2018 on the Compensation, F&A, Governance and Independence Committees were independent under the applicable New York Stock Exchange (NYSE) listing standards during the periods they served on those committees. The Board has also determined that all directors who served during fiscal 2018 on the Compensation and F&A Committees satisfied the applicable NYSE and U.S. Securities and Exchange Commission (SEC) heightened independence standards for members of compensation and audit committees during the periods they served on those committees. See *Corporate Governance Board of Directors and Director Independence* on page 21 for more information.

The Finance and Audit Committee

The F&A Committee oversees our accounting and financial reporting processes and the audit and integrity of our financial statements, assists the Board in fulfilling its oversight responsibilities regarding audit, finance, accounting, cybersecurity, tax and legal compliance and risk, and evaluates merger and acquisition transactions and investment transactions proposed by management. In particular, the F&A Committee is responsible for overseeing the engagement, independence, compensation, retention and services of our independent registered public accounting firm. The F&A Committee's primary responsibilities and duties are to:

act as an independent and objective party to monitor our financial reporting process and internal control over financial reporting;

review and appraise the audit efforts of our independent registered public accounting firm;

receive regular updates from our internal audit department regarding our internal audit plan and compliance with various policies and operational processes across all lines of business;

evaluate our quarterly financial performance at earnings review meetings;

oversee management's establishment and enforcement of financial policies and business practices;

oversee our compliance with laws and regulations and our Code of Ethics and Business Conduct;

provide an open avenue of communication between the Board and the independent registered public accounting firm, General Counsel, financial and senior management, Chief Compliance & Ethics Officer and internal audit department;

review and, if within its delegated range of authority, approve merger and acquisition and financial transactions proposed by our management; and

produce the Report of the Finance and Audit Committee of the Board, included elsewhere in this proxy statement, as required by SEC rules.

The F&A Committee held executive sessions with our independent registered public accounting firm on five occasions in fiscal 2018. The Board has determined that Dr. Boskin and Mr. Parrett each qualify as an audit committee financial expert as defined by SEC rules.

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The Compensation Committee

The primary functions of the Compensation Committee are to:

review and set all compensation arrangements, including, as applicable, base salaries, bonuses and equity awards, of our CEOs and our other executive officers;

review and approve non-employee director compensation, subject to ratification by the Board;

lead the Board in its evaluation of the performance of our CEOs;

review and discuss the Compensation Discussion and Analysis (CD&A) portion of our proxy statement with management and determine whether to recommend to the Board that the CD&A be included in our proxy statement;

review the Compensation Committee Report for inclusion in our proxy statement, as required by SEC rules;

review, approve and administer our stock plans, and approve equity awards to certain participants;

assess the risks associated with our compensation practices, policies and programs applicable to our employees to determine whether such risks are appropriate or reasonably likely to have a material adverse effect on Oracle; and

oversee our 401(k) Plan Committee and amend the Oracle Corporation 401(k) Savings and Investment Plan (the 401(k) Plan) when appropriate.

The Compensation Committee helps us attract and retain talented executive personnel in a competitive market. In determining any component of executive or director compensation, the Compensation Committee considers the aggregate amounts and mix of all components in its decisions. Our legal department and human resources department support the Compensation Committee in its work. For additional details regarding the Compensation Committee's role in determining executive compensation, including its engagement of an independent compensation consultant, refer to

Executive Compensation Compensation Discussion and Analysis beginning on page 26. See Executive Compensation Compensation Discussion and Analysis Other Compensation Policies Equity Awards and Grant Administration on page 40 for a discussion of the Compensation Committee's role as the administrator of our stock plans and for a discussion of our policies and practices regarding the grant of our equity awards.

Risk Assessment of Compensation Policies and Practices

The Compensation Committee, in consultation with management and Compensia, Inc., the committee's independent compensation consultant, has assessed the compensation policies and practices applicable to our executive officers and other employees and concluded that they do not create risks that are reasonably likely to have a material adverse

effect on Oracle. The Compensation Committee conducts this assessment annually.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee has ever been an officer or employee of Oracle or of any of our subsidiaries or affiliates. During the last fiscal year, none of our executive officers served on the board of directors or on the compensation committee of any other entity, any officers of which served either on our Board or on our Compensation Committee.

The Nomination and Governance Committee

The Governance Committee has responsibility for monitoring corporate governance matters, including periodically reviewing the composition and performance of the Board and its committees (including reviewing the performance of individual directors), reviewing and assessing the adequacy of our policies, plans and procedures regarding succession planning, and overseeing our Corporate Governance Guidelines. The Governance Committee also considers and recommends qualified candidates for election to the Board.

The Committee on Independence Issues

The Independence Committee is charged with reviewing and approving individual transactions, or a series of related transactions, involving amounts in excess of \$120,000 between us (or any of our subsidiaries) and any of our affiliates, such as an executive officer, director or owner of 5% or more of our common stock. The Independence Committee's efforts are intended to ensure that each proposed related person transaction is on terms that, when taken as a whole, are fair to us. If any member of the Independence Committee would derive a direct or indirect benefit from a proposed transaction, he or she is excused from the review and approval process with regard to that transaction. The role of the Independence Committee also encompasses monitoring of related person relationships as well as reviewing proposed transactions and other matters for potential conflicts of interest and possible corporate opportunities in accordance with our Global Conflict of Interest Policy. The Independence Committee also evaluates the independence of each non-employee director as defined by NYSE listing standards.

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Director Compensation

Highlights

Annual and initial equity awards capped at a maximum dollar value (effective May 31, 2018)

Per-meeting fees eliminated (effective June 1, 2018)

Emphasis on equity to align director compensation with our stockholders' long-term interests

No retirement benefits or perquisites

Robust stock ownership guidelines (see page 20 for details)

Overview

Our directors play a critical role in guiding our strategic direction and overseeing the management of Oracle. Ongoing developments in corporate governance, executive compensation and financial reporting have resulted in increased demand for highly qualified and productive public company directors. In addition, Oracle's active acquisition program and expansion into new lines of business demand substantial time commitments from our directors.

These considerable time commitments and the many responsibilities and risks of being a director of a public company of Oracle's size, complexity and profile require that we provide reasonable incentives for our non-employee directors' continued performance by paying compensation commensurate with their qualifications and significant workload. Our non-employee directors are compensated based on their respective levels of Board participation and responsibilities, including service on Board committees. Our non-employee directors display a high level of commitment and flexibility in their service to Oracle. Several of our directors serve on more than one committee. In addition to engaging with our senior management, our non-employee directors personally attend and participate in important customer and employee events, such as Oracle OpenWorld and Oracle President's Council forums, and meet with our stockholders throughout the year to better understand and respond to their concerns and perspectives. Annual cash retainers and equity awards granted to our non-employee directors are intended to correlate with the qualifications, responsibilities and time commitments of each such director.

Our employee directors, Mr. Ellison, Ms. Catz, Mr. Hurd and Mr. Henley, receive no separate compensation for serving as directors of Oracle.

Reductions in Director Compensation

In fiscal 2016, the Board approved significant reductions to the non-employee director compensation structure, which contributed to an average reduction of 24% in the total value of our non-employee directors' compensation in fiscal 2016 compared to fiscal 2015.

In fiscal 2018, the Board approved further reductions to compensation paid to non-employee directors, including:

per meeting fees were **eliminated** effective June 1, 2018; and

annual director equity awards and initial equity awards for new directors were **capped** at a maximum dollar value effective May 31, 2018 (previously, such awards were set at a fixed number of shares). Specifically:

annual and initial equity awards for Board service were capped at a maximum value of \$400,000; and

annual committee chair equity awards were capped as follows, resulting in a significant reduction in value compared to the value of the equity awards granted in fiscal 2017:

Grant Type	New Maximum Value	% Reduction from Fiscal 2017 Equity Award Value (1)
F&A and Compensation Committee Chair	\$200,000	48%
Governance and Independence Committee Chair	\$ 65,000	49%

- (1) Reflects the reduction in value of the fiscal 2018 committee chair equity awards compared to the value of the fiscal 2017 committee chair equity awards. The value of the fiscal 2017 committee chair equity awards was calculated using the closing price of Oracle common stock on the date of grant in fiscal 2017 (\$45.39 per share).

Table of Contents***Cash Retainer and Meeting Fees for Directors***

In fiscal 2018, each of our non-employee directors received (1) an annual cash retainer fee of \$52,500 for serving as a director of Oracle (prorated for directors who did not serve on the Board for the full fiscal year) and (2) each of the applicable retainer fees set forth in the table to the right for serving as a chair or as a member of one or more of the committees of the Board (prorated for directors who served as chairs or committee members for less than the full fiscal year).

Annual Committee Member Retainer Fees

F&A and Compensation Committees	\$ 25,000
Governance and Independence Committees	\$ 15,000

Additional Annual Retainer Fees for Committee Chairs

F&A and Compensation Committees	\$ 25,000
Governance and Independence Committees	\$ 15,000

In fiscal 2018, our non-employee directors also received the following per-meeting fees:

\$3,000 per meeting for regular Board meetings, F&A Committee meetings (other than earnings review meetings) and Compensation Committee meetings (other than equity award meetings, where no meeting fee is paid); and

\$2,000 per meeting for special Board meetings, F&A Committee earnings review meetings, and Governance Committee and Independence Committee meetings.

As noted above, the Board eliminated these per-meeting fees effective June 1, 2018.

Annual Equity Grant for Directors

Non-employee directors also participate in our Amended and Restated 1993 Directors' Stock Plan (the Directors' Stock Plan), which sets forth stockholder-approved limits on annual equity awards for service on the Board and as a committee chair. The annual equity awards are granted on May 31 of each year. Committee chair equity awards are prorated for chairs who served for less than the full fiscal year.

As described above, the Board approved changes to our non-employee director compensation program in fiscal 2018, including reductions in the size of equity awards. Specifically, the Board determined that each equity award will be limited to the lesser of the stockholder-approved limits set forth in the Directors' Stock Plan or a specified maximum dollar value. Below is a summary of the stockholder-approved limits on annual equity awards set forth in the Directors' Stock Plan, the new maximum dollar value limit on annual equity awards and the number of RSUs actually granted to directors on May 31, 2018.

Grant Type	Stockholder-Approved Equity Award Limits	Maximum Dollar Value Effective May 31, 2018	% Reduction from	
			Equity Actually Granted on May 31, 2018 (1)	Stockholder-Approved Limits (4)
Board Annual Grant	45,000 options (or 11,250 RSUs)	\$400,000	8,561 RSUs	24%
F&A Committee Chair	45,000 options (or 11,250 RSUs)	\$200,000	4,280 RSUs	62%
F&A Committee Vice Chair	30,000 options (or 7,500 RSUs)		(2)	100%
Compensation Committee Chair	45,000 options (or 11,250 RSUs)	\$200,000	2,497 RSUs (3)	78%
Governance Committee Chair	15,000 options (or 3,750 RSUs)	\$ 65,000	1,391 RSUs	63%
Independence Committee Chair	15,000 options (or 3,750 RSUs)	\$ 65,000	1,391 RSUs	63%

(1) Calculated by dividing the maximum dollar value by the closing price of Oracle common stock on the date of grant (\$46.72 per share), rounding down to the nearest whole share.

(2) The Board eliminated the annual equity award for service as F&A Committee Vice Chair in fiscal 2016.

(3) Prorated for chair who served less than a full fiscal year. The award would have been 4,280 RSUs if the chair had served for the full fiscal year.

(4) Percentage reduction in the number of RSUs actually granted on May 31, 2018 compared to stockholder-approved equity award limits.

The Directors Stock Plan provides that non-employee directors may receive grants of stock options or RSUs of an equivalent value, as determined on any reasonable basis by the Board, in lieu of all or some of the stock option limits set forth in the plan. The Board determined that a ratio of four stock options to one RSU should be used, consistent with its approach for equity awards granted to Oracle employees. The Board determined in April 2016 that all non-employee director equity awards will be delivered in the form of RSUs that vest on the first anniversary of the date of grant.

Table of Contents***Initial Equity Grant for New Directors***

The Directors' Stock Plan also provides for an initial equity award of not more than 45,000 stock options (or 11,250 RSUs) for new non-employee directors, prorated based upon the number of full calendar months remaining in the fiscal year of the director's appointment. In accordance with the reductions to our non-employee director compensation effective as of May 31, 2018, any new non-employee director will receive an initial equity award equal to the lesser of 11,250 RSUs or RSUs with a total value of \$400,000 (calculated by dividing the maximum dollar value by the closing price of Oracle common stock on the date of grant, rounding down to the nearest whole share), prorated based upon the number of full calendar months remaining in the fiscal year of the director's appointment.

Fiscal 2018 Director Compensation Table

The following table provides summary information regarding the compensation we paid to our non-employee directors in fiscal 2018.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (1) (2) (\$)	Total (\$)
Jeffrey S. Berg	156,404	457,593	613,997
Michael J. Boskin	141,500	590,429	731,929
Bruce R. Chizen	150,500	457,593	608,093
George H. Conrades	154,404	508,447	662,851
Hector Garcia-Molina	93,500	393,635	487,135
Renée J. James	121,995	393,635	515,630
Charles W. Moorman IV	3,281	393,635	396,916
Leon E. Panetta	116,022	393,635	509,657
William G. Parrett	3,281	393,635	396,916

Naomi O. Seligman	113,500	393,635	507,135
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- (1) The amounts reported in this column represent the aggregate grant date fair values of RSUs computed in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 718, *Compensation-Stock Compensation* (FASB ASC 718). The non-employee directors have not presently realized a financial benefit from these awards because none of the RSUs granted in fiscal 2018 have vested. For information on the valuation assumptions used in our stock-based compensation computations, see Note 13 to our consolidated financial statements in our Annual Report on Form 10-K for fiscal 2018.
- (2) The following table provides additional information concerning the stock awards (in the form of RSUs) and stock options held by our non-employee directors as of the last day of fiscal 2018.

Name	Total Unvested RSUs Outstanding at Fiscal 2018 Year End (#)	RSUs Granted During Fiscal 2018 (a) (#)	Total Option Awards Outstanding at Fiscal 2018 Year End (#)
	Jeffrey S. Berg	11,359	9,952
Michael J. Boskin	15,654	12,841	450,000
Bruce R. Chizen	12,765	9,952	225,000
George H. Conrades	12,465	11,058	67,500
Hector Garcia-Molina	9,968	8,561	270,000
Renée J. James	9,733	8,561	9,375
Charles W. Moorman IV	8,561	8,561	
Leon E. Panetta	9,968	8,561	37,500
William G. Parrett	8,561	8,561	
Naomi O. Seligman	9,968	8,561	247,500

- (a) The RSUs reported in this column were granted on May 31, 2018 and vest on the first anniversary of the date of grant (May 31, 2019).

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CORPORATE GOVERNANCE

We regularly monitor developments in corporate governance and review our processes and procedures in light of such developments. As part of those efforts, we review federal laws affecting corporate governance, as well as rules adopted by the SEC and NYSE. We believe we have in place corporate governance procedures and practices that are designed to enhance our stockholders' interests.

Corporate Governance Guidelines

The Board has approved Corporate Governance Guidelines for Oracle (the Guidelines). The Guidelines address the following matters:

director qualifications;

director majority voting policy;

director responsibilities, including risk oversight;

executive sessions and leadership roles;

conflicts of interest;

Board committees;

director access to officers and employees;
director compensation;

director orientation and continuing education;

director and executive officer stock ownership;

CEO evaluation;