

ORACLE CORP
Form DEF 14A
September 23, 2014
Table of Contents

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:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

500 Oracle Parkway

Redwood City, California 94065

September 23, 2014

To our Stockholders:

You are cordially invited to attend the 2014 Annual Meeting of Stockholders of Oracle Corporation. Our Annual Meeting will be held on Wednesday, November 5, 2014, 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 2014 Annual Meeting of Stockholders and proxy statement. We have also made available a copy of our Annual Report on Form 10-K for fiscal 2014. 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 should provide 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 your proxy materials. All stockholders who do not receive a notice will receive a paper copy of the proxy materials by mail or an electronic copy of the proxy materials by email.

Please use this opportunity to take part in our corporate affairs by voting 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? in 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 proceedings via webcast by going to www.oracle.com/investor.

Sincerely,

Lawrence J. Ellison

Executive Chairman and Chief Technology Officer

Table of Contents

500 Oracle Parkway

Redwood City, California 94065

NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE	10:00 a.m., Pacific Time, on Wednesday, November 5, 2014
PLACE	Oracle Conference Center 350 Oracle Parkway Redwood City, CA 94065
LIVE WEBCAST	Available on our website at www.oracle.com/investor , starting at 10:00 a.m., Pacific Time, on Wednesday, November 5, 2014
ITEMS OF BUSINESS	<ol style="list-style-type: none">(1) To elect the Board of Directors to serve for the next year.(2) To hold an advisory vote to approve executive compensation.(3) To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2015.(4) To consider and to act on 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 8, 2014
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.
MEETING ADMISSION	You are entitled to attend the Annual Meeting only if you are a stockholder as of the close of business on September 8, 2014, 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 stock on the record date. This can be a brokerage statement or letter from a bank or broker indicating ownership on September 8, 2014, 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.

Dorian Daley

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Senior Vice President, General Counsel and Secretary

September 23, 2014

Table of Contents**SUMMARY INFORMATION**

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 and the entire Proxy Statement.

ANNUAL MEETING OF SHAREHOLDERS

Date and Time:	November 5, 2014 at 10:00 a.m., Pacific Time.
Place:	Oracle Conference Center
	350 Oracle Parkway
	Redwood City, CA 94065
Record Date:	September 8, 2014
Voting:	Stockholders as of September 8, 2014 are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and each of the other proposals.
Attendance:	You are entitled to attend the Annual Meeting only if you are a stockholder as of the close of business on September 8, 2014, the record date, or hold a valid proxy for the meeting. Please bring photo identification, such as a driver's license, and proof of ownership of Oracle common stock as of September 8, 2014.

Meeting Agenda and Voting Recommendations

<u>Agenda Item</u>	<u>Board Recommendation</u>	<u>Page(s)</u>
<u>Election of eleven directors</u>	FOR EACH NOMINEE	58
<u>Advisory vote to approve executive compensation</u>	FOR	59
<u>Ratification of selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2015</u>	FOR	62
<u>Stockholder proposals</u>	AGAINST EACH	64-75

PROPOSAL ONE DIRECTOR NOMINEES

We are asking you to vote FOR each of the director nominees listed below. Each director attended at least 75% of the Board meetings and committee meetings on which he or she sits during fiscal 2014. Set forth below is summary information about each director nominee.

<u>Nominee and Principal Occupation</u>	<u>Age</u>	<u>Director Since</u>	<u>Independent</u>	<u>Current Committee Membership</u>
Jeffrey S. Berg Founder and Chairman of Resolution; Former Chairman and Chief Executive Officer, International Creative Management, Inc.	67	1997	..	Governance Independence
H. Raymond Bingham Advisory Director, General Atlantic LLC; Former Chief Executive Officer, Cadence Design Systems, Inc.	68	2002	..	Finance and Audit (Chair) Independence (Chair) Governance (Alternate)
Michael J. Boskin Tully M. Friedman Professor of Economics and Hoover Institution Senior Fellow, Stanford University	68	1994	..	Governance (Chair) Finance and Audit (Vice Chair)

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Safra A. Catz
Chief Executive Officer,

52 2001

Oracle Corporation

Bruce R. Chizen
Senior Adviser to Permira Advisers LLP;

59 2008

Compensation (Chair)
Finance and Audit

Venture Partner, Voyager Capital;

Former Chief Executive Officer,

Adobe Systems Incorporated

Table of Contents

Nominee and Principal Occupation	Age	Director Since	Independent	Current Committee Membership
George H. Conrades Chairman and former Chief Executive Officer, Akamai Technologies, Inc.;	75	2008	"	Governance Compensation
Venture Partner, Longfellow Venture Fund Lawrence J. Ellison Executive Chairman, Chief Technology Officer and Founder,	70	1977		
Oracle Corporation Hector Garcia-Molina Leonard Bosack and Sandra Lerner Professor	60	2001	"	Independence
Departments of Computer Science and Electrical Engineering, Stanford University Jeffrey O. Henley Executive Vice Chairman of the Board,	69	1995		
Oracle Corporation Mark V. Hurd Chief Executive Officer,	57	2010		
Oracle Corporation Naomi O. Seligman Senior Partner, Ostriker von Simson	76	2005	"	Compensation

Corporate Governance Highlights

Majority of Independent Directors (7 out of 11)	Annual Election of Directors
Board Leadership Structure Separate CEO and Chairman	Independent Presiding Director
Director Majority Voting Policy	Executive Sessions for Independent Directors
Annual Board and Committee Performance Evaluations	Director and Executive Officer Stock Ownership Guidelines

PROPOSAL TWO ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

We are asking for your advisory approval of the compensation paid to our named executive officers. While this vote is advisory and not binding on us, our Board of Directors and Compensation Committee value the opinions of our stockholders and will review and consider the outcome of this vote in considering future compensation arrangements.

After the 2013 Annual Meeting of Stockholders, the Compensation Committee engaged in a series of discussions and deliberations about our compensation philosophy and possible design alternatives for our executive compensation program. While reaffirming Oracle's fundamental principle of clearly linking executive compensation to Oracle's financial performance and long-term stock price, the Compensation Committee redesigned certain aspects of the long-term equity incentive program for our named executive officers. The 2013 Annual Meeting of Stockholders occurred in October 2013, which was after the fiscal 2014 stock option awards were granted in July 2013. The Committee therefore focused on Oracle's fiscal 2015 equity awards which were granted in July 2014. Oracle's fiscal year 2014 started on June 1, 2013 and ended on May 31, 2014.

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In September 2014, the Board of Directors appointed Mr. Ellison as Executive Chairman of the Board and Chief Technology Officer. Simultaneously, each of Ms. Catz and Mr. Hurd was appointed to the position of Chief Executive Officer. In connection with these changes, the Compensation Committee cancelled a portion of Mr. Ellison's fiscal year 2015 equity award and made a one-time special fiscal 2015 equity award grant to each of Ms. Catz and Mr. Hurd in light of their appointments.

Table of Contents

Fiscal 2014

Consistent with prior years, our executive compensation program in fiscal 2014 comprised the following three principal pay components:

1. Salaries which were fixed at levels that provided a baseline amount of compensation.
 - Ø As in prior years, Mr. Ellison received only a token base salary of \$1.00. Thus, consistent with our compensation philosophy, his compensation was otherwise completely at-risk, underscoring our commitment to paying for performance.
2. Annual performance-based cash bonuses for Mr. Ellison, Ms. Catz and Mr. Hurd which were tied to our ability to grow Oracle's non-GAAP pre-tax profits year-over-year.
 - Ø Although Oracle's fiscal 2014 non-GAAP pre-tax profits were approximately \$17.1 billion, the year-over-year growth did not meet our internal expectations. Consequently, Mr. Ellison, Ms. Catz and Mr. Hurd each received fiscal 2014 bonuses that were 16% of target (approximately \$741,000 for Mr. Ellison and approximately \$456,000 for Ms. Catz and Mr. Hurd).
3. Long-term, results-aligned incentive compensation which consisted exclusively of stock options. Mr. Ellison received a stock option grant for 7 million shares, and Ms. Catz and Mr. Hurd each received a stock option grant for 5 million shares.

Significant Changes for Fiscal 2015

For fiscal 2015, the Compensation Committee made significant changes to our long-term incentive compensation program for our named executive officers to further its objective of aligning their compensation opportunities with Oracle's long-term financial performance.

In addition during fiscal 2015, the Board of Directors appointed Mr. Ellison as Executive Chairman of the Board and Chief Technology Officer. Simultaneously, each of Ms. Catz and Mr. Hurd was appointed to the position of Chief Executive Officer. In connection with these management changes, the Compensation Committee cancelled a portion of Mr. Ellison's fiscal 2015 equity awards. The Compensation Committee also made one-time special fiscal 2015 equity award grants to each of Ms. Catz and Mr. Hurd in connection with their appointments.

The Compensation Committee made the following specific changes to the equity awards granted to our named executive officers in fiscal 2015:

We Reduced the Number of Shares subject to the Stock Option Granted in Fiscal 2015 to Mr. Ellison. The Compensation Committee reduced the number of shares subject to the stock option grant to Mr. Ellison from a stock option for 7 million shares granted in fiscal 2014 to a stock option for 3 million shares granted in fiscal 2015 (in July 2014). In connection with the change in his position to Executive Chairman of the Board and Chief Technology Officer, the Compensation Committee cancelled a portion of this fiscal 2015 option grant. As a result, his fiscal 2015 option grant is for 2.25 million shares.

We Reduced the Number of Shares subject to the Stock Options Granted in Fiscal 2015 to Ms. Catz and Mr. Hurd. The Compensation Committee reduced the aggregate number of shares subject to the stock option grants to each of Ms. Catz and Mr. Hurd from a stock option for 5 million shares in fiscal 2014 to a stock option for 2.75 million shares in fiscal 2015 (which includes a special one-time stock option award for 500,000 shares each in connection with their appointment to CEO).

We Introduced Performance Stock Units. The Compensation Committee also granted fiscal 2015 equity awards to our named executive officers in the form of performance stock units (Performance Stock Units). The Compensation Committee granted a target award of 750,000 Performance Stock Units to Mr. Ellison in fiscal 2015, which was reduced to 562,500 Performance Stock Units as a result of

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the management change in September 2014. In July 2014, the Compensation Committee granted a target award of 562,500 Performance Stock Units to each of Ms. Catz and Mr. Hurd. Furthermore, the Compensation Committee approved a one-

Table of Contents

time special target award of 125,000 Performance Stock Units to each of Ms. Catz and Mr. Hurd in connection with their respective appointments to Chief Executive Officer, for an aggregate target for each of 687,500 Performance Stock Units in fiscal 2015.

Performance Stock Units Are Subject to Performance Measures Tailored to Business Responsibilities. For Mr. Ellison, Ms. Catz and Mr. Hurd, the Performance Stock Unit payouts are based on Oracle's revenue growth and operating cash flow growth as compared against the performance of a select group of companies against which we compete and/or our investors compare us to: International Business Machines, Hewlett-Packard, Cisco Systems, EMC, SAP, salesforce.com and Workday. For our other named executive officers, Mr. Kurian and Mr. Fowler, the Performance Stock Unit payouts are based on the achievement of revenue growth for certain strategic lines of business they oversee. The performance metrics used for the Performance Stock Units are *different* from the metrics used in Oracle's Executive Bonus Plan.

Depending on Each Named Executive Officer's Position, Performance Stock Units Are Earned Based on Relative or Absolute Performance. Mr. Ellison, Ms. Catz and Mr. Hurd will earn between 0% - 150% of the number of his/her target award of Performance Stock Units based on Oracle's financial performance relative to the performance of the previously-identified comparator group. Mr. Kurian and Mr. Fowler will earn between 0% - 110% of the number of their target award of Performance Stock Units based on the growth in revenues of certain strategic lines of business they oversee.

The Compensation Committee believes that these long-term incentive compensation opportunities are consistent with our results-aligned compensation philosophy and properly incentivize our senior executives to drive growth for the benefit of all of our stockholders.

For a detailed description of the Performance Stock Unit awards granted to our named executive officers for fiscal 2015, see page 35 of this proxy statement.

We believe that our approach to executive compensation both in fiscal 2014 and fiscal 2015 are in the best interests of Oracle and our stockholders for the following reasons:

1. Direct link between tangible financial results and executive compensation.

Oracle's total stockholder return has performed well in recent years. Our stockholders have experienced significant upside in their investments in Oracle common stock, and our named executive officers have realized significant value from their equity awards during this period. The following graph compares the cumulative total stockholder return on Oracle common stock with the cumulative total return of the Standard & Poor's 500 Index and the Standard & Poor's Information Technology Index for each of the last five fiscal years for the period ended May 31, 2014, assuming an investment of \$100 at the beginning of such period and the reinvestment of any dividends.

Table of Contents

*\$100 INVESTED ON MAY 31, 2009 IN STOCK OR

INDEX-INCLUDING REINVESTMENT OF DIVIDENDS

	5/09	5/10	5/11	5/12	5/13	5/14
Oracle Corporation	100.00	116.22	177.51	138.42	178.36	224.91
S&P 500 Index	100.00	120.99	152.39	151.76	193.15	232.64
S&P Information Technology Index	100.00	128.47	155.62	167.40	192.71	238.76

Fiscal 2014 Financial Highlights

Oracle recorded very good financial results in fiscal 2014 relative to other global technology companies despite a challenging global economic and information technology spending environment. The following chart summarizes key financial results for fiscal 2014 as compared to fiscal 2013, calculated in accordance with U.S. generally accepted accounting principles (GAAP) (in billions, except per share data and percentages).

	Fiscal 2014 (\$)	Fiscal 2013 (\$)	Change (%)
Total Revenues	38.3	37.2	3
Software and Cloud Revenues	29.2	27.9	5
Hardware Systems Revenues	5.37	5.35	0
Operating Income	14.8	14.7	1
Net Income	11.0	10.9	1
Diluted Earnings Per Share	2.38	2.26	5
Stock Price Per Share at Fiscal Year End	42.02	33.78	24

2. Strong pay-for-performance alignment.

Reflecting our compensation philosophy, our executive compensation program is designed to be results-aligned. We believe that when Oracle achieves a higher level of financial performance and a higher stock price over a sustained period of time, our named executive officers should be well compensated. As a result, when our stockholders are rewarded, our named executive officers are also rewarded. Similarly, when Oracle's performance does not achieve these results, our named executive officers should receive much lower compensation and realize less value from their equity compensation.

3. Emphasis on variable, at risk compensation.

As a result of our executive compensation philosophy, in fiscal 2014, an average of 97% of the total direct compensation opportunity of our named executive officers was delivered in the form of performance-based compensation (that is, an annual performance-based cash bonus opportunity and equity compensation).

Other Executive Compensation Practices

Stockholder outreach by our Compensation and Governance Committees	Low Dilution Rates from Stock Options
Clawback policy applicable to Executive Officers	Director and Executive Officer Stock Ownership Guidelines
Independent Compensation Committee and Compensation Consultant	No Employment Agreements or Change in Control Agreements with our Executive Officers
No Repricing of Underwater Stock Options	Prohibition on Speculative Transactions

Table of Contents

PROPOSAL THREE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2015

We are asking you to ratify the selection by the Finance and Audit Committee of Ernst and Young LLP (E&Y) as our independent registered public accounting firm for fiscal 2015. The following table summarizes the fees E&Y billed us for fiscal 2014 and fiscal 2013. The Finance and Audit Committee pre-approved all audit and non-audit services performed by E&Y.

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Fiscal 2014	23,405,824	952,692	603,775	18,044
Fiscal 2013	21,624,041	913,113	869,178	

Table of Contents

ORACLE CORPORATION

2014 ANNUAL MEETING

PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>About the Annual Meeting</u>	1
<u>How Do I Vote?</u>	7
<u>Board of Directors</u>	8
<u>Nominees for Directors</u>	8
<u>Board Meetings</u>	12
<u>Committees, Membership and Meetings</u>	13
<u>Director Compensation</u>	15
<u>Corporate Governance</u>	19
<u>Corporate Governance Guidelines</u>	19
<u>Share Pledging and Our Prohibition on Speculative Transactions</u>	21
<u>Board Leadership Structure</u>	22
<u>Board's Role in Risk Oversight</u>	22
<u>Board of Directors and Director Independence</u>	23
<u>Nomination of Directors</u>	23
<u>Communications with the Board</u>	24
<u>Employee Matters</u>	25
<u>Security Ownership of Certain Beneficial Owners and Management</u>	26
<u>Executive Compensation</u>	28
<u>Compensation Discussion and Analysis</u>	28
<u>Report of the Compensation Committee of the Board of Directors</u>	45
<u>Summary Compensation Table</u>	46
<u>Equity Awards and Grant Administration</u>	48
<u>Grants of Plan-Based Awards During Fiscal 2014</u>	49
<u>Outstanding Equity Awards at 2014 Fiscal Year-End</u>	50
<u>Option Exercises During Fiscal 2014</u>	51
<u>Non-qualified Deferred Compensation</u>	51
<u>Potential Payments Upon Termination or Change-in-Control</u>	51
<u>Equity Compensation Plan Information</u>	52
<u>Report of the Finance and Audit Committee of the Board of Directors</u>	53
<u>Transactions with Related Persons</u>	54
<u>Legal Proceedings</u>	56
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	57
<u>No Incorporation by Reference</u>	57
<u>Proposal No. 1: Election of Directors</u>	58
<u>Proposal No. 2: Advisory Vote to Approve Executive Compensation</u>	59
<u>Proposal No. 3: Ratification of Selection of Independent Registered Public Accounting Firm</u>	62
<u>Proposal No. 4: Stockholder Proposal Regarding Vote Tabulation</u>	64
<u>Proposal No. 5: Stockholder Proposal Regarding Multiple Performance Metrics</u>	67
<u>Proposal No. 6: Stockholder Proposal Regarding Quantifiable Performance Metrics</u>	70
<u>Proposal No. 7: Stockholder Proposal Regarding Proxy Access</u>	73
<u>Stockholder Proposals for the 2015 Annual Meeting</u>	76

Other Business
Householding

77
77

Table of Contents

PROXY STATEMENT

September 23, 2014

We are providing these proxy materials in connection with Oracle Corporation's 2014 Annual Meeting of Stockholders. 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 previously filed 2014 Annual Report on Form 10-K, were first made available to stockholders on or about September 23, 2014. 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.

ABOUT THE ANNUAL MEETING

Who is soliciting my vote?

The Board of Directors of Oracle is soliciting your vote at the 2014 Annual Meeting of Stockholders.

What is the purpose of the Annual Meeting?

You will be voting on the following items of business:

the election of directors (Proposal 1);

an advisory vote to approve executive compensation (Proposal 2);

the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2015 (Proposal 3);
and

up to four stockholder proposals, if properly presented at the Annual Meeting (Proposals 4 through 7).
If any other business properly comes before the meeting, you will be voting on those items as well.

What are the Board of Directors' recommendations?

The Board recommends that you vote your shares as follows:

for the election of each of the directors (Proposal 1);

for the approval, on an advisory basis, of executive compensation (Proposal 2);

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for the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2015 (Proposal 3);

against each of the stockholder proposals (Proposals 4 through 7); and

for or against other matters that come before the Annual Meeting, if any, as the proxy holders deem advisable.

Who is entitled to vote at the Annual Meeting?

The Board of Directors set September 8, 2014 as the record date for the Annual Meeting (the record date). All stockholders who owned Oracle common stock at the close of business on September 8, 2014 may vote at the Annual Meeting.

Table of Contents

Who can attend the Annual Meeting?

Only stockholders as of the record date, and any stockholder's spouse or duly appointed proxy, may attend. No guests will be allowed to attend the Annual Meeting.

What do I need to attend the Annual Meeting and when should I arrive?

The Annual Meeting will be held at the Oracle Conference Center, 350 Oracle Parkway, Redwood City, California. Admission to the Annual Meeting will begin at 9:00 a.m., Pacific Time.

In order to be admitted to the Annual Meeting, you should:

arrive shortly after 9:00 a.m., Pacific Time, to ensure that you are seated by the commencement of the Annual Meeting at 10:00 a.m., Pacific Time;

be prepared to comply with security requirements, which include security guards searching all bags and attendees passing through a metal detector, among other security measures;

leave your camera at home because cameras, transmission, broadcasting and other recording devices, including certain smart phones, may not be permitted in the meeting rooms; and

bring photo identification, such as a driver's license, and proof of ownership of Oracle stock on the record date, September 8, 2014, such as the Notice, a brokerage statement or letter from a bank or broker indicating ownership on September 8, 2014, 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 a properly executed legal proxy and a copy of the proof of ownership.

If you do not provide photo identification and comply with the other procedures outlined above for attending the Annual Meeting in person, we will be unable to admit you to attend in person.

Can I watch the Annual Meeting on the Internet?

Yes, our Annual Meeting will be webcast on November 5, 2014. You are invited to visit www.oracle.com/investor, at 10:00 a.m., Pacific Time, to view the live webcast of the Annual Meeting. An archived copy of the webcast also will be available on our website at www.oracle.com/investor following the Annual Meeting through November 12, 2014.

Why did I receive a notice in the mail regarding the Internet availability of proxy materials this year instead of a paper copy of proxy materials?

We are permitted to furnish proxy materials, including this proxy statement and our 2014 Annual Report on Form 10-K, to our stockholders by providing access to such documents on the Internet instead of mailing printed copies. Most stockholders will not receive printed copies of the proxy materials unless they request them. Instead, the Notice, which was mailed to most of our stockholders, will instruct you as to how you may access and review all of the proxy materials on the Internet. The Notice also instructs you as to how you may submit your proxy on the Internet. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials in the Notice. Any request to receive proxy materials by mail or email will remain in effect until you revoke it.

Can I vote my shares by filling out and returning the Notice?

No. The Notice identifies the items to be voted on at the Annual Meeting, but 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.

Table of Contents

Why didn't I receive a notice in the mail regarding the Internet availability of proxy materials?

Stockholders who previously elected to access proxy materials over the Internet will not receive the Notice in the mail. You should have received an email with links to the proxy materials and online proxy voting. Additionally, if you previously requested paper copies of the proxy materials or if applicable regulations require delivery of the proxy materials, you will not receive the Notice.

If you received a paper copy of the proxy materials or the Notice by mail, you can eliminate all such paper mailings in the future by electing to receive an email that will provide Internet links to these documents. Opting to receive all future proxy materials online will save us the cost of producing and mailing documents to your home or business and help us conserve natural resources. To request electronic delivery, please go to www.oracle.com/investor, www.astproxyportal.com/ast/17983 or the website provided on your proxy card or voting instruction card.

How many votes do I have?

You will have one vote for each share of our common stock you owned at the close of business on the record date, provided those shares were either held directly in your name as the stockholder of record or were held for you as the beneficial owner through a broker, bank or other nominee.

What is the difference between holding shares as a stockholder of record and beneficial owner?

Most of our stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences between shares held of record and those owned beneficially.

Stockholders of Record. If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, you are considered the stockholder of record with respect to those shares, and the Notice or proxy materials are being sent directly to you. As the stockholder of record, you have the right to grant your voting proxy directly to us, to vote electronically or to vote in person at the Annual Meeting. If you have requested printed proxy materials, we have enclosed a proxy card for you to use.

Beneficial Owners. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and the Notice or these proxy materials are being forwarded to you by your broker, bank or nominee who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or nominee on how to vote and are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting, unless you request, complete and deliver a legal proxy from your broker, bank or nominee. If you requested printed proxy materials, your broker, bank or nominee has enclosed a voting instruction card for you to use in directing the broker, bank or nominee regarding how to vote your shares.

How many votes can be cast by all stockholders?

Each share of Oracle common stock is entitled to one vote. There is no cumulative voting. We had 4,435,602,220 shares of common stock outstanding and entitled to vote on the record date.

How many votes must be present to hold the Annual Meeting?

A majority of the shares entitled to vote as of the record date must be present in person or by proxy at the Annual Meeting in order to hold the Annual Meeting and conduct business. This is called a quorum. Shares are counted as present at the Annual Meeting if you properly cast your vote in person, electronically or telephonically, or a proxy card has been properly submitted by you or on your behalf. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

How many votes are required to elect directors (Proposal 1)?

Directors are elected by a *plurality* of the votes cast. This means that the eleven individuals nominated for election to the Board of Directors who receive the most FOR votes (among votes properly cast in person, electronically, telephonically or by proxy) will be elected.

Table of Contents

While directors are elected by a plurality of votes cast, our Corporate Governance Guidelines include a majority voting policy for directors. This policy states that in an uncontested election, any director nominee who receives an equal or greater number of votes **WITHHELD** from his or her election as compared to votes **FOR** such election and if no successor has been elected at such meeting, the director nominee must tender his or her resignation following certification of the stockholder vote. The Nomination and Governance Committee of the Board is required to make recommendations to the Board of Directors with respect to any such tendered resignation. The Board of Directors will act on the tendered resignation within 90 days from the certification of the vote and will publicly disclose its decision, including its rationale.

Only votes **FOR** or **WITHHELD** are counted in determining whether a plurality has been cast in favor of a director nominee. If you withhold authority to vote with respect to the election of some or all of the nominees, your shares will not be voted with respect to those nominees indicated. For a **WITHHELD** vote, your shares will be counted for purposes of determining whether there is a quorum and will have a similar effect as a vote *against* that director nominee under our majority voting policy for directors.

Full details of our majority voting policy are set forth in our Corporate Governance Guidelines available on our website at www.oracle.com/goto/corpgov.

How many votes are required to adopt the other proposals (Proposals 2 through 7)?

All of the other proposals will be approved if such items receive the affirmative vote of a *majority* of the shares of Oracle common stock represented at the Annual Meeting and entitled to vote on the matter. If your shares are represented at the Annual Meeting but you abstain from voting on any of these matters, your shares will be counted as present and entitled to vote on a particular matter for purposes of establishing a quorum, and the abstention will have the same effect as a vote *against* that proposal.

Your vote on Proposal 2 (vote on executive compensation) is advisory, which means the result of the vote is non-binding on Oracle, the Board of Directors and the committees of the Board. Although non-binding, the Board and its committees value the opinions of our stockholders and will review and consider the voting result when making future decisions regarding executive compensation.

What if I don't give specific voting instructions?

Stockholders of Record. If you are a stockholder of record and you indicate when voting by Internet or by telephone that you wish to vote as recommended by our Board of Directors, or you return a signed proxy card but do not indicate how you wish to vote, then your shares will be voted:

in accordance with the recommendations of the Board of Directors on all matters presented in this proxy statement; and

as the proxy holders may determine in their discretion regarding any other matters properly presented for a vote at the meeting.

If you indicate a choice with respect to any matter to be acted upon on your proxy card, the shares will be voted in accordance with your instructions on such matter.

Beneficial Owners. If you are a beneficial owner and hold your shares in street name and do not provide the organization that holds your shares with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. In very limited circumstances, brokers have the discretion to vote on matters deemed to be routine. Under applicable law, brokers generally do not have discretion to vote on most matters. For example, if you do not provide voting instructions to your broker, the broker could vote your shares for the ratification of the selection of Ernst & Young LLP as our accounting firm (Proposal 3) because that is deemed to be a routine matter, but the broker likely could not vote your shares for any of the other proposals on the agenda for the Annual Meeting. We encourage you to provide instructions to your broker regarding the voting of your shares.

Table of Contents

If you do not provide voting instructions to your broker and the broker has indicated that it does not have discretionary authority to vote on a particular proposal, your shares will be considered *broker non-votes* with regard to that matter. Broker non-votes will be considered as represented for purposes of determining a quorum but generally will not be considered as entitled to vote with respect to a particular proposal. Broker non-votes are not counted for purposes of determining the number of votes cast with respect to a particular proposal. Thus, a broker non-vote will make a quorum more readily obtainable, but the broker non-vote will not otherwise affect the outcome of the vote on a proposal that requires the affirmative vote of a majority of the shares present and entitled to vote.

Can I change my vote after I voted?

Yes. Even if you voted by telephone or on the Internet or if you requested paper proxy materials and signed the proxy card or voting instruction card in the form accompanying this proxy statement, you retain the power to revoke your proxy or change your vote at any time before it is voted at the Annual Meeting. You can revoke your proxy or change your vote at any time before it is exercised at the Annual Meeting by giving written notice to the Corporate Secretary of Oracle, specifying such revocation. You may change your vote by a later-dated vote by telephone or on the Internet or timely delivery of a valid, later-dated proxy or by voting by ballot at the Annual Meeting. However, please note that if you would like to vote at the Annual Meeting and you are not the stockholder of record, you must request, complete and deliver a legal proxy from your broker, bank or nominee.

What does it mean if I receive more than one Notice, proxy or voting instruction card?

It generally means that some of your shares are registered differently or are in more than one account. Please provide voting instructions for all Notices, proxy and voting instruction cards you receive.

Who pays for the proxy solicitation and how will Oracle solicit votes?

We will bear the expense of printing, mailing and distributing these proxy materials and soliciting votes. In addition to the solicitation of proxies by mail, our directors, officers and other employees may solicit proxies by personal interview, telephone, electronic communications or otherwise. They will not be paid any additional compensation for such solicitation. We will request brokers and nominees who hold shares of our common stock in their names to furnish proxy materials to beneficial owners of the shares. We will reimburse such brokers and nominees for their reasonable expenses incurred in forwarding solicitation materials to such beneficial owners. We have also retained Innisfree M&A, Inc. to solicit proxies and to separately prepare a stockholder vote analysis of certain proposals for an aggregate fee of approximately \$50,000, plus customary costs and expenses.

Is a list of stockholders available?

The names of stockholders of record entitled to vote at the Annual Meeting will be available to stockholders entitled to vote at the Annual Meeting for ten days prior to the Annual Meeting for any purpose relevant to the Annual Meeting. This list can be viewed between the hours of 9:00 a.m. and 5:00 p.m., Pacific Time, at our principal executive offices at 500 Oracle Parkway, Redwood City, California. Please contact Oracle's Corporate Secretary to make arrangements.

Who will count the votes?

American Stock Transfer & Trust Company, LLC has been appointed as the inspector of elections for the Annual Meeting. All votes will be tabulated by a representative of American Stock Transfer & Trust Company, LLC. This representative will also separately tabulate affirmative and negative votes, abstentions and broker non-votes.

How do I find out the voting results?

Preliminary voting results will be announced at the Annual Meeting, and final voting results will be published in a Current Report on Form 8-K that we expect to file with the U.S. Securities and Exchange Commission (the "SEC") within four business days after the Annual Meeting. After the Form 8-K is filed, you may obtain a copy by visiting our website or contacting our Investor Relations Department by calling 650-506-4073, by writing to Investor Relations Department, Oracle Corporation, 500 Oracle Parkway, Redwood City, California 94065 or by sending an email to investor_us@oracle.com.

Table of Contents

What if I have questions about lost stock certificates or I need to change my mailing address?

Stockholders may contact our transfer agent, American Stock Transfer & Trust Company, LLC, by calling 1-888-430-9892, by emailing info@amstock.com, or by writing to American Stock Transfer & Trust Company, LLC, 6201 15th Avenue, Brooklyn, New York 11219. See its website at www.amstock.com to get more information about these matters.

What if I need to change my email address?

Opting to receive all future proxy materials online will save us the cost of producing and mailing documents to your home or business and help us conserve natural resources. If you need to change the email address that we use to mail proxy materials to you or if you wish to sign up to receive future mailings via email, please go to www.oracle.com/investor, www.astproxyportal.com/ast/17983, or the website provided on your proxy card or voting instruction card, to request complete electronic delivery and supply the appropriate email address.

Table of Contents

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 4, 2014.**

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 Notice, 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.

Table of Contents

BOARD OF DIRECTORS

Nominees for Directors

Information concerning our nominees for election to the Board at the Annual Meeting is set forth below. Our Board of Directors consists of eleven nominees, all of whom stood for election at our last annual meeting of stockholders. We refer to these directors as the incumbent directors in this proxy statement.

Our Corporate Governance Guidelines (which are described in detail below under Corporate Governance Corporate Governance Guidelines) contain Board membership qualifications that apply to Board nominees recommended by the Nomination and Governance Committee (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 to represent the interests of the stockholders. 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. As described above, the Governance Committee and the Board value a diversity of backgrounds, experience, perspectives and leadership in different fields when identifying Board nominees.

Below we identify and describe the key experience, 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, 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. Among other things, this experience is critical to the Board s ability to understand our products and business, to assess our competitive position within the technology industry and the strengths and weaknesses of our competitors, to be aware of technology trends and innovations, and to evaluate potential acquisitions and our acquisition strategy, generally.

Management, Accounting and Finance Expertise. We believe that an understanding of management practices, 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 provide excellent business judgment, demonstrate leadership skills and develop strategic vision. We seek directors with these characteristics as they bring special insights to Board deliberations and processes.

The experiences, qualifications and skills of each director that the Board considered in his or her nomination are included below following their individual biographies. The Board concluded that each nominee should serve as a director based on the specific experience and attributes listed below and in the case of incumbent directors, 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.

Jeffrey S. Berg, 67, has served as a Director since February 1997, as a member of the Governance Committee since October 2001 and as a member of the Committee on Independence Issues (the Independence Committee) since July 2012. He has been an agent in the entertainment industry for over 35 years. Mr. Berg is the founder and Chairman of Resolution, a talent and literary agency, which he launched in January 2013. Between 1985 and May 2012, he was the Chairman and Chief Executive Officer (CEO) of International Creative Management, Inc.

Table of Contents

(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 is currently on the Board of Trustees of the Anderson School of Management at the University of California at Los Angeles.

Key Director 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.

H. Raymond Bingham, 68, has served as a Director and as a member of the Finance and Audit Committee (the F&A Committee) since November 2002, as Chair of the F&A Committee since July 2012, as a member and Chair of the Independence Committee since July 2003 and as an alternate member of the Governance Committee since July 2012. He has been an Advisory Director of General Atlantic LLC, a leading global private equity firm providing capital for growth companies driven by information technology or intellectual property, since January 2010 and was a Managing Director from September 2005 to December 2009. From April 1993 to July 2005, Mr. Bingham served in various capacities at Cadence Design Systems, Inc., a supplier of electronic design automation software and services, including as Executive Vice President and Chief Financial Officer (CFO), President and CEO, director and, most recently, as Executive Chairman of the Board of Directors. Mr. Bingham was formerly a director of STMicroelectronics N.V. until June 2013 and Fusion-io, Inc. until June 2014. Mr. Bingham currently serves as a director of Flextronics International, Spansion Inc., Dice Holdings, Inc. and TriNet Group, Inc.

Key Director Qualifications

As the former CEO of Cadence, Mr. Bingham brings to the Board first-hand experience in successfully leading and managing a large, complex global organization in the technology industry. In particular, Mr. Bingham's experience in leading Cadence's global expansion into India, China and Russia and the extension of Cadence's technology leadership through a series of strategic acquisitions, internal research and development and venture investments provides the Board with a perspective readily applicable to challenges faced by Oracle. Mr. Bingham's current role at General Atlantic requires him to be very familiar with companies driven by information technology or intellectual property. In addition, the Board benefits from Mr. Bingham's financial expertise and significant audit and financial reporting knowledge, including his experience as the former CFO of Cadence. Mr. Bingham's 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.

Michael J. Boskin, 68, has served as a Director since April 1994, as a member of the F&A Committee since July 1994 and Vice Chair of the F&A Committee since August 2005, and as a member of the Governance Committee since July 1994 and Chair of the Governance Committee since July 2012. He 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 also currently serves as a director of Exxon Mobil Corporation.

Key Director 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 large, complex global organizations provides the Board with important perspectives in its evaluation of Oracle's practices and processes.

Table of Contents

Safra A. Catz, 52, was appointed Chief Executive Officer in September 2014. Ms. Catz had previously been a President since January 2004, CFO most recently since April 2011 and has served as a Director since October 2001. She was previously CFO from November 2005 until September 2008 and 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. She also currently serves as a director of HSBC Holdings plc.

Key Director 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. As a member of our Board, we benefit from Ms. Catz's many years with Oracle and her unique expertise regarding Oracle's strategic vision, management and operations. Prior to coming to 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. Through 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 another large, complex global organization provides the Board with important perspectives in its evaluation of Oracle's practices and processes.

Bruce R. Chizen, 59, has served as a Director since July 2008, as Chair of the Compensation Committee since January 2011, as a member of the Compensation Committee since October 2010 and as a member of the F&A Committee since February 2013. He is currently an independent consultant and has served as Senior Adviser to Permira Advisers LLP since July 2008 and as a Venture Partner at Voyager Capital since August 2009. Mr. Chizen served as a strategic adviser to Adobe Systems Incorporated, a provider of design, imaging and publishing software for print, Internet and dynamic media production, from November 2007 through November 2008. From December 2000 to November 2007, Mr. Chizen served as CEO of Adobe and as its President from April 2000 to January 2005. He also served as Adobe's acting CFO from November 2006 to February 2007. From August 1998 to April 2000 he was Adobe's Executive Vice President, Products and Marketing. Mr. Chizen joined Adobe Systems in August 1994 and held various positions in its Consumer Products Division and Graphics Products Division. He served as a director of Adobe from December 2000 to April 2008. Mr. Chizen also currently serves as a director of Synopsys, Inc.

Key Director 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. In addition, the Board 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 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.

George H. Conrades, 75, has served as a Director since January 2008, as a member of the Governance Committee since July 2008 and as a member of the Compensation Committee since January 2011. He has served as Chairman of Akamai Technologies, Inc., a service provider for accelerating and improving the delivery of content and applications over the Internet, since May 2005. He 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 August 1998 to 2012 and is currently Partner Emeritus. He served as Chairman and CEO of Akamai Technologies from April 1999 to May 2005. Mr. Conrades also currently serves as a director of Harley-Davidson, Inc. and Ironwood Pharmaceuticals, Inc.

Table of Contents

Key Director 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, 70, founded Oracle in 1977 and has been a Director since that time. Mr. Ellison served as CEO from 1977 through September 2014, when he was appointed Executive Chairman of the Board and Chief Technology Officer. Mr. Ellison also previously served as Chairman of the Board from May 1995 to January 2004.

Key Director Qualifications

Mr. Ellison is Oracle's founder and served as our CEO since we commenced operations in June 1977 through September 2014. Mr. Ellison 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 more than 30 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, owning approximately 26% of the outstanding shares of our common stock, directly aligning his interests with those of all of our stockholders.

Hector Garcia-Molina, 60, has served as a Director since October 2001 and as a member of the Independence Committee since August 2005. He 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. From August 1994 until December 1997, he was the Director of the Computer Systems Laboratory at Stanford University.

Key Director 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. Mr. Garcia-Molina 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 the President's Information Technology Advisory Committee. Mr. Garcia-Molina 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 current and future technology trends.

Jeffrey O. Henley, 69, was appointed Executive Vice Chairman of the Board, in September 2014. Prior to that, Mr. Henley served as Chairman of the Board since January 2004. He has served as a Director since June 1995. He served as Executive Vice President and CFO from March 1991 to July 2004.

Key Director 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

Table of Contents

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, as well as CFO and other finance positions held by Mr. Henley prior to his joining Oracle.

Mark V. Hurd, 57, was appointed Chief Executive Officer, in September 2014. Prior to that, Mr. Hurd was a President since September 2010. Mr. Hurd has served as a Director since September 2010. Prior to joining us, he served as Chairman of the Board of Directors of Hewlett-Packard Company (HP) from September 2006 to August 2010 and as CEO, President and a member of the Board of Directors of HP from April 2005 to August 2010. From 2007 to 2010, Mr. Hurd served as a member of the Board of Directors of NewsCorp, Inc. and served on the Governance Committee of NewsCorp.

Key Director 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. As a member of our Board, we benefit 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 HP 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. Mr. Hurd's hardware experience is particularly important to us given our continuing focus on enhancing our hardware systems business. In addition, Mr. Hurd's prior experience as Chairman of HP'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.

Naomi O. Seligman, 76, has served as a Director since November 2005 and as a member of the Compensation Committee since June 2006. She is a senior partner at Ostriker von Simson, 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. Ms. Seligman also currently serves as a director of Akamai Technologies, Inc. and iGate Corporation.

Key Director Qualifications

As a senior partner at Ostriker von Simson 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 a director of large multinational companies, where she helps oversee global strategy and operations which provides our Board with important perspectives in its evaluation of Oracle's practices and processes. As a member of our Board, we also benefit 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.

Board Meetings

Our business, property and affairs are managed under the direction of our Board of Directors. Members of our Board are kept informed of our business through discussions with our Chairman, Chief Executive Officers, 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.

The Board met six times during fiscal 2014: four were regularly scheduled meetings and two were special meetings. Each director attended at least 75% of all Board and applicable committee meetings in fiscal 2014. Board members are expected to attend the Annual Meeting of Stockholders and all incumbent directors attended last year's annual meeting.

New York Stock Exchange

In June 2013, we announced we had applied to list our common stock on the New York Stock Exchange (NYSE) and on July 15, 2013, our common stock began trading on the NYSE. Accordingly, we are now subject to the listing, board and committee independence standards of the NYSE, as set forth in the NYSE Listed Company Manual.

Table of Contents**Committees, Membership and Meetings**

The current standing committees of the Board are the Finance and Audit Committee (F&A Committee), the Nomination & Governance Committee (Governance Committee), the Compensation Committee and the Committee on Independence Issues (Independence Committee). The table below provides current membership information, as well as fiscal 2014 meeting information for each such Board committee.

Each committee periodically reviews its charter 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 Compensation, F&A, Governance and Independence Committees are posted on our website at www.oracle.com/goto/corpgov.

Committee Memberships

Name	F&A	Governance	Compensation	Independence
Jeffrey S. Berg		M		M
H. Raymond Bingham	C	A		C
Michael J. Boskin	VC	C		
Safra A. Catz				
Bruce R. Chizen	M		C	
George H. Conrades		M	M	
Lawrence J. Ellison				
Hector Garcia-Molina				M
Jeffrey O. Henley				
Mark V. Hurd				
Naomi O. Seligman			M	
Number of Fiscal 2014 Meetings	13	6	14	5

M Member A Alternate Member

C Chair VC Vice Chair

The Finance and Audit Committee

The primary functions of the F&A Committee are to provide advice with respect to financial matters, to oversee our accounting and financial reporting processes and the audits of our financial statements, to assist the Board of Directors in fulfilling its oversight responsibilities regarding audit, finance, accounting, tax and legal compliance and to evaluate merger and acquisition transactions and investment transactions proposed by our management. In particular, the F&A Committee is responsible for overseeing the engagement, independence and services of our independent auditors. 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 auditors;

oversee our internal audit department;

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 Oracle's Code of Ethics and Business Conduct;

Table of Contents

provide an open avenue of communication between the Board of Directors and the independent auditors, General Counsel, financial and senior management, Chief Compliance & Ethics Officer and the 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 as required by the rules and regulations of the SEC for inclusion in our proxy statement (included elsewhere in this proxy statement).

The F&A Committee held executive sessions with our independent auditors on three occasions in fiscal 2014. The F&A Committee operates under a written charter adopted by our Board. The F&A Committee monitors legislative and regulatory developments affecting corporate governance practices for U.S. public companies, and, from time to time, makes recommendations to our Board for revision of the F&A Committee charter to reflect such developments and evolving best practices. The F&A Committee charter is posted on our website at www.oracle.com/goto/corpgov.

The Independence Committee has determined that each member of the F&A Committee during fiscal 2014 satisfied both the SEC's additional independence requirements for members of audit committees and the other listing exchange requirements for members of audit committees, as well as the independence requirements in our Corporate Governance Guidelines. In addition, the Board has determined that H. Raymond Bingham qualifies as an audit committee financial expert as defined by the SEC rules.

The Nomination & 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) and overseeing our Corporate Governance Guidelines. The Governance Committee also considers and recommends qualified candidates for election as directors of Oracle. The Governance Committee charter is posted on our website at www.oracle.com/goto/corpgov.

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 Chief Executive Officers, directors and other executive officers;

lead the Board in its evaluation of the performance of our Chief Executive Officers;

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;

produce the Compensation Committee Report as required by the rules and regulations of the SEC for inclusion in our proxy statement (included elsewhere in this proxy statement);

review and approve our stock plans and approve certain equity awards;

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

oversee our 401(k) Plan Committee and have responsibility for amendments to the Oracle Corporation 401(k) Savings and Investment Plan (the 401(k) Plan).

Table of Contents

The Compensation Committee helps us to attract and retain talented executive personnel in a competitive market and operates under a written charter adopted by the Board. The Compensation Committee charter is posted on our website at www.oracle.com/goto/corpgov.

The Compensation Committee meets at scheduled times during the year, meets in executive session without management present and holds additional meetings from time to time, as necessary. In fiscal 2014, the Compensation Committee met 14 times.

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, human resources department and Corporate Secretary 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, please refer to Executive Compensation Compensation Discussion and Analysis included elsewhere in this proxy statement. Please see the section titled Executive Compensation Equity Awards Grant Administration included elsewhere in this proxy statement 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 when we grant 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, over the course of several committee meetings 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.

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 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 is excused from the review and approval process with regard to that transaction. The role of the Independence Committee also encompasses the 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 Supplemental Conflict of Interest Policy for Senior Officers. The Independence Committee also evaluates the independence of each non-management director as defined by NYSE listing standards and our Corporate Governance Guidelines. The Independence Committee charter is posted on our website at www.oracle.com/goto/corpgov.

Director Compensation

Our directors play a critical role in guiding our strategic direction and overseeing the management of Oracle. Ongoing developments in corporate governance and financial reporting have resulted in an increased demand for such highly qualified and productive public company directors. Further, Oracle's active acquisition program as well as our expansion into new lines of business and the rapid change in the technology industry generally all demand substantial time commitments from our directors. Our Board manages to accomplish all of this work with a relatively small number of independent directors for a company of Oracle's size, complexity and high profile.

Table of Contents

These considerable time commitments and the many responsibilities and risks of being a director of a public company like Oracle require that we provide adequate incentives for our directors' continued performance by paying compensation commensurate with our directors' significant workload. Our independent directors are compensated based upon their respective levels of Board participation and responsibilities, including service on Board committees. Several of our directors serve on more than one committee. Our independent directors display a high level of commitment and flexibility in their service to Oracle. In addition to engaging with our senior management, our directors also personally attend important customer-related events like Oracle OpenWorld and Oracle President Council forums and meet with our institutional stockholders throughout the year. Annual cash retainers and formula equity award grants to our independent directors are intended to correlate to the responsibilities and time commitments of each such director.

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

Cash Retainer and Meeting Fees for Non-Employee Directors

During fiscal 2014, each of our non-employee directors received (a) an annual retainer of \$52,500 for serving as a director of Oracle and (b) each of the applicable retainers and fees set forth below for serving as a chair or vice chair or as a member of one or more of the committees of the Board.

Annual Committee Member Retainers:	
F&A Committee	\$ 25,000
Compensation Committee	\$ 25,000
Governance Committee	\$ 15,000
Independence Committee	\$ 15,000

Additional Annual Retainers for Committee Chairs:	
F&A Committee (Chair and Vice Chair)	\$ 25,000
Compensation Committee	\$ 25,000
Governance Committee	\$ 15,000
Independence Committee	\$ 15,000

Fee per Board Meeting:	
Regular Meeting	\$ 3,000
Special Meeting	\$ 2,000

Fee per Committee Meeting:	
F&A Committee (other than earnings review meetings)	\$ 3,000
F&A Committee (earnings review meetings)	\$ 2,000
Compensation Committee (other than equity award meetings, where no meeting fee is paid)	\$ 3,000
Governance Committee	\$ 2,000
Independence Committee	\$ 2,000

Directors' Equity Compensation

Non-employee directors also participate in our Amended and Restated 1993 Directors' Stock Plan (the "Directors' Stock Plan") which provides for equity awards to directors for their services. During fiscal 2014, non-employee directors were entitled to receive the following grants of stock options to purchase our common stock under the Directors' Stock Plan:

- (a) An initial grant of options to purchase 45,000 shares of our common stock for each new director, to be prorated based upon the number of full calendar months he or she will serve on the Board before the next full Annual Grant; and
- (b) Stock options to purchase 45,000 shares of our common stock, granted on May 31 of each year, provided such director continues to serve on the Board as of the date of the grant (the "Annual Grant").

Table of Contents

Each fiscal year, we make additional annual grants of stock options to non-employee directors who also served as the chair or vice chair of certain committees of the Board (the "Chair/Vice Chair Grants"). In fiscal 2014, these grants were made on May 31, 2014 to the director who, as of the date of grant, had served as chair or vice chair of the relevant committee for one year. Committee chairs or vice chairs who served less than one year received a pro rata amount of the full grant based on the number of complete calendar months during which the director served as chair or vice chair on the relevant committee in the past year. The amounts of the annual Chair/Vice Chair Grants are as follows:

F&A Committee Chair	45,000 shares
F&A Committee Vice Chair	30,000 shares
Compensation Committee Chair	45,000 shares
Governance Committee Chair	15,000 shares
Independence Committee Chair	15,000 shares

All stock options granted to our non-employee directors vest 25% per year over four years on each anniversary of the date of grant.

Director Compensation for Fiscal 2014

The following table provides summary information concerning cash and other compensation we paid to our non-employee directors for fiscal 2014. As further described above, our non-employee directors receive cash retainers for Board membership, committee membership and committee chairmanship; cash fees for Board and committee meetings attended; and stock option grants for Board membership and committee chairmanship. Some of our non-employee directors serve on more than one committee. See "Committees, Membership and Meetings" above for a list of committees on which each non-employee director currently serves.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (1)(2) (\$)	Total (\$)
Jeffrey S. Berg	114,500	349,799	464,299
H. Raymond Bingham	208,500	816,197	1,024,697
Michael J. Boskin	191,500	699,597	891,097
Bruce R. Chizen	206,500	699,597	906,097
George H. Conrades	145,500	349,799	495,299
Hector Garcia-Molina	93,500	349,799	443,299
Naomi O. Seligman	120,500	349,799	470,299

- (1) As required by SEC rules, the amounts in this column represent the aggregate grant date fair values of stock option awards computed in accordance with Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification (the "ASC") Topic 718, *Compensation-Stock Compensation* (FASB ASC 718). The recipient has not presently realized a financial benefit from these awards because none of the stock options granted to these directors during fiscal 2014 are currently exercisable. For information on the valuation assumptions used in these computations, see Note 14 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2014.

Table of Contents

(2) The following table provides additional information concerning the stock options held by our non-employee directors for fiscal 2014:

Name	Total Option Awards Outstanding at 2014 Fiscal Year End (Shares)	Option Awards Granted During Fiscal Year 2014 (a) (Shares)
Jeffrey S. Berg	525,000	45,000
H. Raymond Bingham	545,000	105,000
Michael J. Boskin	680,000	90,000
Bruce R. Chizen	491,250	90,000
George H. Conrades	330,000	45,000
Hector Garcia-Molina	405,000	45,000
Naomi O. Seligman	390,000	45,000

(a) The stock options reported in this column were granted on May 31, 2014, with a per share exercise price of \$42.02, which is equal to the closing market price of our common stock on May 30, 2014, the last trading day prior to the grant date. The stock options vest 25% per year over four years on each anniversary of the date of grant.

Table of Contents

CORPORATE GOVERNANCE

We regularly monitor developments in the area of 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 that we have in place procedures and practices, including the following, which are designed to enhance our stockholders' interests.

Corporate Governance Guidelines

The Board has approved Corporate Governance Guidelines for Oracle (the "Guidelines"). The Guidelines are posted on our website at www.oracle.com/goto/corpgov, and deal with the following matters:

director qualifications;

director majority voting policy;

director responsibilities, including risk oversight;

conflicts of interest;

Board committees;

director access to officers and employees;

director compensation;

director orientation and continuing education;

director and executive officer stock ownership;

Chief Executive Officer evaluation;

performance evaluation of the Board and its committees; and

stockholder communications with the Board.

The Guidelines require that all members of the F&A, Compensation, Governance and Independence Committees must be independent, each in accordance with or as defined in the rules adopted by the SEC and NYSE. The Independence Committee makes this determination annually. The Board and each committee have the power to hire legal, accounting, financial or other outside advisors as they deem necessary in their best judgment without the need to obtain the prior approval of any officer of Oracle. Directors have full and free access to officers and employees of Oracle and may ask such questions and conduct investigations as they deem appropriate to fulfill their duties.

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Conflicts of interest expectations for our non-employee directors are addressed in our Guidelines and provide that non-employee directors must:

annually disclose to our General Counsel all of his or her executive, employment, board of directors, advisory board or equivalent positions in other organizations;

disclose any such proposed positions with a public company before they become effective and any such positions with a private company promptly following his or her appointment to such entity; and

disclose any potential conflicts of interest that may arise from time to time with respect to matters under consideration of the Board. The General Counsel must report all such disclosures to the Independence Committee, and the Board must consider such disclosures and other available information and take such actions as it considers appropriate. All directors are

Table of Contents

expected to comply with Oracle's Code of Ethics and Business Conduct, except that for our non-employee directors, the provisions regarding conflicts of interest in the Guidelines supersede these same provisions in the Code of Ethics and Business Conduct.

The Guidelines provide for regular executive sessions to be held by non-employee directors. The Guidelines also provide that the Board or Oracle will establish or provide access to appropriate orientation programs or materials for the benefit of newly elected directors, including presentations from senior management and visits to Oracle's facilities.

Under the Guidelines, the Board periodically evaluates the appropriate size of the Board and may make any changes it deems appropriate. The Governance Committee will periodically conduct self-evaluations to determine whether the Board and its committees are functioning effectively, and the results of these evaluations are reported to the Board. The Compensation Committee is required under the Guidelines to conduct an annual review of the CEO's performance and compensation, and the Board reviews the Compensation Committee's report to ensure the CEO is providing the best leadership for Oracle in the short and long term.

The Guidelines are posted on, and we intend to disclose any future amendments to the Guidelines on, our website at www.oracle.com/goto/corpgov.

Majority Voting Policy

The Guidelines set forth our majority voting policy for directors, which states that, in an uncontested election, if any director nominee receives an equal or greater number of votes **WITHHELD** from his or her election as compared to votes **FOR** such election (a **Majority Withheld Vote**) and no successor has been elected at such meeting, the director nominee shall tender his or her resignation following certification of the stockholder vote.

The Governance Committee shall promptly consider the resignation offer and a range of possible responses based on the circumstances that led to the Majority Withheld Vote, if known, and make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Governance Committee in making its recommendation, and the Board in making its decision, may each consider any factors or other information that it considers appropriate and relevant, including, but not limited to:

the stated reasons, if any, why stockholders withheld their votes;

possible alternatives for curing the underlying cause of the withheld votes;

the director's tenure;

the director's qualifications;

the director's past and expected future contributions to Oracle; and

the overall composition of the Board.

The Board will act on the Governance Committee's recommendation within 90 days following certification of the stockholder vote. Thereafter, the Board will promptly publicly disclose in a report furnished to the SEC its decision regarding the tendered resignation, including its rationale for accepting or rejecting the tendered resignation. The Board may accept a director's resignation or reject the resignation. If the Board accepts a director's resignation, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board, in its sole discretion, may fill any resulting vacancy or may decrease the size of the Board, in each case pursuant to our bylaws. If a director's resignation is not accepted by the Board, such director will continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal.

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Any director who tenders his or her resignation pursuant to this policy shall not participate in the Governance Committee recommendation or Board action regarding whether to accept the resignation offer. However, if a

Table of Contents

majority of the members of the Governance Committee received a Majority Withheld Vote at the same election, then the independent directors who did not receive a Majority Withheld Vote shall appoint a committee among themselves to consider any resignation offers and recommend to the Board whether to accept such resignation offers.

Through this policy, the Board seeks to be accountable to all stockholders and respects the right of stockholders to express their views through their vote for directors. However, the Board also deems it important to preserve sufficient flexibility to make sound evaluations based on the relevant circumstances in the event of a greater than or equal to 50% WITHHELD vote against a specific director. For example, the Board may wish to assess whether the sudden resignations of one or more directors would materially impair the effective functioning of the Board. The Board's policy is intended to allow the Board to react to situations that could arise if the resignation of multiple directors would prevent a key committee from achieving a quorum. The policy also would allow the Board to assess whether a director was targeted for reasons unrelated to his or her Board performance at Oracle. The policy imposes a short time frame for the Board to consider a director nominee's resignation. The Board expects that, as in the past, nominees will be elected by a significant majority of FOR votes.

Stock Ownership Guidelines for Directors and Senior Officers

Board members and senior officers are also required to own shares of Oracle common stock. The Governance Committee sets and periodically reviews and makes changes to these ownership requirements.

Under the Stock Ownership Guidelines approved in July 2011, all current non-employee directors must own at least 10,000 shares of our common stock by July 2016, and all new non-employee directors must meet this ownership requirement within five years from the date such director joins the Board. All senior officers must own a fixed number of shares of our common stock ranging from 250,000 shares to 10,000 shares based on their seniority. For example, our Chief Executive Officers are required to own 250,000 shares. For additional details regarding the application of the guidelines to our named executive officers, including each individual's share ownership requirement, see Executive Compensation Compensation Discussion and Analysis Stock Ownership Guidelines included elsewhere in this proxy statement. Senior officers must own their specific required amount by July 2016, and new senior officers must meet the ownership requirement within five years from the date such person becomes a senior officer. Shares of common stock counted toward these guidelines include any shares held directly or through a trust or broker; shares held by a spouse; shares held through our 401(k) Plan and our Oracle Corporation Employee Stock Purchase Plan (the ESPP); and shares underlying vested but unexercised stock options, with 50% of the in-the-money value of such options being used for this calculation.

We believe that all of our Board members and senior officers are currently in compliance with either the prior ownership requirements or the requirements approved in July 2011, and we expect them all to comply with the Stock Ownership Guidelines approved in July 2011 within the time periods described above.

Share Pledging and Our Prohibition on Speculative Transactions

Our insider trading policy prohibits our executive officers and directors from engaging in speculative transactions intended to shift or hedge the economic risk in owning shares of Oracle common stock, such as short sales, puts, calls, straddles or other similar transactions.

The Board also periodically reviews the extent to which any executive officer or director has pledged shares of Oracle common stock as collateral to secure any personal or other indebtedness. As set forth under Security Ownership of Certain Beneficial Owners and Management, on page 26, as of September 8, 2014, Mr. Ellison, our Executive Chairman, Chief Technology Officer, founder and largest stockholder, had pledged 250,000,000 shares of Oracle common stock as collateral to secure certain personal indebtedness. The pledged shares are not used to shift or hedge any economic risk in owning Oracle common stock by Mr. Ellison. Currently, no other executive officer or director holds shares of Oracle common stock that have been pledged to secure any personal or other indebtedness.

In reviewing Mr. Ellison's pledging arrangements, the Board considers the magnitude of the aggregate number of shares of Oracle common stock that are pledged in relation to the total number of shares of Oracle common stock

Table of Contents

outstanding and in relation to the total number of shares of Oracle common stock owned by Mr. Ellison, the market value of Oracle common stock, and Mr. Ellison's independent ability to repay any loans without recourse to the pledged shares, as well as any other relevant factors.

Board Leadership Structure

The roles of Chairman of the Board and Chief Executive Officer are currently filled by separate individuals. Mr. Ellison is our Chairman, and Ms. Catz and Mr. Hurd are our Chief Executive Officers, and during fiscal 2014, Mr. Henley served as Chairman and Mr. Ellison served as CEO. The Board believes that the separation of the offices of the Chairman and CEOs is appropriate at this time because it allows our CEOs to focus primarily on Oracle's business strategy, operations and corporate vision. However, as described in further detail in our Guidelines, the Board does not have a policy mandating that the roles of Chairman and CEO continue to be separated. Our Board elects our Chairman and our CEOs, and each of these positions may be held by the same person or may be held by different people. We believe it is important that the Board retain flexibility to determine whether these roles should be separate or combined based upon the Board's assessment of the company's needs and Oracle's leadership at a given point in time.

We believe that independent and effective oversight of Oracle's business and affairs is maintained through the composition of our Board, the leadership of our independent directors and Board committees and our governance structures and processes already in place. The Board consists of a substantial majority of independent directors, and the Board's Compensation, F&A, Governance and Independence Committees are comprised solely of independent directors. While we currently do not have a policy mandating an independent lead director, the Board believes that a number of non-employee directors fulfill the lead director role at various times, including during executive sessions, depending upon the particular issues involved. As set forth in our Guidelines, on an annual rotating basis, the chairpersons of the F&A Committee, the Governance Committee and the Compensation Committee serve as the presiding director at executive sessions of the Board.

Board's Role in Risk Oversight

While management is responsible for assessing and managing risks to Oracle, our Board is responsible for overseeing management's efforts to assess and manage risk. The Board's risk oversight areas of focus include, but are not limited to:

management and Board succession planning;

managing Oracle's long-term growth;

strategic and operational planning, including significant acquisitions and the evaluation of our capital structure and long-term debt financing; and

legal and regulatory compliance.

While the Board has the ultimate oversight responsibility for Oracle's risk management policies and processes, various committees of the Board also have responsibility for risk oversight. The F&A Committee oversees risks associated with our financial statements and financial reporting, mergers and acquisitions, credit and liquidity, information technology and security, litigation and code of ethics and business conduct compliance. The Compensation Committee considers the risks associated with our compensation policies and practices, with respect to both executive compensation and employee compensation generally. The Governance Committee oversees risks associated with our overall governance practices and the leadership structure of the Board (as further described above under "Board Leadership Structure"). The Independence Committee reviews risks arising from transactions with related persons and director independence issues.

Our Board is kept informed of each committee's risk oversight and other activities via regular reports of the committee chairs to the full Board. Our Board's role in risk oversight is consistent with the Board's leadership structure, with the CEO and other members of senior management having responsibility for assessing and managing Oracle's risk exposure, and the Board and committees of the Board providing oversight in connection with those efforts.

Table of Contents

Board of Directors and Director Independence

Each of our directors stands for election every year. We do not have a classified or staggered board. If the director nominees are elected at the Annual Meeting, the Board will continue to be composed of four employee directors (Messrs. Ellison, Hurd and Henley, and Ms. Catz) and seven independent directors. The Independence Committee has determined that each of the following seven current directors is independent (as defined by applicable listing standards and our Corporate Governance Guidelines): Messrs. Berg, Bingham, Chizen, Conrades and Garcia-Molina, Dr. Boskin and Ms. Seligman. Therefore, all directors who served during fiscal 2014 on the Compensation, F&A, Governance and Independence Committees were independent under the applicable listing standards.

In making the independence determinations, the following relationships and factors were considered:

Dr. Boskin and Mr. Garcia-Molina are both employed by Stanford University, which has received donations from both Oracle and various Board members. In addition, certain Board members serve on advisory or oversight boards at Stanford University or are otherwise employed part-time by Stanford University.

The donations from Oracle were made directly to Stanford Hospital and Clinics and did not go to any other Stanford academic department or institution. Further, the donations fall within NYSE prescribed limits and guidelines. The independent members of our Board held an executive session following each of the regularly scheduled Board meetings, for a total of four meetings in fiscal 2014.

The F&A Committee has adopted a requirement that if an F&A Committee member wishes to serve on more than three audit committees of public companies, the member must obtain the approval of the F&A Committee, which shall determine whether the director's proposed service on the other audit committee(s) will detract from his/her performance on our F&A Committee.

Nomination of Directors

In general, nominations for the election of directors may be made by (1) the Board or the Governance Committee or (2) any stockholder entitled to vote who has delivered written notice to our Corporate Secretary no later than the notice deadline set forth in our bylaws and has complied with the notice procedures set forth in our bylaws. Stockholders may also submit recommendations for director candidates to the Governance Committee for its consideration for nomination as described below.

Nomination and Governance Committee and Corporate Governance Guidelines

The Governance Committee monitors corporate governance matters and considers and recommends qualified candidates for election as directors of Oracle. The Corporate Governance Guidelines set forth the Governance Committee's policy regarding the consideration of all properly submitted stockholder candidates for membership on the Board as well as candidates submitted by current Board members and others. The Guidelines are posted on our website at www.oracle.com/goto/corpgov.

Any stockholder wishing to submit a candidate for consideration for nomination by the Governance Committee must provide a written notice recommending the candidate for election at the next Annual Meeting of Stockholders to Dorian Daley, Senior Vice President, General Counsel & Secretary at 500 Oracle Parkway, Mailstop 5op7, Redwood City, California 94065, or by email (Corporate_Secretary@oracle.com) or fax (1-650-506-3055), in each case 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 consideration of a submitted candidate by the Governance Committee. However, there is no guarantee that the candidate will be nominated. Any stockholder seeking to nominate one or more directors must comply with applicable bylaw procedures, which are described below under **Stockholder Nominations and Bylaw Procedures**. The deadlines to submit director candidates for the Governance Committee's consideration are the same as the deadlines for nominating directors in our bylaws.

Table of Contents

Our Corporate Governance Guidelines 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 to represent the interests of the stockholders. In selecting nominees, the Governance Committee assesses the independence, character and acumen of candidates and endeavors to collectively establish a number of areas of core competency of the Board. For additional details regarding Board qualifications and the specific experiences, qualifications and skills of each of our director nominees, see *Board of Directors Nominees for Directors* included elsewhere in this proxy statement.

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 endorsement 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.

Stockholder Nominations and Bylaw Procedures

Our bylaws establish procedures pursuant to which a stockholder may nominate a person for election to the Board. Our bylaws are posted on our website at www.oracle.com/goto/corpgov.

To nominate a person for election to the Board, a stockholder must set forth all information relating to the nominee that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the Exchange Act). Such notice must also contain information specified in the bylaws as to the director nominee, information about the stockholder making the nomination and the beneficial owner, if any, on behalf of whom the nomination is made, including name and address, class and number of shares owned, and representations regarding the intention to make such a nomination and to solicit proxies in support of it. We may require any proposed nominee to furnish information concerning his or her eligibility to serve as an independent director or that could be material to a reasonable stockholder's understanding of the independence of the nominee.

Deadlines to Submit Nominations

To nominate a person for election to the Board at our 2015 annual meeting of stockholders, written notice of a stockholder nomination must be delivered to our Secretary between May 26, 2015 and June 25, 2015. However, if our annual meeting is advanced or delayed by more than 30 days from the anniversary of the previous year's meeting, a stockholder's written notice will be timely if it is delivered by the later of the 90th day prior to such annual meeting or the 10th day following the announcement of the date of the meeting.

A stockholder may make nominations of persons for election to the Board at a special meeting if the stockholder delivers written notice to our Secretary not before the 120th day prior to such special meeting and not after the later of the 90th day prior to such special meeting or the 10th day following the announcement of the meeting date. At a special meeting of stockholders, only such business shall be conducted as shall have been brought before the meeting pursuant to our notice of meeting.

Stockholder nominations must be addressed to Dorian Daley, Senior Vice President, General Counsel & Secretary and must be mailed to her at Oracle Corporation, 500 Oracle Parkway, Mailstop 5op7, Redwood City, California 94065, or sent by email (Corporate_Secretary@oracle.com) or faxed to her (1-650-506-3055), in each case with a confirmation copy sent by mail.

If the number of directors to be elected to the Board is increased and we do not make a public announcement specifying the size of the increased Board at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's written notice of nominees for any new position will be considered timely if it is delivered to our Corporate Secretary by the 10th day following the announcement.

Communications with the Board

Any person wishing to communicate with any of our directors, including our independent directors, regarding Oracle may write to the director, c/o the Secretary of Oracle at 500 Oracle Parkway, Mailstop 5op7, Redwood City,

Table of Contents

California 94065, or may send an email to Corporate_Secretary@oracle.com, or fax the communication to 1-650-506-3055. The Secretary will forward these communications directly to the director(s) specified or, if none is specified, to the Chairman of the Board.

Employee Matters

Code of Conduct. In 1995, we adopted a Code of Ethics and Business Conduct (the Code of Conduct). We require all employees, including our senior officers and our employee directors, to read and to adhere to the Code of Conduct in discharging their work-related responsibilities. Our Compliance and Ethics Program involves the administration of training regarding and enforcement of the Code of Conduct and is under the direction of our Chief Compliance and Ethics Officer. We have also appointed Regional Compliance and Ethics Officers to oversee the application of the Code of Conduct in each of our geographic regions. We provide mandatory web-based general training with respect to the Code of Conduct, and we also provide additional live and web-based training on specific aspects of the Code of Conduct from time to time to certain employees. Employees are expected to report any conduct they believe in good faith to be a violation of the Code of Conduct. The Code of Conduct is posted on, and we intend to disclose any future amendments to or waivers granted to our executive officers from a provision to the Code of Conduct on, our website at www.oracle.com/goto/corpgov.

Compliance and Ethics Reports. With oversight from the F&A Committee, we have established several different reporting channels employees may use to seek guidance or submit reports concerning compliance and ethics matters, including accounting, internal controls and auditing matters. These reporting channels include Oracle's Integrity Helpline, which may be accessed either over the phone or by way of a secure Internet site. Employees may contact the helpline 24 hours a day, seven days a week. Interpreters are provided to helpline callers who want to communicate in languages other than English, and employees using the online system may file a report in the language of their choice. Employees who contact the helpline, whether over the phone or online, generally may choose to remain anonymous. Certain countries other than the United States, however, limit or prohibit anonymous reporting; employees who identify themselves as being from an affected country are alerted if special reporting rules apply to them.

Supplemental Conflict of Interest Policy for Senior Officers. Our Supplemental Conflict of Interest Policy for Senior Officers (the Conflict of Interest Policy), which supplements the Code of Conduct applicable to all employees, addresses several potential conflict of interest issues and requires prompt and annual disclosure to an executive, an executive committee or the Independence Committee, as applicable, of actual or potential conflicts of interest with respect to financial interests and corporate opportunities involving senior officers and their related persons. A financial interest involves (a) an existing or potential significant investment in any entity with which we have, or are negotiating, a material transaction or arrangement and (b) any existing or potential compensation arrangement or right with such entity.

Each person subject to the policy must report any actual or potential conflict of interest that he or she believes has gone unreported. The executive or committee to whom any such disclosure is made will decide if the disclosed facts constitute an actual conflict of interest. If such person or committee determines that a conflict of interest exists, such person or committee can determine whether we will enter into the transaction or arrangement in issue or, in the case of a corporate opportunity, the transaction or arrangement will remain available for us to pursue. Each senior officer and director must annually confirm in writing that such person has read this policy and is in compliance with it.

The Conflict of Interest Policy is posted on, and we intend to disclose any future amendments to or waivers granted to our executive officers from a provision of the Conflict of Interest Policy on, our website at www.oracle.com/goto/corpgov.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information, as of September 8, 2014, the record date, with respect to the beneficial ownership of our common stock by: (i) each stockholder known by us to be the beneficial owner of more than 5% of our common stock; (ii) each director or nominee; (iii) each executive officer named in the Summary Compensation Table; and (iv) all current executive officers and directors as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Lawrence J. Ellison (2) 500 Oracle Parkway, Redwood City, CA 94065	1,155,934,580	26%
Jeffrey S. Berg (3)	509,793	*
H. Raymond Bingham (4)	305,000	*
Michael J. Boskin (5)	471,250	*
Safra A. Catz (6)	30,512,535	*
Bruce R. Chizen (7)	275,937	*
George H. Conrades (8)	227,500	*
John F. Fowler (9)	3,060,882	*
Hector Garcia-Molina (10)	296,250	*
Jeffrey O. Henley (11)	5,034,516	*
Mark V. Hurd (12)	12,901,000	*
Thomas Kurian (13)	5,983,589	*
Naomi O. Seligman (14)	291,145	*
All current executive officers and directors as a group (15 persons) (15)	1,217,447,727	27%

* Less than 1%

- (1) Unless otherwise indicated below, each stockholder listed had sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws, if applicable.
- (2) Includes 42,300,000 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date and 250,000,000 shares pledged as collateral to secure certain personal indebtedness, including various lines of credit.
- (3) Includes 412,500 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.
- (4) Includes 305,000 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.
- (5) Includes 466,250 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.
- (6) Includes 30,500,000 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.

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- (7) Includes 5,000 shares held in trust for the benefit of Mr. Chizen and his spouse and 270,937 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.
- (8) Includes 217,500 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.
- (9) Includes 3,040,895 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.
- (10) Includes 291,250 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.

Table of Contents

- (11) Includes 1,826,519 shares held in trust for the benefit of Mr. Henley and his spouse, 31,000 shares held in trust for the benefit of Mr. Henley's children, 76,997 held by the J&J Family Foundation and 3,100,000 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.

- (12) Includes 12,900,000 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.

- (13) Includes 5,950,000 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.

- (14) Includes 7,397 shares owned by Ms. Seligman's spouse of which she disclaims beneficial ownership. Includes 277,500 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date.

- (15) Includes all shares described in the notes above. Also includes (a) 12,500 additional shares beneficially owned, and (b) 1,631,250 shares subject to currently exercisable stock options or stock options exercisable within 60 days of the record date, in each case held by executive officers who are not named in the table.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section provides information on our executive compensation program and our compensation philosophy for our named executive officers, or NEOs, who in fiscal 2014 were Lawrence J. Ellison, Chief Executive Officer (CEO); Safra A. Catz, President and Chief Financial Officer (CFO); Mark V. Hurd, President; Thomas Kurian, Executive Vice President, Product Development; and John F. Fowler, Executive Vice President, Systems.

Executive Summary

After the 2013 Annual Meeting of Stockholders, the Compensation Committee engaged in a series of discussions and deliberations about our compensation philosophy and possible design alternatives for our executive compensation program. While reaffirming Oracle's fundamental principle of clearly linking executive compensation to Oracle's financial performance and long-term stock price, the Compensation Committee redesigned certain aspects of the long-term equity incentive program for our named executive officers. The 2013 Annual Meeting of Stockholders occurred in October 2013, which was after the fiscal 2014 stock option awards were granted in July 2013. The Committee therefore focused on Oracle's fiscal 2015 equity awards which were granted in July 2014. Oracle's fiscal year 2014 started on June 1, 2013 and ended on May 31, 2014.

In September 2014, the Board of Directors appointed Mr. Ellison as Executive Chairman of the Board and Chief Technology Officer. Simultaneously, each of Ms. Catz and Mr. Hurd was appointed to the position of Chief Executive Officer. In connection with these changes, the Compensation Committee cancelled a portion of Mr. Ellison's fiscal year 2015 equity award and made a one-time special fiscal 2015 equity award grant to each of Ms. Catz and Mr. Hurd in light of their appointments.

Fiscal 2014

Consistent with prior years, our executive compensation program in fiscal 2014 comprised the following three principal pay components:

1. Salaries which were fixed at levels that provided a baseline amount of compensation.
 - Ø As in prior years, Mr. Ellison received only a token base salary of \$1.00. Thus, consistent with our compensation philosophy, his compensation was otherwise completely at-risk, underscoring our commitment to paying for performance.
2. Annual performance-based cash bonuses for Mr. Ellison, Ms. Catz and Mr. Hurd which were tied to our ability to grow Oracle's non-GAAP pre-tax profits year-over-year.
 - Ø Although Oracle's fiscal 2014 non-GAAP pre-tax profits were approximately \$17.1 billion, the year-over-year growth did not meet our internal expectations. Consequently, Mr. Ellison, Ms. Catz and Mr. Hurd each received fiscal 2014 bonuses that were 16% of target (approximately \$741,000 for Mr. Ellison and approximately \$456,000 for Ms. Catz and Mr. Hurd).
3. Long-term, results-aligned incentive compensation which consisted exclusively of stock options. Mr. Ellison received a stock option grant for 7 million shares, and Ms. Catz and Mr. Hurd each received a stock option grant for 5 million shares.

Table of Contents

Significant Changes for Fiscal 2015

For fiscal 2015, the Compensation Committee made significant changes to our long-term incentive compensation program for our named executive officers to further its objective of aligning their compensation opportunities with Oracle's long-term financial performance.

In addition during fiscal 2015, the Board of Directors appointed Mr. Ellison as Executive Chairman of the Board and Chief Technology Officer. Simultaneously, each of Ms. Catz and Mr. Hurd was appointed to the position of Chief Executive Officer. In connection with these management changes, the Compensation Committee cancelled a portion of Mr. Ellison's fiscal 2015 equity awards. The Compensation Committee also made one-time special fiscal 2015 equity award grants to each of Ms. Catz and Mr. Hurd in connection with their appointments.

The Compensation Committee made the following specific changes to the equity awards granted to our named executive officers in fiscal 2015:

We Reduced the Number of Shares subject to the Stock Option Granted in Fiscal 2015 to Mr. Ellison. The Compensation Committee reduced the number of shares subject to the stock option grant to Mr. Ellison from a stock option for 7 million shares granted in fiscal 2014 to a stock option for 3 million shares granted in fiscal 2015 (in July 2014). In connection with the change in his position to Executive Chairman of the Board and Chief Technology Officer, the Compensation Committee cancelled a portion of this fiscal 2015 option grant. As a result, his fiscal 2015 option grant is for 2.25 million shares.

We Reduced the Number of Shares subject to the Stock Options Granted in Fiscal 2015 to Ms. Catz and Mr. Hurd. The Compensation Committee reduced the aggregate number of shares subject to the stock option grants to each of Ms. Catz and Mr. Hurd from a stock option for 5 million shares in fiscal 2014 to a stock option for 2.75 million shares in fiscal 2015 (which includes a special one-time stock option award for 500,000 shares each in connection with their appointment to CEO).

We Introduced Performance Stock Units. The Compensation Committee also granted fiscal 2015 equity awards to our named executive officers in the form of performance stock units (Performance Stock Units). The Compensation Committee granted a target award of 750,000 Performance Stock Units to Mr. Ellison in fiscal 2015, which was reduced to 562,500 Performance Stock Units as a result of the management change in September 2014. In July 2014, the Compensation Committee granted a target award of 562,500 Performance Stock Units to each of Ms. Catz and Mr. Hurd. Furthermore, the Compensation Committee approved a one-time special target award of 125,000 Performance Stock Units to each of Ms. Catz and Mr. Hurd in connection with their respective appointments to Chief Executive Officer, for an aggregate target of for each of 687,500 Performance Stock Units in fiscal 2015.

Performance Stock Units Are Subject to Performance Measures Tailored to Business Responsibilities. For Mr. Ellison, Ms. Catz and Mr. Hurd, the Performance Stock Unit payouts are based on Oracle's revenue growth and operating cash flow growth as compared against the performance of a select group of companies against which we compete and/or our investors compare us to: International Business Machines, Hewlett-Packard, Cisco Systems, EMC, SAP, salesforce.com and Workday. For our other named executive officers, Mr. Kurian and Mr. Fowler, the Performance Stock Unit payouts are based on the achievement of revenue growth for certain strategic lines of business they oversee. The performance metrics used for the Performance Stock Units are *different* from the metrics used in Oracle's Executive Bonus Plan.

Depending on Each Named Executive Officer's Position, Performance Stock Units Are Earned Based on Relative or Absolute Performance. Mr. Ellison, Ms. Catz and Mr. Hurd will earn between 0% - 150% of the number of his/her target award of Performance Stock Units based on Oracle's financial performance relative to the performance of the previously-identified comparator group. Mr. Kurian and Mr. Fowler will earn between 0% - 110% of the number of their target award of Performance Stock Units based on the growth in revenues of certain strategic lines of business they oversee.

Table of Contents

The Compensation Committee believes that these long-term incentive compensation opportunities are consistent with our results-aligned compensation philosophy and properly incentivize our senior executives to drive growth for the benefit of all of our stockholders.

For a detailed description of the Performance Stock Unit awards granted to our named executive officers for fiscal 2015, see page 35 of this proxy statement.

We believe that our approach to executive compensation both in fiscal 2014 and fiscal 2015 are in the best interests of Oracle and our stockholders for the following reasons:

1. Direct link between tangible financial results and executive compensation.

Oracle's total stockholder return has performed well in recent years. Our stockholders have experienced significant upside in their investments in Oracle common stock, and our named executive officers have realized significant value from their equity awards during this period. The following graph compares the cumulative total stockholder return on Oracle common stock with the cumulative total return of the Standard & Poor's 500 Index and the Standard & Poor's Information Technology Index for each of the last five fiscal years for the period ended May 31, 2014, assuming an investment of \$100 at the beginning of such period and the reinvestment of any dividends.

*\$100 INVESTED ON MAY 31, 2009 IN STOCK OR

INDEX-INCLUDING REINVESTMENT OF DIVIDENDS

	5/09	5/10	5/11	5/12	5/13	5/14
Oracle Corporation	100.00	116.22	177.51	138.42	178.36	224.91
S&P 500 Index	100.00	120.99	152.39	151.76	193.15	232.64
S&P Information Technology Index	100.00	128.47	155.62	167.40	192.71	238.76

Table of Contents*Fiscal 2014 Financial Highlights*

Oracle recorded very good financial results in fiscal 2014 relative to other global technology companies despite a challenging global economic and information technology spending environment. The following chart summarizes key financial results for fiscal 2014 as compared to fiscal 2013, calculated in accordance with U.S. generally accepted accounting principles (GAAP) (in billions, except per share data and percentages).

	Fiscal 2014 (\$)	Fiscal 2013 (\$)	Change (%)
Total Revenues	38.3	37.2	3
Software and Cloud Revenues	29.2	27.9	5
Hardware Systems Revenues	5.37	5.35	0
Operating Income	14.8	14.7	1
Net Income	11.0	10.9	1
Diluted Earnings Per Share	2.38	2.26	5
Stock Price Per Share at Fiscal Year End	42.02	33.78	24

2. Strong pay-for-performance alignment.

Reflecting our compensation philosophy, our executive compensation program is designed to be results-aligned. We believe that when Oracle achieves a higher level of financial performance and a higher stock price over a sustained period of time, our named executive officers should be well compensated. As a result, when our stockholders are rewarded, our named executive officers are also rewarded. Similarly, when Oracle's performance does not achieve these results, our named executive officers should receive much lower compensation and realize less value from their equity compensation.

3. Emphasis on variable, at risk compensation.

As a result of our executive compensation philosophy, in fiscal 2014, an average of 97% of the total direct compensation opportunity of our named executive officers was delivered in the form of performance-based compensation (that is, an annual performance-based cash bonus opportunity and equity compensation).

Other Compensation Policies and Practices

We have implemented the following important compensation policies and practices to ensure that our executive compensation program achieves our objectives consistent with sound corporate governance:

Stockholder Outreach by our Compensation and Governance Committees: Members of the Compensation Committee and Governance Committee meet with our institutional stockholders from time to time to receive feedback regarding compensation and corporate governance matters. We believe we have established an effective means for our stockholders to communicate with our directors.

Low Dilution Rates from Equity Awards: We recognize that employee equity awards dilute the holdings of our stockholders. Both the Compensation Committee and the Finance and Audit Committee regularly review our long-term incentive compensation program to ensure that we balance the goal of compensating and motivating our employees with our stockholders' interest in limiting dilution from equity awards. As of May 31, 2014, our cumulative potential dilution since June 1, 2011 has been a weighted average annualized rate of 2.3% per year, which was significantly lower than the rates of the companies in our compensation peer group.

Compensation Recovery (Clawback) Policy: We have adopted a clawback policy for our executive officers which provides that if Oracle restates its reported financial results, we will seek to recover or cancel any cash bonuses paid which were awarded as a result of achieving financial performance goals that are not met under the restated financial results.

Table of Contents

Stock Ownership Guidelines: We endeavor to closely align the interests of our senior executives with the interests of our stockholders during good and bad economic times through our Stock Ownership Guidelines which outline the number of shares of Oracle common stock that senior executives must own. For details, please see [Other Compensation Policies](#) [Stock Ownership Guidelines](#) below.

Independent Compensation Committee and Compensation Consultant: The Compensation Committee is comprised solely of independent directors. The Compensation Committee recognizes that it is essential to receive objective advice from its external advisors. Consequently, the Compensation Committee is solely responsible for retaining and terminating its current compensation consultant, Compensia, Inc., which reports directly to the Compensation Committee and did not provide any other services to Oracle during fiscal 2014.

We have not implemented the following practices because we do not believe they would serve our stockholders' long-term interests.

Employment Agreements or Change-in-Control Agreements: Each of our named executive officers is employed at will. Further, none of our offer letters or any other agreements with our named executive officers provides for termination, severance or change-in-control payments or benefits (other than potential double-trigger acceleration of vesting of outstanding and unvested equity awards under our broad-based equity plan, which is a benefit provided to all employees who participate in the plan).

Repricing of Underwater Stock Options: We do not reprice or exchange underwater stock options, and our stock option plan requires stockholder approval to reprice stock options.

Speculative Transactions: We prohibit our executive officers and directors from entering into speculative transactions in Oracle securities, such as short sales, put options, call options, straddles and other similar types of transactions. Please see [Share Pledging and Our Prohibition on Speculative Transactions](#) on page 21 of this proxy statement for a more detailed discussion.

2013 Stockholder Advisory Vote on Executive Compensation

At the 2013 Annual Meeting of Stockholders, we conducted our annual advisory vote on the fiscal 2013 compensation of our named executive officers (commonly known as a Say-on-Pay vote). The compensation of our named executive officers received support from approximately 43% of the votes cast on the Say-on-Pay proposal.

Objectives of our Compensation Program

The objectives of our executive compensation program are to attract and retain highly talented and productive executive officers; provide incentives for their superior performance; and align the interests of our executive officers with those of our stockholders.

The Compensation Committee believes we employ some of the most talented senior executives of any company in the world. Given the strength of our named executive officer group, the Compensation Committee believes that it is critical that they receive total compensation opportunities that reflect their individual skills and experience and that are commensurate with the management of an organization of Oracle's size, scope, and complexity. Further, our Compensation Committee believes that it is critical that Oracle retain this talent and keep these individuals properly motivated. Further, while retention and proper incentives are critical, the Compensation Committee also believes that it is important that the amounts our named executive officers are actually paid are aligned with the investment gains or losses of Oracle's stockholders. So while our named executive officers' total compensation *opportunities* may be among the highest in our industry sector, the pay amounts they ultimately *realize* are primarily contingent on their ability to achieve our primary business objectives.

Within Oracle, executive compensation is weighted most heavily towards our most senior executive officers because they have the greatest impact on our business and financial results.

Table of Contents

Elements of Our Compensation Program: Why We Chose Each and How Each Was Related to Our Objectives

In fiscal 2014, our executive compensation program consisted of the following three principal elements: (1) long-term incentive compensation in the form of stock options; (2) an annual performance-based cash bonus; and (3) base salary.

In fiscal 2015, we redesigned our long-term incentive compensation awards to our named executive officers to include performance stock unit awards.

The purpose of each of these compensation elements is summarized in the following table and described in more detail below.

Compensation Element	Designed to Reward	Relationship to Compensation Objectives
Long-Term Incentive Compensation Stock Options and Performance Stock Units	Success in achieving sustainable long-term results	Align the named executive officers' interests with long-term stockholder interests to increase overall stockholder value Motivate and reward named executive officers for achieving annual financial performance goals and long-term results Retain named executive officers in an increasingly competitive market for talent
Annual Performance-Based Cash Bonus	Success in achieving annual results	Motivate and reward named executive officers to achieve or exceed annual financial performance goals
Base Salary	Experience, knowledge of the industry, duties and scope of responsibility	Provide a minimum, fixed level of cash compensation to attract and retain talented named executive officers who can successfully design and execute our business strategy

We weight our compensation mix to encourage our named executive officers to make appropriate decisions that are consistent with our business strategy of constantly improving our performance and building long-term stockholder value. At the same time, we are mindful of the possibility that some behaviors may be inconsistent with our business objectives and overall corporate responsibilities and, therefore, we continuously strive to effectively monitor and manage these decisions. As part of its annual compensation-related risk review, the Compensation Committee considered, among others, the following factors which mitigate incentives for our executive officers to take inappropriate risks:

Stock options granted to our named executive officers vest 25% each year over a period of four years. The Performance Stock Unit awards, to the extent earned, vest over a four-year performance period. Consequently, our named executive officers only realize value from their equity awards through long-term appreciation of our stock price, which mitigates excessive short-term risk taking.

All annual performance-based cash bonuses are subject to a specified cap and may be decreased in the Compensation Committee's sole discretion, which protects against a named executive officer receiving a

Table of Contents

windfall or disproportionately large bonus relative to the Compensation Committee's assessment of our actual financial performance.

We have adopted a clawback policy that allows us to recover or cancel any cash bonuses paid which were awarded as a result of achieving financial performance goals that are not met under the restated financial results.

The financial measure used in the Executive Bonus Plan (as defined below) for each of our named executive officers, other than Mr. Fowler, is year-over-year growth in Oracle's non-GAAP pre-tax profits, as defined below. This measure is regularly used by our management to understand, manage and evaluate our business and make operating decisions. Using this measure for the annual performance-based cash bonus opportunities further aligns our named executive officers' interests with our business goals.

Each of our named executive officers is subject to stock ownership requirements as described below under "Other Compensation Policies" Stock Ownership Guidelines. As a result of these requirements, our named executive officers would experience significant lost value in their holdings of Oracle common stock and potentially all of the value of their Oracle stock options if our stock price suffered an extended decline due to inappropriate or unnecessary risk taking.

Long-Term Incentive Compensation Equity Awards

Our philosophy with regard to granting long-term incentive compensation is to:

be sensitive to and focus on the overall number and value of shares of Oracle common stock underlying the equity awards being granted;

grant equity awards to a relatively small number of employees, with a focus on our engineers, developers and senior executives, and make the largest awards to our top performers and individuals with the greatest responsibilities because they have the potential and ability to contribute the most to the success of our business; and

effectively manage the overall net dilution resulting from our use of equity as a compensation tool.

As of May 31, 2014, our cumulative potential dilution since June 1, 2011 has been a weighted average annualized rate of 2.3% per year, which was significantly lower than the dilution at the companies in our peer group against which we compare our executive compensation.

In fiscal 2014, our long-term incentive compensation program for our named executive officers consisted exclusively of stock options. Stock options give the recipients the right to purchase at a specified price (that is, the market price of Oracle common stock on the date when the stock option was granted) a specified number of shares of Oracle common stock for a specified period of time (generally, ten years). A named executive officer can exercise this right for the remainder of this specified period of time as the stock options vest (that is, become exercisable) over four years.

The Compensation Committee believes stock options are one of the most effective types of equity award and that they provide one of the best performance incentives because our named executive officers derive value from their stock option awards only if our stock price increases (which benefits all stockholders); and the named executive officers remain employed with us beyond the date that their stock options vest.

Fiscal 2015 Equity Awards

As described in the Executive Summary above, and consistent with our results-aligned compensation philosophy, the Compensation Committee made significant changes to the long-term incentive compensation program for fiscal 2015 for our named executive officers, providing that their annual equity awards will be

Table of Contents

delivered in the form of stock options and performance stock units (Performance Stock Units). The Compensation Committee believes that these awards which are designed to reward outstanding performance as measured against our long-term financial results will further incentivize our executives to achieve our business objectives in order to drive increases in the market price of our common stock benefiting our stockholders as well as our named executive officers.

Performance Stock Unit Award Design

The Compensation Committee tailored the Performance Stock Units to the specific roles and responsibilities of each of our named executive officers. Accordingly, with respect to Mr. Ellison, Ms. Catz and Mr. Hurd, their Performance Stock Units are based half on our performance as measured against a relative revenue growth metric and half on our performance as measured against a relative operating cash flow metric. With respect to Messrs. Kurian and Fowler, their Performance Stock Units are subject to a revenue growth measure based on certain strategic lines of business for which they have primary managerial responsibility.

Mr. Ellison, Ms. Catz and Mr. Hurd

For Mr. Ellison, Ms. Catz and Mr. Hurd, the Performance Stock Units are measured using two performance metrics:

one-half (1/2) of the number of target Performance Stock Units are tied to relative growth in total consolidated revenues on a U.S. GAAP basis, and

one-half (1/2) of the number of target Performance Stock Units are tied to relative growth in total consolidated net cash provided by operating activities on a U.S. GAAP basis.

The potential Performance Stock Unit award payouts are calculated each year over a four-year period and are based on Oracle's performance with respect to these two metrics as compared against the weighted average performance for the same metrics of the following seven companies which we believe represent some of our main competitors as well as companies that our investors most often compare us to: Cisco Systems, Inc., EMC Corporation, Hewlett-Packard Company, International Business Machines Corporation, salesforce.com, Inc., SAP AG and Workday, Inc. (collectively, the Performance Stock Unit Peer Group).

The key features of the Performance Stock Units for Mr. Ellison, Ms. Catz and Mr. Hurd are:

there is no minimum payout for the number of Performance Stock Units that may be earned, so there are no guarantees on what can be earned;

the number of Performance Stock Units that may be earned are capped or have a maximum payout of 150%, so the upside is limited;

if Oracle's growth exceeds the weighted average revenue growth of the Performance Stock Unit Peer Group but is a negative number, the most that may be earned is 100% of the target number of Performance Stock Units; and

if Oracle's growth is one of the two lowest percentage growth amounts among the Performance Stock Unit Peer Group with each company's growth measured separately and ranked from largest to smallest, they will receive none (0%) of the target number of Performance Stock Units.

Other Named Executive Officers

For our other named executive officers, Messrs. Kurian and Fowler, the Performance Stock Units are to be earned based on a revenue growth metric linked to certain strategic lines of business for which such named executive officer has responsibility and oversight. Mr. Kurian's Performance Stock Units will be earned based on the year-over-year growth in Oracle's total revenues for its Cloud Software-as-a-Service (SaaS)

and Platform-as-a-Service

Table of Contents

(PaaS) offerings on a U.S. GAAP basis. Mr. Fowler's Performance Stock Units will be earned based on the year-over-year growth in Oracle's total revenues for its Engineered Systems and Storage products on a U.S. GAAP basis. The potential Performance Stock Unit award payouts are calculated each year over a four-year period.

Equity Award Decisions

The Compensation Committee granted the annual equity awards for fiscal 2015 to our named executive officers on July 24, 2014. The Compensation Committee reduced the size of the stock option award to Mr. Ellison from a stock option for 7 million shares in fiscal 2014 to a stock option for 3 million shares in fiscal 2015, and the Compensation Committee reduced the size of the stock option award to each of our Presidents from a stock option for 5 million shares in fiscal 2014 to a stock option for 2.25 million shares in fiscal 2015.

On July 24, 2014, the Compensation Committee granted a target award of 750,000 Performance Stock Units to Mr. Ellison and a target award of 562,500 Performance Stock Units to each of Ms. Catz and Mr. Hurd, a target award of 500,000 Performance Stock Units to Mr. Kurian, and a target award of 250,000 Performance Stock Units to Mr. Fowler. Note that the actual number of shares of Oracle common stock that may be earned under their Performance Stock Units may range from 0% to 150% for each of Mr. Ellison, Ms. Catz and Mr. Hurd, or from 0% to 110% for each of Mr. Kurian and Mr. Fowler of the target number of Performance Stock Units.

On September 17, 2014, the Board of Directors appointed Mr. Ellison as Executive Chairman of the Board and Chief Technology Officer. Simultaneously, each of Ms. Catz and Mr. Hurd was appointed to the position of Chief Executive Officer. In connection with these management changes, the Compensation Committee cancelled a portion of Mr. Ellison's fiscal 2015 equity awards. Mr. Ellison's stock option award was reduced by 750,000 shares from 3 million shares to 2.25 million shares, and his target award of 750,000 Performance Stock Units was reduced by 187,500 Performance Stock Units to a target award of 562,500 Performance Stock Units. The Compensation Committee also granted additional equity awards to Ms. Catz and Mr. Hurd in connection with their appointments. Each of Ms. Catz and Mr. Hurd was granted a special one-time stock option award for 500,000 shares so that the total number of shares subject to each of their fiscal 2015 stock options is 2.75 million shares. Further, the Compensation Committee granted to each of Ms. Catz and Mr. Hurd an additional target award of 125,000 Performance Stock Units for total awards to each of 687,500 Performance Stock Units granted in fiscal 2015.

To give our stockholders information about the changes to our fiscal 2015 equity compensation program, the following table shows the size (after the September 2014 management changes) and types of equity awards for the three most recent fiscal years. These numbers do not reflect amounts actually earned or realized but rather reflect the number of shares subject to stock options or the target number of Performance Stock Units.

Table of Contents**Equity Awards to Named Executive Officers**

Name	Fiscal Year	Number of Shares underlying Option Awards (#)	Performance Stock Units Target Number (#)
Lawrence J. Ellison	2015	2,250,000	562,500
	2014	7,000,000	
	2013	7,000,000	
Safra A. Catz	2015	2,750,000	687,500
	2014	5,000,000	
	2013	5,000,000	
Mark V. Hurd	2015	2,750,000	687,500
	2014	5,000,000	
	2013	5,000,000	
Thomas Kurian	2015	2,000,000	500,000
	2014	4,000,000	
	2013	4,000,000	
John F. Fowler	2015	1,000,000	250,000
	2014	2,000,000	
	2013	2,000,000	

The Compensation Committee determined each named executive officer's target equity award opportunity (and, thus, the size of his or her stock option and Performance Stock Unit award) based on:

its application of our executive compensation philosophy,

its goal of providing an overall competitive equity award level, its subjective evaluation of the factors described on page 40 of this Compensation Discussion and Analysis,

the fiscal 2015 management changes described above, and,

in the case of each of our named executive officers other than himself, the recommendations of Mr. Ellison.

As noted, the Compensation Committee does not employ a pre-established formula by which it determines which of these factors is more or less important, and the specific factors used and their weighting may vary among individual named executive officers. When determining the size of the stock option and Performance Stock Unit awards, the Compensation Committee focused more on the number of shares of common stock subject to the awards and less on the grant date fair value amounts of the awards.

Annual Performance Cash Bonus under the Executive Bonus Plan

In 2010, our stockholders approved the Oracle Corporation Executive Bonus Plan (the Executive Bonus Plan). In accordance with the terms of the Executive Bonus Plan, each year the Compensation Committee assigns each participant a target award cash bonus opportunity and establishes the financial performance measure or measures and related target levels that must be achieved before an award actually will be paid to the participant for that year. The target cash bonus opportunity and financial formula selected for each named executive officer are intended to motivate them by rewarding them when our annual financial performance goals are met or exceeded.

Financial Measure: Growth in Non-GAAP Pre-Tax Profit

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With the exception of Mr. Fowler (whose annual cash bonus arrangement is described below), the measure selected for determining each of our named executive officers' bonus for fiscal 2014 was year-over-year growth in our

Table of Contents

non-GAAP pre-tax profit. For purposes of the Executive Bonus Plan, non-GAAP pre-tax profit is defined as our GAAP income before provision for income taxes for fiscal 2014, excluding our fiscal 2014 stock-based compensation expense, acquisition related and other expenses, restructuring expenses and amortization of intangible assets. This performance measure also included an adjustment to increase our GAAP income before provision for income taxes for the full amount of new software licenses and cloud software-as-a-service and platform-as-a-service revenues and support revenues recognized from acquired cloud software subscription contracts and support contracts, respectively, as if the acquired companies had remained independent entities during fiscal 2014. The Compensation Committee believed that growth in non-GAAP pre-tax profits is the most appropriate measure for the Executive Bonus Plan because it is the measure regularly used by our management internally to understand, manage and evaluate our business and make operating decisions.

The bonus formula for each named executive officer, other than Mr. Fowler, was calculated as follows and was subject to an individual bonus cap:

$$\begin{array}{rcccl}
 \text{Individual} & & \text{Growth in} & & \text{Cash} \\
 \text{Bonus} & & \text{Non-GAAP} & & \text{Bonus} \\
 \text{Percentage} & \times & \text{Pre-Tax Profits} & = & \\
 & & \text{from Fiscal 2013} & & \text{Payout} \\
 & & \text{to Fiscal 2014} & &
 \end{array}$$

If our non-GAAP pre-tax profits did not grow from fiscal 2013 to fiscal 2014, then our named executive officers whose bonuses were determined based upon the above pre-established formula would not have received any bonuses under the Executive Bonus Plan even if Oracle had been profitable for fiscal 2014. Further, even where our non-GAAP pre-tax profits grow from year-to-year, if Oracle does not meet our own internal profitability expectations for the fiscal year, the bonuses paid to our named executive officers are typically below their target award opportunities.

Between fiscal 2013 and fiscal 2014, our non-GAAP pre-tax profits grew by approximately \$228 million, which did not meet our own internal expectations. Consequently and consistent with our results-aligned compensation philosophy, the bonus payouts of our named executive officers were well below their target amounts. As described in more detail below under Determination of Executive Compensation Amounts for Fiscal 2014, four of our five named executive officers received only 16% of their target cash bonus opportunities for fiscal 2014.

Mr. Fowler's Target Cash Bonus Opportunity

Mr. Fowler is directly responsible for our hardware systems business. Consistent with our results-aligned compensation philosophy, we structured his target cash bonus opportunity on the operating results of the portion of the business that he manages. We believe the most important factor by which to measure his performance is the year-over-year improvement in hardware systems products revenues relative to his ability to manage effectively the growth in expenses of our hardware systems products development organization that he oversees. Mr. Fowler's target cash bonus opportunity was based on a percentage of the amount by which hardware systems products revenues growth between fiscal 2013 and fiscal 2014 exceeded the expense growth of the organization between fiscal 2013 and fiscal 2014. As the growth in this profitability measure increased, Mr. Fowler's bonus payout would increase.

In fiscal 2014, while our hardware systems business was profitable, the profitability of this business as we measure it did not grow from the prior fiscal year. Therefore for fiscal 2014, Mr. Fowler received no bonus payout (\$0) under the Executive Bonus Plan.

We have not disclosed the specific formula or performance target for Mr. Fowler's target cash bonus opportunity because we believe such disclosure would result in competitive harm to us. Mr. Fowler's bonus formula includes, among other things, expense amounts for our hardware systems products development organization. We do not

Table of Contents

publicly disclose this information and, if disclosed, we believe such information would provide competitors and others with insights into our operational strengths and weaknesses that would be harmful to us.

Base Salary

Base salary represents the only fixed component of the three principal elements of our executive compensation program and is intended to provide a baseline, minimum amount of annual compensation for our named executive officers. When setting base salary levels, the Compensation Committee considers the base salaries paid to named executive officers in comparable positions at the companies in our compensation peer group, Oracle's performance and the individual executive officer's performance.

Perquisites and Other Personal Benefits

Except as described below, in fiscal 2014 we provided our named executive officers with limited perquisites and other personal benefits, each of which the Compensation Committee believes are reasonable and in the best interests of Oracle and its stockholders. The amounts of all perquisites and other personal benefits provided to our named executive officers are reported in the All Other Compensation column of the Summary Compensation Table below.

Residential Security

Our Board of Directors has established a residential security program for the protection of Mr. Ellison requiring him to have a home security system at his primary residence, including security personnel. We require these security measures for Oracle's benefit because of Mr. Ellison's importance to Oracle, and we believe these security costs are appropriate and necessary business expenses. Mr. Ellison paid for the initial procurement, installation and maintenance of the equipment for this system, and we pay for the annual costs of security personnel. The Independence Committee reviews and approves the security personnel budget of this residential security program each year.

Aircraft Use

We allowed certain of our named executive officers to be accompanied by family members or other non-employees during business trips on which they use private aircraft leased by us from a company owned by Mr. Ellison on terms advantageous to Oracle (as further described under Transactions with Related Persons Purchases of Goods and Services included elsewhere in this proxy statement). We lease the entire aircraft for business travel and are not charged for use of the aircraft based on the number of passengers. Therefore, we believe there is no aggregate incremental cost to Oracle as a result of the named executive officers being accompanied by family members when traveling on Oracle business. However, a portion of the aircraft leasing costs attributable to any non-business passengers cannot be deducted by Oracle for corporate income tax purposes. We have disclosed the amount of these incremental lost tax deductions for fiscal 2014 in the footnote accompanying the Summary Compensation Table below.

Pension Benefits or Supplemental Retirement Benefits

During fiscal 2014, other than the 401(k) Plan and our 1993 Deferred Compensation Plan (the Deferred Cash Compensation Plan), we did not provide any pension or retirement benefits to our named executive officers and do not believe that these types of benefits are necessary to further the objectives of our executive compensation program.

We offered the Deferred Compensation Plan to certain employees, including our named executive officers, pursuant to which participants may elect to defer a portion of their base salary and annual performance-based cash bonus. We offer these plans because we believe they are competitive elements of compensation for our named executive officers. For a description of our Deferred Compensation Plan, see Non-qualified Deferred Compensation below.

Table of Contents

Severance and Change-in-Control Benefits

Each of our named executive officers is employed at will. None of our named executive officers has an employment agreement with Oracle that provides for payments or benefits in the event of a termination of employment or in connection with a change-in-control of Oracle.

If Oracle is acquired, equity awards held by all of our employees, including our named executive officers, under our Amended and Restated 2000 Long-Term Equity Incentive Plan will become fully vested only if the equity awards are not assumed or if the equity awards are assumed and the holder's employment is terminated without cause within 12 months after the acquisition (a so-called "double trigger" arrangement). This vesting acceleration provision is provided to all employees who participate in the plan and is not subject to any other material conditions or obligations.

Determination of Executive Compensation Amounts for Fiscal 2014

Factors Used in Setting Fiscal 2014 Compensation for our named executive officers

The Compensation Committee approved the fiscal 2014 compensation for our named executive officers and determined that the amounts of fiscal 2014 compensation disclosed in this proxy statement were appropriate and necessary to reward, retain and motivate our named executive officers based on, among other factors, our executive compensation philosophy and its subjective evaluations of:

the potential future contributions the named executive officer can make to our success, such as in the critical role of executing our business and/or acquisition strategies;

our potential future financial performance in each of our named executive officer's principal areas of responsibility and the degree to which we wish to incentivize him or her;

the named executive officer's past performance;

the named executive officer's experience and level of responsibility;

our retention objectives for the named executive officer;

the growing complexity of our business resulting in increased workloads and responsibilities for our named executive officers, particularly in light of our acquisition strategy;

the named executive officer's expected progress toward goals within his or her area of responsibility;

the appropriate mix of compensation (i.e., short-term versus long-term, fixed versus variable) for the named executive officer; and

Mr. Ellison's strong support for his executive team and his assessment of their potential for future contributions to Oracle. The Compensation Committee does not have a set formula by which it determines which of these factors is more or less important, and the specific factors used and their weighting may vary among individual named executive officers.

Fiscal 2014 Compensation for Mr. Ellison, Chief Executive Officer

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The Compensation Committee deliberated on and ultimately determined and approved Mr. Ellison's compensation based on the collective subjective judgment of its members.

Table of Contents

The Compensation Committee approved the following specific compensation amounts for Mr. Ellison in fiscal 2014 based on our executive compensation philosophy, with an emphasis on our objectives of retaining Mr. Ellison's services and of providing incentives for superior performance. Mr. Ellison was not present when the Compensation Committee took or deliberated over the following actions:

A stock option to purchase 7 million shares of Oracle common stock granted on July 1, 2013, with an exercise price of \$30.11 per share, vesting 25% each year over a period of four years.

A target cash bonus opportunity under the Executive Bonus Plan of \$4.6 million, which was equal to 0.325% multiplied by the growth in our non-GAAP pre-tax profits over the preceding fiscal year. Mr. Ellison's multiplier was determined at the beginning of fiscal 2014 and remained the same percentage as it was in fiscal 2013. Given Oracle's pay-for-performance philosophy and fiscal 2014 growth that did not meet Oracle's own internal expectations, Mr. Ellison received a bonus payment of approximately \$741,000.

Maintained his annual base salary at \$1.

In setting Mr. Ellison's target cash bonus opportunity and stock option award, the Compensation Committee determined that the compensation paid to Mr. Ellison should be greater than that paid to our other named executive officers because he is our CEO with overall responsibility for our business strategy, operations and corporate vision, and he is the company's founder who has guided Oracle for more than 30 years and who the Compensation Committee believes is invaluable to our success going forward. While the Compensation Committee recognizes that Mr. Ellison has a significant equity interest in Oracle, it also believes his annual compensation package is consistent with his visionary drive and active role in our operations, technology, strategy and growth.

Other Named Executive Officers Fiscal 2014 Compensation

For fiscal 2014, Mr. Ellison provided the Compensation Committee with his recommendations with respect to the proposed compensation for our other named executive officers. The Compensation Committee reviewed and gave considerable weight to Mr. Ellison's recommendations because of his direct knowledge of our other named executive officers' performance and contributions. Nonetheless, the Compensation Committee ultimately used the collective subjective judgment of its members to determine the size of each stock option grant, the target cash bonus opportunities and base salaries for our other named executive officers.

Fiscal 2014 Compensation for Ms. Catz, President and Chief Financial Officer

For fiscal 2014, the Compensation Committee approved the following compensation for Ms. Catz:

A stock option to purchase 5 million shares of Oracle common stock granted on July 1, 2013, with an exercise price of \$30.11 per share, vesting 25% each year over a period of four years.

A target cash bonus opportunity under the Executive Bonus Plan of \$2.8 million, which was equal to 0.200% multiplied by the growth in our non-GAAP pre-tax profits over the preceding fiscal year. Ms. Catz's multiplier was determined at the beginning of fiscal 2014 and remained the same percentage as it was in fiscal 2013. Given Oracle's pay-for-performance philosophy and fiscal 2014 growth that did not meet Oracle's own internal expectations, Ms. Catz received a bonus payment of approximately \$456,000.

An annual base salary of \$950,000.

The Compensation Committee determined that Ms. Catz's compensation should be higher than the compensation paid to the other named executive officers (other than Messrs. Ellison and Hurd) in recognition of her significant role and responsibilities with Oracle. As our President, Ms. Catz assists Mr. Ellison with setting our overall business and acquisition strategy and executes that strategy. In addition, as our Chief Financial Officer, Ms. Catz has oversight and responsibility for the accuracy and integrity of our financial results.

Table of Contents

Fiscal 2014 Compensation for Mr. Hurd, President

For fiscal 2014, the Compensation Committee also approved the following compensation for Mr. Hurd:

A stock option to purchase 5 million shares of Oracle common stock granted on July 1, 2013, with an exercise price of \$30.11 per share, vesting 25% each year over a period of four years.

A target cash bonus opportunity under the Executive Bonus Plan of \$2.8 million, which was equal to 0.200% multiplied by the growth in our non-GAAP pre-tax profits over the preceding fiscal year. Mr. Hurd's multiplier was determined at the beginning of fiscal 2014 and remained the same percentage as it was in fiscal 2013. Given Oracle's pay-for-performance philosophy and fiscal 2014 growth that did not meet Oracle's own internal expectations, Mr. Hurd received a bonus payment of approximately \$456,000.

An annual base salary of \$950,000.

The Compensation Committee determined that Mr. Hurd's compensation should be higher than the compensation paid to the other named executive officers (other than Mr. Ellison and Ms. Catz) in recognition of his significant role and responsibilities with Oracle. As our President, Mr. Hurd is responsible for worldwide sales and marketing, consulting, support and Oracle's industry-specific global business units, and he acts as a primary contact for our customers.

Fiscal 2014 Compensation for Mr. Kurian, Executive Vice President, Product Development

For fiscal 2014, the Compensation Committee approved the following compensation for Mr. Kurian:

A stock option to purchase 4 million shares of Oracle common stock granted on July 1, 2013, with an exercise price of \$30.11 per share, vesting 25% each year over a period of four years.

A target cash bonus opportunity under the Executive Bonus Plan of \$2.8 million, which was equal to 0.200% multiplied by the growth in our non-GAAP pre-tax profits over the preceding fiscal year. Mr. Kurian's multiplier was determined at the beginning of fiscal 2014 and remained the same percentage as it was in fiscal 2013. Given Oracle's pay-for-performance philosophy and fiscal 2014 growth that did not meet Oracle's own internal expectations, Mr. Kurian received a bonus payment of approximately \$456,000.

An annual base salary of \$800,000.

In addition to the factors described above, the Compensation Committee approved this compensation package based on its determination that Mr. Kurian makes significant and important contributions to Oracle's overall software development and strategy, especially those related to our Fusion and Cloud products and services.

Fiscal 2014 Compensation for Mr. Fowler, Executive Vice President, Systems

For fiscal 2014, the Compensation Committee approved the following compensation for Mr. Fowler:

A stock option to purchase 2 million shares of Oracle common stock granted on July 1, 2013, with an exercise price of \$30.11 per share, vesting 25% each year over a period of four years.

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A target cash bonus opportunity under the Executive Bonus Plan of \$1.4 million. In fiscal 2014, while our hardware systems business was profitable, the profitability of this business as we measure it did not grow from the prior fiscal year. Therefore, Mr. Fowler received no bonus payout (\$0) for fiscal 2014.

An annual base salary of \$700,000.

Table of Contents

In addition to the factors described above, the Compensation Committee approved this compensation package based on its determination that Mr. Fowler makes significant and important contributions to Oracle's overall hardware systems development and strategy, including our Oracle Engineered Systems products.

Other Factors in Setting Executive Compensation

Compensation Consultant

The Compensation Committee selected and directly engaged Compensia, Inc., a national compensation consulting firm, as its compensation advisor for fiscal 2014 to provide analysis and market data on executive and director compensation matters, both generally and within our industry. Compensia also assisted the Compensation Committee with the design of the new Performance Stock Unit program, with a comparison of our executive compensation policies and practices against a group of peer companies (as identified below) and with reviewing the annual risk assessment of our compensation policies and practices applicable to our named executive officers and other employees. Compensia did not determine or recommend any amounts or levels of our executive compensation for fiscal 2014.

The Compensation Committee recognizes that it is essential to receive objective advice from its external advisors. Consequently, the Compensation Committee is solely responsible for retaining and terminating Compensia, Compensia reports directly to the Compensation Committee and Compensia did not provide any other services to Oracle during fiscal 2014. Our CEO did not meet with representatives of Compensia nor did he consult with management's outside compensation consultant on any of these executive compensation matters for fiscal 2014. The Compensation Committee has determined that the work resulting from Compensia's engagement did not raise any conflicts of interest.

Peer Company Executive Compensation Comparison

While we set overall target compensation significantly above the average compensation level of the selected companies to which we annually compare our executive compensation program, achieving our target compensation levels requires successful performance by our named executive officers, both collectively and individually. While the Compensation Committee considers executive pay information drawn from a group of peer companies (as determined below) and from the Radford 2013 Executive Compensation Survey for comparative purposes when setting executive compensation levels at Oracle, it does not target total compensation or any individual compensation element at a specific level or attempt to attain a specified target percentile within the data drawn from the compensation peer group to determine executive compensation.

The Compensation Committee, in consultation with Compensia, annually establishes a group of peer companies, which are generally in the technology sector, for comparative purposes based on a number of factors, including:

their size and complexity;

their market capitalization;

their competition with us for talent;

the nature of their businesses;

the industries and regions in which they operate; and

the structure of their executive compensation programs (including the extent to which they rely on bonuses and other variable, performance-based compensation) and the availability of information about these programs.

Table of Contents

For fiscal 2014, the companies comprising the compensation peer group consisted of:

Accenture plc	EMC Corporation	Microsoft Corporation
Amazon.com, Inc.	Google Inc.	QUALCOMM Incorporated
Apple Inc.	Hewlett-Packard Company	SAP AG
Cisco Systems, Inc.	Intel Corporation	Texas Instruments Incorporated
Dell Inc.	International Business Machines	
eBay Inc.		

Tax and Accounting Considerations

In evaluating potential compensation alternatives, the Compensation Committee considers the potential impact of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). Section 162(m) of the Code places a limit of \$1 million on the amount of compensation that we may deduct as a business expense in any year with respect to certain of our most highly paid executive officers unless, among other things, such compensation is performance-based and has been approved by stockholders. Generally, we design our executive compensation program, including our Executive Bonus Plan and our stock option grants, to be eligible for deductibility to the extent permitted by Section 162(m) of the Code and the relevant income tax regulations. We may from time to time, however, pay compensation to our named executive officers that may not be deductible if the Compensation Committee believes that doing so is in the best interests of Oracle and our stockholders.

In fiscal 2014, the annual performance cash bonuses paid under the Executive Bonus Plan to our named executive officers and our stock option grants were structured with the intent that they qualify as performance-based compensation for purposes of Section 162(m) of the Code and we expect them to be fully deductible.

Accounting considerations also play a role in the design of our executive compensation program. Accounting rules require us to expense the grant date fair values of our equity awards (that is, the value of our equity awards based on U.S. GAAP), which reduces the amount of our reported profits. Because of this stock-based expensing and the impact of dilution to our stockholders, we closely monitor the number, share amounts and the fair values of the equity awards that are granted each year.

*Other Compensation Policies**Stock Ownership Guidelines*

As discussed in greater detail under the heading Corporate Governance Corporate Governance Guidelines Stock Ownership Guidelines for Directors and Senior Officers included elsewhere in this proxy statement, our executive officers are required to own and hold a specified number of shares of Oracle common stock. Under the Stock Ownership Guidelines, our named executive officers must own the following number of shares of Oracle common stock by 2016:

Title	Minimum Number of Shares
Chief Executive Officer	250,000
Presidents	100,000
Executive Vice Presidents who are Section 16 Officers	50,000
All other Section 16 Officers	10,000

The purpose of the Stock Ownership Guidelines is to more closely align the interests of our executive officers with the interests of our other stockholders through good and bad economic times. In addition, the Stock Ownership Guidelines are designed to strengthen the link between our long-term performance and executive compensation.

Table of Contents

Report of the Compensation Committee of the Board of Directors

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this proxy statement. Based upon this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Submitted by: Bruce R. Chizen, Chair

George H. Conrades

Naomi O. Seligman

Dated: September 21, 2014

Table of Contents**Summary Compensation Table**

The following table provides summary information concerning cash, equity and other compensation awarded to, earned by, or paid to the following named executive officers:

- (i) Lawrence J. Ellison, Chief Executive Officer;
- (ii) Safra A. Catz, President and Chief Financial Officer; and
- (iii) Mark V. Hurd, President; Thomas Kurian, Executive Vice President, Product Development; and John F. Fowler, Executive Vice President, Systems.

Name and Principal Position (1)	Fiscal Year	Salary (\$)	Bonus (2) (\$)	Option Awards (3) (\$)	Non-Equity Incentive Plan	All Other	Total (5) (\$)
					Compensation (\$)	Compensation (4) (\$)	
Lawrence J. Ellison <i>Chief Executive Officer</i>	2014	1		64,979,600	741,384	1,540,266	67,261,251
	2013	1	1,126	76,893,600	1,165,502	1,545,930	79,606,159
	2012	1		90,693,400	3,918,663	1,548,632	96,160,696
Safra A. Catz <i>President and Chief Financial Officer</i>	2014	950,000		36,240,500	456,236	20,014	37,666,750
	2013	950,000		42,620,500	717,232	20,105	44,307,837
Mark V. Hurd <i>President</i>	2012	950,000		48,315,500	2,411,485	18,757	51,695,742
	2014	950,000		36,240,500	456,236	21,942	37,668,678
Thomas Kurian <i>Executive Vice President, Product Development</i>	2013	950,000		42,620,500	717,232	22,074	44,309,806
	2012	950,000		48,315,500	2,411,485	20,638	51,697,623
John F. Fowler <i>Executive Vice President, Systems</i>	2014	800,000		25,444,000	456,236	12,499	26,712,735
	2013	800,000		30,106,000	717,232	12,480	31,635,712
	2012	800,000		33,190,000	2,110,049	11,835	36,111,884
	2014	700,000		12,722,000		18,526	13,440,526
	2013	700,000		15,053,000		19,439	15,772,439
	2012	700,000		16,595,000		18,173	17,313,173

- (1) The titles presented for each named executive officer are as of the end of fiscal year 2014. In September 2014, Mr. Ellison was appointed Executive Chairman and Chief Technology Officer and Ms. Catz and Mr. Hurd were each appointed Chief Executive Officer.
- (2) Mr. Ellison was a named inventor on two US patent applications and, pursuant to Oracle's employee patent award program, received an aggregate payment of \$1,126 as a patent award in fiscal year 2013.
- (3) As required by SEC rules, the amounts reported in this column represent the aggregate grant date fair value of the stock options granted during the relevant fiscal years computed in accordance with FASB ASC 718. These amounts do not reflect whether the recipient has actually realized or will realize a financial benefit from the awards (such as by exercising stock options). Please refer to Compensation Discussion and Analysis Long-term Incentive Compensation Equity Awards included elsewhere in this proxy statement for a discussion of these awards. For information on the valuation assumptions used in these computations, see Note 14 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2014.
- (4) For fiscal 2014, the amounts reported in this column include:

- (a) Company matching contributions under the 401(k) Plan of \$5,100 for Messrs. Hurd and Fowler, and Ms. Catz. Similar to our other employees, named executive officers are eligible to participate in our 401(k) Plan and we match 50% of an eligible salary deferral up to the first 6% of such deferrals, not to exceed \$5,100 in a calendar year and subject to a vesting schedule.

Table of Contents

- (b) Flexible credits used toward cafeteria-style benefit plans, including life insurance and long-term disability benefits, in the amount of \$5,939 for Mr. Ellison, \$14,765 for Ms. Catz, \$16,693 for Mr. Hurd, \$12,350 for Mr. Kurian and \$13,277 for Mr. Fowler.

 - (c) Security-related costs and expenses of \$1,530,610 for Mr. Ellison's residence. Pursuant to a residential security program for Mr. Ellison, as described in Compensation Discussion and Analysis Elements of Our Compensation Program Perquisites and Other Personal Benefits Residential Security, Mr. Ellison is required to have home security. We believe these security costs and expenses are appropriate business expenses.

 - (d) We have hired legal counsel to assist our executives with complying with reporting obligations under applicable laws in connection with their personal political campaign contributions. In fiscal 2014, Mr. Ellison received \$3,717 in services, and Ms. Catz, Mr. Hurd, Mr. Kurian and Mr. Fowler each received \$149 in services.

 - (e) The following may be deemed to be personal benefits for our named executive officers although there was no aggregate incremental cost to us during fiscal 2014: Mr. Ellison was accompanied by family members on an airplane leased by us for business trips. We lease the entire aircraft for business travel and are not charged for use of the aircraft based on the number of passengers. Therefore, we believe there is no aggregate incremental cost as a result of Mr. Ellison being accompanied by family members in fiscal 2014. However, in the interests of transparency, we estimate that this use resulted in a loss of a corporate income tax deduction in the amount of approximately \$97,835 (which is not included in this column) for fiscal 2014.
- (5) Pursuant to SEC guidance, for purposes of determining our named executive officers, for fiscal 2013, the total amount reported in this column for each of Messrs. Ellison and Hurd, and Ms. Catz, includes the amount awarded under our Non-Equity Incentive Plan although each of these named executive officers declined and did not receive his or her award in fiscal 2013. Accordingly, the total compensation each of these named executive officers actually received in fiscal 2013 net of declined bonus was as follows:
- (a) Mr. Ellison \$78,440,657

 - (b) Mr. Hurd \$43,592,574

 - (c) Ms. Catz \$43,590,605

Table of Contents

Equity Awards and Grant Administration

Our Board of Directors has designated the Compensation Committee as the administrator of the Long-Term Equity Incentive Plan and the Directors' Stock Plan. The Compensation Committee, among other things, selects award recipients under the Long-Term Equity Incentive Plan, approves the form of grant agreements, determines the terms and restrictions applicable to the equity awards and adopts sub-plans for particular subsidiaries or locations.

We have a policy of generally granting equity awards on pre-established dates. The Compensation Committee holds regular meetings on a scheduled date each month to consider and approve equity award grants (other than the annual grants described below), including grants to new hires and promoted employees. The Board has also delegated to an executive officer committee the authority to approve grants of stock options to acquire up to 100,000 shares of our common stock to non-executive officers and employees. The Compensation Committee and F&A Committee also monitor the dilution and overhang effects of our outstanding equity awards in relation to the total number of outstanding shares of our common stock. We do not grant equity awards in anticipation of the release of material nonpublic information, and we do not time the release of material nonpublic information based on grant dates.

Because we believe equity awards are an important part of our compensation program, we also grant equity awards on an annual basis to key employees, including our executive officers. The Compensation Committee approves these annual grants during the ten business-day period following the second trading day after the announcement of our fiscal year-end earnings. We implemented this policy in an effort to make our annual grants during the time when potential material information regarding our financial performance is most likely to be available to our stockholders and the market.

Table of Contents**Grants of Plan-Based Awards During Fiscal 2014**

The following table shows equity and non-equity awards granted to our named executive officers during the fiscal year ended May 31, 2014. The equity awards identified in the table below are also reported in the Outstanding Equity Awards at 2014 Fiscal Year-End table.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			All Other Option Awards: Number of Securities Underlying Options (2)	Exercise or Base Price of Option Awards (\$/SH)	Grant Date Fair Value of Option Awards (3)
		Threshold (\$)	Target (\$)	Maximum (\$)			
Lawrence J. Ellison	7/1/13		4,621,279	9,242,558	7,000,000	30.11	64,979,600
Safra A. Catz	7/1/13		2,843,864	5,687,728	5,000,000	30.11	36,240,500
Mark V. Hurd	7/1/13		2,843,864	5,687,728	5,000,000	30.11	36,240,500
Thomas Kurian	7/1/13		2,843,864	5,687,728	4,000,000	30.11	25,444,000
John F. Fowler	7/1/13		1,391,915	2,783,830	2,000,000	30.11	12,722,000

- (1) The target and maximum plan award amounts reported in these columns are derived from our Executive Bonus Plan for fiscal 2014. The actual payout amounts for fiscal 2014 under the Executive Bonus Plan are reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above.
- (2) The stock options reported in this column were granted under our Long-Term Equity Incentive Plan.
- (3) As required by SEC rules, the amounts reported in this column represent the aggregate grant date fair value of the stock options granted during fiscal 2014 computed in accordance with FASB ASC Topic 718. These amounts do not reflect whether the recipient has actually realized or will realize a financial benefit from the awards (such as by exercising stock options). Please refer to Compensation Discussion and Analysis Long-term Incentive Compensation Equity Awards included elsewhere in this proxy statement for a discussion of these awards. For information on the valuation assumptions used in these computations, see Note 14 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2014.

Table of Contents**Outstanding Equity Awards at 2014 Fiscal Year-End**

Our equity incentive program for our named executive officers consisted exclusively of stock options through fiscal 2014. The following table provides information on the stock options of our named executive officers as of May 31, 2014. This table includes all outstanding, unexercised and unvested stock options. Each outstanding stock option is shown separately for each named executive officer.

	Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Option Awards (1)		
				Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date
Lawrence J. Ellison		07/01/13		7,000,000	30.11	07/01/23
		07/05/12	1,750,000	5,250,000	29.72	07/05/22
		06/29/11	3,500,000	3,500,000	32.43	06/29/21
		07/01/10	5,250,000	1,750,000	21.55	07/01/20
		07/02/09	7,000,000		21.04	07/02/19
		07/03/08	7,000,000		20.73	07/03/18
		07/05/07	7,000,000		20.49	07/05/17
		07/06/06	3,800,000		14.57	07/06/16
Safra A. Catz		07/01/13		5,000,000	30.11	07/01/23
		07/05/12	1,250,000	3,750,000	29.72	07/05/22
		06/29/11	2,500,000	2,500,000	32.43	06/29/21
		07/01/10	3,750,000	1,250,000	21.55	07/01/20
		07/02/09	5,000,000		21.04	07/02/19
		07/03/08	5,000,000		20.73	07/03/18
		07/05/07	4,000,000		20.49	07/05/17
		07/06/06	4,000,000		14.57	07/06/16
Mark V. Hurd		07/01/13		5,000,000		