

ORACLE CORP /DE/
Form DEF 14A
September 10, 2004

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

Oracle Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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(3) Filing Party:

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500 Oracle Parkway

Redwood City, California 94065

September 10, 2004

To our Stockholders:

You are cordially invited to attend the 2004 Annual Meeting of Stockholders of Oracle Corporation. Our Annual Meeting will be held on Friday, October 29, 2004, at 10:00 a.m., in the Oracle Conference Center, located at 350 Oracle Parkway, Redwood City, California.

We describe in detail the actions we expect to take at our Annual Meeting in the attached Notice of 2004 Annual Meeting of Stockholders and proxy statement.

Included with this proxy statement is a copy of our Annual Report on Form 10-K for fiscal year 2004. We encourage you to read the Form 10-K. It includes information on our operations, markets, products and services, as well as our audited financial statements.

Please use this opportunity to take part in our affairs by voting on the business to come before this meeting. **Whether or not you plan to attend the meeting, please complete, sign, date and return the accompanying proxy in the enclosed postage-paid envelope or vote electronically via the Internet or telephone.** See "How Do I Vote?" in the proxy statement for more details. Returning the proxy or voting electronically 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, we invite you to watch the proceedings via webcast by going to <http://www.oracle.com/investor>.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Lawrence J. Ellison
Chief Executive Officer

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500 Oracle Parkway

Redwood City, California 94065

NOTICE OF 2004 ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE	10:00 a.m. on Friday, October 29, 2004
PLACE	Oracle Conference Center 350 Oracle Parkway Redwood City, CA 94065
LIVE WEBCAST	Available on our web site at http://www.oracle.com/investor , starting at 10:00 a.m., Pacific time, on Friday, October 29, 2004.
ITEMS OF BUSINESS	<ol style="list-style-type: none">(1) To elect a Board of Directors to serve for the ensuing year.(2) To approve the adoption of the Fiscal Year 2005 Executive Bonus Plan.(3) To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2005.(4) To approve the Amended and Restated 2000 Long-Term Equity Incentive Plan.(5) To consider a stockholder proposal on the adoption of the China Business Principles for Rights of Workers in China.(6) To transact such other business as may properly come before the meeting and any adjournment or postponement thereof.
RECORD DATE	In order to vote, you must be a stockholder at the close of business on September 2, 2004.
PROXY VOTING	It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the proxy card or voting instruction card sent to you. You also have the option of voting your shares on the Internet or by telephone. Voting 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 meeting by following the instructions in the proxy statement.

Daniel Cooperman
Senior Vice President, General Counsel & Secretary
September 10, 2004

ORACLE CORPORATION

2004 ANNUAL MEETING

PROXY STATEMENT

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PROXY STATEMENT

September 10, 2004

We are providing these proxy materials in connection with Oracle Corporation's 2004 Annual Meeting of Stockholders. This proxy statement, the accompanying proxy card or voter instruction card and our 2004 Annual Report on Form 10-K were first mailed to stockholders on or about September 16, 2004. 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 2004 Annual Meeting of Stockholders.

What is the purpose of the Annual Meeting?

You will be voting on:

Election of directors;

Approval of the Fiscal Year 2005 Executive Bonus Plan;

Ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2005;

Approval of the Amended and Restated 2000 Long-Term Equity Incentive Plan;

A stockholder proposal; and

Any other business that may properly come before the meeting.

What are the Board of Directors' recommendations?

The Board recommends a vote:

for the election of directors;

for the approval of the adoption of the Fiscal Year 2005 Executive Bonus Plan;

for the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2005;

for the approval of the Amended and Restated 2000 Long-Term Equity Incentive Plan;

against the adoption of the China Business Principles for Rights of Workers in China; and

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

Who is entitled to vote at the Annual Meeting?

The Board of Directors set September 2, 2004, 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 2, 2004, may attend and vote at the Annual Meeting.

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How many votes do I have?

You will have one vote for each share of Oracle's common stock you owned at the close of business on the record date, provided those shares are 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 stockholders of Oracle hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record. If your shares are registered directly in your name with Oracle's transfer agent, Equiserve, you are considered the stockholder of record with respect to those shares, and these proxy materials are being sent directly to you by Oracle. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting. We have enclosed a proxy card for you to use.

Beneficial Owner. 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 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 proxy from your broker, bank or nominee. 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 5,127,911,703 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 Oracle's outstanding shares as of the record date must be present 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 are present and vote in person at the Annual Meeting 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 and adopt the other proposals?

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 or by proxy) will be elected; nominees do not need to receive a majority to be elected. 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. Your shares will be counted for purposes of determining whether there is a quorum, but it will have no effect on the election of those nominees.

The approval of the Fiscal Year 2005 Bonus Plan, the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm and the approval of the Amended and Restated 2000 Long-Term Equity Incentive Plan and the stockholder proposal each requires the affirmative vote of a *majority* of the shares of Oracle common stock represented at the Annual Meeting and entitled to vote thereon in order to

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be approved. If you abstain from voting on any of these matters, your shares will be counted as present and entitled to vote for purposes of establishing a quorum, and the abstention will have the same effect as a vote *against* that proposal.

What if I don't vote for some of the items listed on my proxy card or voting instruction card?

If you return your signed proxy card or voting instruction card in the enclosed envelope but do not mark selections, it will be voted in accordance with the recommendations of the Board of Directors. If you indicate a choice with respect to any matter to be acted upon on your proxy card or voting instruction card, the shares will be voted in accordance with your instructions.

If you are a beneficial owner and hold your shares in street name through a broker and do not return the voting instruction card, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under applicable rules, brokers have the discretion to vote on routine matters, such as the uncontested election of directors and ratification of the selection of accounting firms, but do not have discretion to vote on non-routine matters, such as bonus plans, amendments to stock option plans and stockholder proposals opposed by management.

If you do not provide voting instructions to your broker and the broker has indicated on the proxy card 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 will not be considered as entitled to vote with respect to that proposal. Broker non-votes are not counted in the tabulation of the voting results with respect to the election of directors or 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 a majority of the votes cast (such as an amendment to a stock option plan). With respect to a proposal that requires a majority of the outstanding shares (such as an amendment to the certificate of incorporation), however, a broker non-vote has the same effect as a vote against the proposal (there are no such proposals at this Annual Meeting).

Can I change or revoke my vote after I return my proxy card?

Yes. Even if you sign the proxy card or voting instruction card in the form accompanying this proxy statement, vote by telephone or vote on the Internet, you retain the power to revoke your proxy or change your vote. You can revoke your proxy or change your vote at any time before it is exercised by giving written notice to the Secretary of Oracle, specifying such revocation. You may change your vote by timely delivery of a valid, later-dated proxy or a later-dated vote by telephone or on the Internet or by voting by ballot at the Annual Meeting.

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

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

Who can attend the Annual Meeting?

All stockholders as of the record date, or their duly appointed proxies, may attend. Each stockholder may also bring one guest to the meeting if there is space available.

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

In order to be admitted to the Annual Meeting, a stockholder must present an admission ticket or proof of ownership of Oracle stock on the record date. Any holder of a proxy from a stockholder must present the proxy

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card, properly executed, and an admission ticket to be admitted. Stockholders and proxyholders must also present a form of photo identification such as a driver's license.

An admission ticket is on the back cover page of your proxy statement. If you plan to attend the Annual Meeting, please keep this ticket and bring it with you to the Annual Meeting. If you receive this proxy statement electronically, you can obtain a ticket in advance of the Annual Meeting by printing the final page of this proxy statement. If a stockholder does not bring an admission ticket, proof of ownership of Oracle stock on the record date will be needed to be admitted. If your shares are held in the name of a bank, broker or other holder of record, a brokerage statement or letter from a bank or broker is an example of proof of ownership.

Admission to the Annual Meeting will begin at 9:00 a.m. Seating will be limited. **In order to ensure that you are seated by the commencement of the Annual Meeting at 10:00 a.m., we recommend you arrive early.**

The Annual Meeting will be held at 350 Oracle Parkway, Redwood City, California. When you arrive here, signs will direct you to the appropriate meeting rooms. Please note that due to security reasons, all bags will be subject to search, and all persons who attend the meeting will be required to pass through a metal detection monitor. We will be unable to admit anyone who does not comply with these security procedures. Cameras and other recording devices will not be permitted in the meeting rooms.

Can I watch the Annual Meeting on the Internet?

Yes, our Annual Meeting also will be webcast on October 29, 2004. You are invited to visit <http://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 through November 5, 2004.

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

We will bear the expense of printing and mailing proxy materials. In addition to this solicitation of proxies by mail, our directors, officers and other employees may solicit proxies by personal interview, telephone, facsimile or email. 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 material 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 hired MacKenzie Partners, Inc. to distribute and solicit proxies. We will pay MacKenzie a fee of \$12,500, plus reasonable expenses, for these services.

How can I access Oracle's proxy materials and annual report electronically?

The proxy statement and our 2004 Annual Report on Form 10-K are available on our website at <http://www.oracle.com/investor>. Instead of receiving copies of Oracle's future annual reports and proxy materials by mail, stockholders can elect to receive an email that will provide electronic links to these documents. Opting to receive your future proxy materials online will save us the cost of producing and mailing documents to your home or business and also will give you an electronic link to the proxy voting site. See <http://www.oracle.com/investor> to enroll for electronic delivery.

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 this meeting for ten days prior to the meeting for any purpose relevant to the meeting. This list can be viewed between the hours of 9:00 a.m. and 5:00 p.m. at our principal executive offices at 500 Oracle Parkway, Redwood City, California. Please contact Oracle's Secretary to make arrangements.

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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 our Quarterly Report on Form 10-Q for the quarter ending November 30, 2004, which we will file with the SEC. We will also post the results of the voting on our website at http://www.oracle.com/corporate/investor_relations/ProxyResults.html. After the Form 10-Q 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, Oracle Corporation, 500 Oracle Parkway, Redwood City, California 94065 or by sending an email to investor.us@oracle.com.

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

Stockholders may contact Oracle's transfer agent, Equiserve, by calling 877-282-1168 or writing to Equiserve, P.O. Box 43023, Providence, Rhode Island, 02940-3023, or visit their website at www.equiserve.com to get more information about these matters.

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HOW DO I VOTE ?

Your vote is important. You may vote by telephone, on the Internet, 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. **Telephone and Internet voting facilities are available now, will be available 24 hours a day and will close at 8:59 p.m., Pacific time, on October 28, 2004.**

Vote by Telephone

You can vote by calling the toll-free telephone number on your proxy card. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

Vote on the Internet

You also can choose to vote on the Internet. The web site for Internet voting is <http://www.proxyvote.com>. As with telephone voting, you can confirm that your instructions have been properly recorded. If you vote on the Internet, you also can request electronic delivery of future proxy materials. If you vote on the Internet, please note that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, that you will be responsible for.

Vote by Mail

If you choose to vote by mail, simply mark your proxy, date and sign it, and return it to ADP Investor Communications Services in the postage-paid envelope provided. If the envelope is missing, please mail your completed proxy card to Oracle Corporation, c/o ADP Investor Communications Services, 51 Mercedes Way, Edgewood, NJ 11717.

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 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 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 represented by the proxy cards received, properly marked, dated, signed and not revoked, will be voted at the Annual Meeting. If you sign and return your proxy card or voting instruction card but do not give voting instructions, the shares represented by that proxy card or voting instruction card will be voted as recommended by the Board of Directors.

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BOARD OF DIRECTORS

Incumbent Directors

Information concerning our incumbent directors, all of whom have been nominated for election at the Annual Meeting, is set forth below.

Jeffrey O. Henley, 59, has served as the Chairman of the Board since January 2004 and as a director since June 1995. Mr. Henley served as an Executive Vice President and Chief Financial Officer from March 1991 to July 2004. Mr. Henley has been a member of the Executive Committee since July 1995. Prior to joining us, he served as Executive Vice President and Chief Financial Officer of Pacific Holding Company, a privately-held company with diversified interests in manufacturing and real estate, from August 1986 to February 1991.

Lawrence J. Ellison, 60, has been Chief Executive Officer and a director since he founded Oracle in June 1977. Mr. Ellison served as Chairman of the Board from May 1995 to January 2004 and from May 1990 to October 1992 and President from May 1978 to July 1996. Mr. Ellison has been a member of the Executive Committee since December 1985.

Donald L. Lucas, 74, has served as a director since March 1980. He has been a member and Chairman of the Executive Committee since December 1985, a member of the Finance and Audit Committee (the F&A Committee) since December 1982 and Chairman of the F&A Committee since 1987. Mr. Lucas has been a member of the Committee on Compensation and Management Development (the Compensation Committee) since October 1992, a member of the Nomination & Governance Committee (the Governance Committee) since December 1996, a member of the Independent Committee for Review of Interested Transactions (the Independent Committee) since October 1999 and a member of the Acquisition Committee (the Acquisition Committee) since June 2003. He was Chairman of the Board from October 1980 to May 1990. He has been a self-employed venture capitalist since 1960. He also serves as a director of Cadence Design Systems, Inc., Macromedia, Inc., and PDF Solutions, Inc.

Michael J. Boskin, 58, has served as a director since April 1994. He has been a member of the F&A Committee and the Governance Committee since July 1994, a member of the Compensation Committee since July 1995 and a member of the Acquisition Committee since June 2003. He served on the Independent Committee from October 1999 to July 2003. He was elected Chairman of the Compensation Committee by the Board in July 1997 and Chairman of the Governance Committee in October 2001. Dr. Boskin is the Tully M. Friedman Professor of Economics and Hoover Institution Senior Fellow at Stanford University, where he has been on the faculty since 1971. He is Chief Executive Officer 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 serves as a director of Exxon Mobil Corporation, First Health Group Corp. and Vodafone Group, PLC.

Jack F. Kemp, 69, has served as a director since December 1996 and previously served as a director of Oracle from February 1995 until September 1996. Mr. Kemp has been a member of the Independent Committee since July 2003. Mr. Kemp has been a Co-Chairman of FreedomWorks Empower America, a non-profit grassroots advocacy organization, since July 2004. From January 1993 until July 2004, Mr. Kemp was Co-Director of Empower America, which merged with Citizens for a Sound Economy to form FreedomWorks in July 2004. Mr. Kemp served as a member of Congress for 18 years and as Secretary of Housing and Urban Development from February 1989 until January 1993. In 1996, Mr. Kemp was the Republican candidate for Vice President of the United States. Mr. Kemp also serves as a director of Hawk Corporation and IDT Corporation.

Jeffrey S. Berg, 57, has served as a director since February 1997. He has been a member of the Compensation Committee and the Governance Committee since October 2001. He served on the F&A Committee from

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April 1997 to October 2001. Mr. Berg has been an agent in the entertainment industry for over 35 years and the Chairman and Chief Executive Officer of International Creative Management, Inc., a talent agency for the entertainment industry, since 1985. 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 on the Board of Trustees of the Anderson School of Management at the University of California at Los Angeles. Mr. Berg also serves as a director of Leapfrog Enterprises, Inc.

Safra Catz, 42, has been a President since January 2004 and has served as a director since October 2001. She served as an Executive Vice President from November 1999 to January 2004 and Senior Vice President from April 1999 to October 1999. Prior to joining us, Ms. Catz was employed by Donaldson, Lufkin & Jenrette, a global investment bank, where she was a Managing Director from February 1997 to March 1999.

Hector Garcia-Molina, 50, has served as a director since October 2001. Mr. Garcia-Molina has been a member of the Special Litigation Committee since February 2002. 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 has served as Chairman of the Department of Computer Science since January 2001. 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. Mr. Garcia-Molina also serves as a director of Kintera Inc.

Joseph A. Grundfest, 52, has served as a director since October 2001. Mr. Grundfest has been a member and Vice Chairman of the F&A Committee since October 2001, a member of the Special Litigation Committee since February 2002 and its Chairman since January 2003 and a member of the Acquisition Committee since June 2003. He served on the Independent Committee from January 2002 to July 2003. He is the William A. Franke Professor of Law and Business at Stanford Law School, where he has been on the faculty since January 1990. Prior to coming to Stanford, Mr. Grundfest was a Commissioner of the SEC from 1985 until 1990.

H. Raymond Bingham, 58, has served as a director and a member of the F&A Committee since November 2002. Mr. Bingham has been a member and Chairman of the Independent Committee since July 2003. Mr. Bingham is Executive Chairman of the Board of Directors of Cadence Design Systems, Inc., a supplier of electronic design automation software and services, and has served as a director of Cadence since November 1997. Prior to becoming Executive Chairman, he served as President and Chief Executive Officer of Cadence from April 1999 to May 2004 and as Executive Vice President and Chief Financial Officer from April 1993 to April 1999. Before joining Cadence in 1993, Mr. Bingham served, for eight years, as Executive Vice President and Chief Financial Officer for Red Lion Hotels, Inc., where he was also responsible for corporate business development. Mr. Bingham also serves as a director of KLA Tencor Corporation, Onyx Software Corporation and Freescale Semiconductor, Inc.

Charles E. Phillips, Jr., 45, has been a President and has served as a director since January 2004. He served as Executive Vice President, Strategy, Partnerships and Business Development from May 2003 to January 2004. Prior to joining us, Mr. Phillips was at Morgan Stanley & Co., Incorporated, a global investment bank, where he was a Managing Director from November 1995 to May 2003 and a Principal from December 1994 to November 1995. From 1986 to 1994, Mr. Phillips worked at various investment banking firms on Wall Street. Prior to that, Mr. Phillips served as a Captain in the United States Marine Corps as an information technology officer.

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 Officer,

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Presidents, Chief Financial Officer, 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 of Directors met four times at regularly scheduled meetings and ten times at special meetings during fiscal year 2004. During that same period, the Board acted three times by unanimous written consent. Each director attended at least 75% of all Board meetings in fiscal year 2004 held after becoming a director.

Committees, Membership and Meetings

The current standing committees of the Board are the Executive Committee, the Finance and Audit Committee, the Nomination & Governance Committee, the Committee on Compensation and Management Development and the Independent Committee for Review of Interested Transactions. The Board has also formed an Acquisition Committee. The table below provides current membership and fiscal year 2004 meeting and consent information for each such Board committee. In fiscal year 2004, each committee member attended at least 75% of the total meetings of the Board of Directors and board committees of which he was a member.

<u>Name</u>	<u>Executive</u>	<u>F&A</u>	<u>Governance</u>	<u>Compensation</u>	<u>Independent</u>	<u>Acquisition</u>
Lawrence J. Ellison	M					
Jeffrey Berg			M	M		
H. Raymond Bingham		M			C	
Michael J. Boskin		M	C	C		M
Safra Catz						
Hector Garcia-Molina						
Joseph A. Grundfest		VC				M
Jeffrey O. Henley	M					
Jack F. Kemp					M	
Donald L. Lucas	C	C	M	M	M	M
Charles E. Phillips, Jr.						
2004 Meetings	1	12	5	5	3	6
2004 Written Consents	3	1	0	18	7	0
M Member						
C Chair						
VC Vice Chair						

The Executive Committee

Unless otherwise specified by the Board of Directors, the Executive Committee is generally vested with all the powers of the Board, except that the Executive Committee cannot take action beyond certain financial limits, dissolve Oracle, sell all or substantially all of Oracle's assets, merge Oracle with another company where Oracle is not the surviving entity, amend Oracle's bylaws or take any other action not permitted to be delegated to a committee under Delaware law or Oracle's Bylaws.

The Finance and Audit Committee

The primary function of the F&A Committee is to provide advice with respect to financial matters and to assist the Board of Directors in fulfilling its oversight responsibilities regarding audit, finance, accounting, tax

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and legal compliance. In particular, the F&A Committee is responsible for overseeing the engagement, independence, and services of our independent auditors. The F&A Committee also serves to:

Act as an independent and objective party to monitor our financial reporting process and internal control system;

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, as well as our compliance with laws and regulations and Oracle's Code of Ethics and Business Conduct; and

Provide an open avenue of communication between the Board of Directors and the independent auditors, financial and senior management, legal counsel and the internal audit department.

The F&A Committee held executive sessions with our independent auditors on five occasions in fiscal year 2004. The F&A Committee operates under a written charter adopted by our Board of Directors. 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 under Investor Relations Corporate Governance at <http://www.oracle.com/investor>.

The Board has determined that each member of the F&A Committee is an independent director as defined in the NASDAQ listing standards and satisfies the SEC's additional independence requirement for members of audit committees. In addition, the Board has determined that Donald L. Lucas and H. Raymond Bingham qualify as audit committee financial experts as defined by the SEC rules.

The Nomination & Governance Committee

The Governance Committee is tasked with monitoring corporate governance matters, including leading the Board in its periodic review of the composition and performance of the Board and its committees, overseeing our Corporate Governance Guidelines and board committee charters and periodically reviewing the independence of each non-management director as defined by NASDAQ listing standards. The Governance Committee also functions to consider and recommend qualified candidates for election as directors of Oracle. The Governance Committee charter is posted on our website under Investor Relations Corporate Governance at <http://www.oracle.com/investor>.

The Committee on Compensation and Management Development

The functions of the Compensation Committee are to:

Review and set the compensation of our Chief Executive Officer and certain of our most highly compensated officers, including salary, bonuses, stock options and other compensation;

Administer our stock plans and approve stock option awards; and

Oversee the career development of senior management.

The Compensation Committee charter is posted on our website under Investor Relations Corporate Governance at <http://www.oracle.com/investor>.

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The Independent Committee for Review of Interested Transactions

The Independent Committee is charged with reviewing and approving individual transactions, or a series of related transactions, involving amounts in excess of \$60,000 between Oracle (or any of our subsidiaries) and any of our affiliates. The Independent Committee's efforts are intended to ensure that each proposed related party transaction is on terms that are reasonable and fair to us. If any member of the Independent 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. In April 2004, the role of the Independent Committee was expanded to encompass the monitoring of related party relationships as well as reviewing proposed transactions and other matters for potential conflicts of interest and possible corporate opportunities in accordance with our Conflict of Interest Policy for senior officers and directors. The Independent Committee charter is posted on our website under Investor Relations Corporate Governance at <http://www.oracle.com/investor>.

The Acquisition Committee

The Acquisition Committee was originally formed as a special committee in June 2003 to review, consider and approve changes to the terms, other than the offer price, of the tender offer for PeopleSoft, Inc. In December 2003, the scope of this committee's responsibilities was expanded to include providing input to management with respect to other proposed acquisitions of sufficient size or importance to warrant close review by the Board of Directors.

Director Compensation

Our directors play a critical role in guiding Oracle's strategic direction and overseeing the management of Oracle. Recent developments in corporate governance and financial reporting have resulted in an increased demand for such highly qualified and productive public company directors.

The many responsibilities and risks and the substantial time commitment of being a director of a public company require that we provide adequate incentives for our directors' continued performance by paying compensation commensurate with our directors' workload and opportunity costs. Our non-employee 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. Annual cash retainers and formula stock option grants to the non-employee directors are intended to correlate to the responsibilities of each such director.

Our employee directors, Messrs. Ellison, Henley and Phillips and Ms. Catz, receive no separate compensation to serve as directors of Oracle.

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For fiscal year 2005, commencing June 1, 2004, each of our non-employee directors will receive (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	\$ 20,000
Governance Committee	\$ 15,000
Independent Committee	\$ 15,000
Executive Committee	
Acquisition Committee	
Additional Annual Retainers for Committee Chairs:	
F&A Committee	\$ 25,000
F&A Committee (Vice Chair)	\$ 25,000
Compensation Committee	\$ 20,000
Governance Committee	\$ 15,000
Independent Committee	\$ 15,000
Executive Committee	\$ 20,000
Acquisition Committee	
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 Earnings Review Meeting	\$ 2,000
Compensation Committee	\$ 2,000
Governance Committee	\$ 2,000
Independent Committee	\$ 2,000
Executive Committee	\$ 2,000
Acquisition Committee	\$ 2,000

Special Litigation Committee. Mr. Grundfest and Mr. Garcia-Molina, the members of the Special Litigation Committee, were paid for 29.5 and 4.0 hours, respectively, for services during fiscal year 2004 relating to the derivative actions filed against Oracle (see *Legal Actions Involving Management* on page 31 of this proxy statement for a description of such actions). We pay Mr. Grundfest and Mr. Garcia-Molina an hourly rate of \$250 for time spent on such matters.

Directors' Equity Compensation

Non-employee directors also participated in our Amended and Restated 1993 Directors' Stock Plan (the *Directors' Plan*) which provides for option grants, restricted stock or other equity-based awards to directors for their services. The *Directors' Plan* provides for the following grants of options to purchase our common stock to each non-employee director:

- (a) Options to purchase 60,000 shares of our common stock, granted as of the date an individual becomes a director; and

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- (b) Options to purchase 30,000 shares of our common stock, granted in May of each year, provided such director has served on the Board for at least six months as of the date of the grant.

Set forth below are the number of shares underlying additional annual grants of options made to non-employee directors who also serve as the Chair or Vice Chair of certain committees of the Board. Each of these grants is made in May to the director who, as of the date of grant, had served in the relevant capacity for one year (or six months for Vice Chair of the F&A Committee).

F&A Committee Chair	30,000 shares
F&A Committee Vice Chair	20,000 shares
Compensation Committee Chair	20,000 shares
Governance Committee Chair	10,000 shares
Executive Committee Chair	10,000 shares

Non-Employee Director Compensation Table

The following table sets forth the total cash and equity compensation paid to our non-employee directors for their service on our Board and committees of the Board during fiscal years 2004 and 2003:

Director	Fiscal Year	Cash(1)	Equity Awards(2)(3)
Jeffrey Berg	2004	\$ 109,000	30,000
	2003	\$ 76,000	40,000
H. Raymond Bingham	2004	\$ 134,804	30,000
	2003	\$ 44,297	120,000(4)
Michael Boskin	2004	\$ 225,598	60,000
	2003	\$ 192,000	80,000
Hector Garcia-Molina	2004	\$ 67,000	30,000
	2003	\$ 90,313	40,000
Joseph Grundfest	2004	\$ 174,571	50,000
	2003	\$ 270,874	60,000
Jack Kemp			