

Oracle UK Pension Plan - Schedule of Contributions

Status

This Schedule of Contributions has been prepared by the Trustee of the Oracle UK Pension Plan (the Plan), after obtaining the advice of the Scheme Actuary appointed by the Trustee. This document follows the actuarial valuation of the Plan as at 31 May 2019, which revealed a funding shortfall (technical provisions minus value of assets) of £308m. It has been agreed by the sponsoring employer, Oracle Corporation UK Limited (the Employer).

This Schedule replaces the existing schedule of contributions dated 10 May 2019 and is effective from 31 October 2020.

Contributions to be paid by the Employer

In respect of the future accrual of benefits

The Pensions Underpin ceased future accrual of benefits on 31 May 2004, although current Oracle employees who were members of the Plan at that date have their benefits linked to their current salaries. There are no contributions in respect of future service.

Payments to the escrow in respect of the shortfall in funding as set out in the Recovery Plan dated

The Employer and Trustee have agreed as part of the 2019 actuarial valuation that the Employer will make payments in respect of the funding shortfall into an escrow arrangement as follows:

Period for which the payment relates	Amount
31 October 2020 – 30 May 2024	£1,250,000 per month for the 3 years and 7 months from 31 October 2020 to 30 May 2024 payable no later than the last business day in each calendar month following the month to which the contribution relates.
31 May 2024 – 30 May 2029	£2,916,667 per month for the 5 years (ie 60 months) from 31 May 2024 to 30 May 2029 payable no later than the last business day in each calendar month following the month to which the contribution relates.

In addition, since the date of the valuation but prior to the start of the period covered by this Schedule of Contributions, the Employer paid £6,250,000 in July 2020 to the escrow arrangement in respect of the funding shortfall.

The terms of the escrow arrangement are set out in the "Revised Funding Deed in relation to the Escrow Arrangement" dated _____ (the Revised Funding Deed). Future payments due to the escrow arrangement can be reduced by any contributions paid to the escrow arrangement by the Employer since 31 October 2020 which are in excess of the amounts stated above.

In respect of expenses

The Employer will pay the expenses of running the Plan directly, including any levies payable to the Pension Protection Fund or the Pensions Regulator with the following exceptions:

- The Trustee may determine that any expenses which are in isolation under £30,000 will be paid directly from the Plan subject to the total of such expenses paid since 1 June 2020 being less than £200,000 in aggregate
- The Trustee may determine that any annual management charges in respect of assets held in the escrow arrangement may be paid directly from the Plan if they cannot be paid from the escrow arrangement

In respect of augmentations

If any augmentations are made, supplementary Employer contributions will be payable equal to the cost as advised to the Trustee by the Scheme Actuary.

Payments to the Plan in respect of the shortfall in funding as set out in the Recovery Plan dated

As part of the 31 May 2019 actuarial valuation, the Employer has separately agreed to make payments in respect of the funding shortfall into the Plan as follows:

Period for which the payment relates	Amount
31 October 2020 – 30 May 2024	£1,666,667 per month for the 3 years and 7 months from 31 October 2020 to 30 May 2024 payable no later than the last business day in each calendar month following the month to which the contribution relates.

In addition, since the date of the valuation, the Employer has paid £10,000,000 over the year to 31 May 2020 in monthly instalments to the Plan in respect of the funding shortfall (as an alternative to, and reducing, payments due to the escrow arrangement under the schedule of contributions dated 10 May 2019). The Employer has also paid £8,333,333 to the Plan for the period from 31 May 2020 to 30 October 2020 in respect of the funding shortfall.

Payments due to the Plan (or, after 30 May 2024, to the escrow) can be reduced by any contributions paid directly to the Plan by the Employer since 31 October 2020 which are in excess of the amounts stated above, except that payments payable by the Employer:

- a) in respect of augmentations
- b) made under the indemnity provisions in the Plan rules,

are payable in addition to the amounts set out in the table above.

For the avoidance of doubt, any payments made to the Plan from 31 May 2020 under this Schedule (and including the payments of £8,333,333 referred to above) have been, or will, in the first instance be used to offset the amount of £29,933,339 due from the escrow arrangement to the Plan which arose following the 2018 and 2019 Annual Reviews.

Trustee Reserve Account (TRA) top up payments

To ensure that the Plan can meet its cashflow requirements, the Trustee and the Employer have agreed that if the amount in the TRA (as defined in the Revised Funding Deed) goes below £2m (as determined by the Trustee from the weekly updates received from the investment manager) the Employer is required to authorise a transfer payment of £2m from the escrow arrangement to the Plan within 10 working days of notification that a payment is required.

Final Test Date contribution from the escrow arrangement

The "Final Test Date" in the Revised Funding Deed is 31 May 2029. In accordance with the Revised Funding Deed, at the Final Test Date the Trustee may require the transfer of escrow monies to the Plan, up to a maximum of the deficit calculated using Technical Provisions assumptions as at that date (or the balance of the escrow arrangement at that date, if lower), provided that it has first entered into good faith discussions with the Employer about whether a lower amount can instead be transferred to the Plan to cover the shortfall in the TRA due to retirements, early retirements and transfers-out during the next three years. The Revised Funding Deed contains further details regarding the nature and timing of the calculations at the Final Test Date and the good faith discussions.

Guarantee from Oracle Corporation (as amended and restated by a deed dated 6 March 2019) (the "Guarantee")

Any amounts demanded or paid under the Guarantee will no longer be due from the Employer under this Schedule.

This Schedule has been agreed by the Trustee and the Employer. Changes can be made to this Schedule of Contributions with the agreement of the Trustee and the Employer.

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Signed on behalf of the Trustee of the Oracle UK Pension Plan

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Date

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Signed on behalf of Oracle Corporation UK Limited

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Date