

# Oracle UK Pension Plan - Recovery Plan

## Status

This Recovery Plan 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).

## Steps to be taken to ensure that the Statutory Funding Objective is met

To eliminate this funding shortfall, the Trustee and the Employer have agreed that additional contributions (i.e. contributions in addition to those needed to cover the expenses of the Plan) will be made, with part of the funding shortfall being made good by additional investment returns.

### Payments to the escrow in respect of the shortfall in funding

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.
1 June 2024 – 31 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, 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.

### Payments to the Plan in respect of the shortfall in funding

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.

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

### 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.

### Period in which the Statutory Funding Objective should be met

The funding shortfall is expected to be eliminated in 10 years and 11 months from the valuation date, which is by 30 April 2030. This is 11 months after the Final Test Date, which reflects the period within which the escrow monies must be transferred to the Plan if the Plan is in deficit at the Final Test Date. The Revised Funding Deed contains further details regarding the process to be adopted at the Final Test Date.

This expectation is based on the following assumptions:

- Technical Provisions calculated according to the method and assumptions set out in the Statement of Funding Principles dated \_\_\_\_\_; and
- Plan experience will be in line with the assumptions underlying the Technical Provisions, except that the investment return during the period covered by this Recovery Plan will be 5.2% pa on Core Contributions (including contributions in respect of the funding shortfall) to which the Pensions Underpin applies.
- Contributions to the Plan and the escrow arrangement in respect of the period from 1 June 2019 to 31 October 2020 were paid as described in the relevant sections above.

### This statement has been agreed by the Trustee and 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