



Certified: --

E-71-22

Filed with the Clerk of the Nassau County
Legislature on June 16, 2022 1:11pm

NIFS ID: CLIT22000001

Capital:

Contract ID #: CFIT09000001

NIFS Entry Date: 02/09/2022

Department: Information Technology

Service: ERP PeopleSoft Software Maintenance

Term: from 05/29/2009 to 05/31/2024

Contract Delayed: X

Slip Type: Amendment		
CRP:		
Time Extension:		
Addl. Funds: X		
Blanket Resolution:		
Revenue:	Federal Aid:	State Aid:
Vendor Submitted an Unsolicited Solicitation:		

1) Mandated Program:	No
2) Comptroller Approval Form Attached:	Yes
3) CSEA Agmt. & 32 Compliance Attached:	No
4) Significant Adverse Information Identified? (if yes, attach memo):	No
5) Insurance Required:	Yes

Vendor/Municipality Info:	
Name: Oracle America, Inc.	ID#: 942805249
Main Address: 500 Oracle ParkwayRedwood Shores, CA 94065	
Contract Specific Address: PO BOX 203448 DALLAS, TX 75320-3448	
Main Contact: Clayton Hatcher	
Main Phone: (540) 305-3487	

Department:
Contact Name: Nancy Stanton *** Final Complete Contract To Michael Kessler ***
Address: 240 Old Country Road Mineola, NY 11501
Phone: (516) 571-4311
Email: mkessler@nassaucountyny.gov

Contract Summary

Purpose: IT uses Oracle Licenses and software for the implementation of the Enterprise Resource Planning Solutions(Peoplesoft), which replaced NUHRS in September 2020. This amendment is to secure funds for an increased user license count and its support through 5/31/24. The contract ceiling is increasing by \$557,781.05 to support this through 5/31/24.

Method of Procurement: RFP

Procurement History: The contract was originally executed by Nassau County on May 29, 2009. This is an amendment pursuant to the contract. The original contract was entered into after a written request for proposals was issued on March 3, 2008. Potential proposers were made aware of the availability of the RFP by newspaper advertisement, posting on website, mailing, etc. Twenty Six potential proposers requested copies of the RFP. Proposals were due on April 2, 2008. Three proposals were received and

evaluated. The evaluation committee consisted of J. Siegel, A. Sousa, M. Doxey, J. Hennel, R. Mintz, G. Schiller, D. Swirnoff, T. Killeen, G. Yansick, K. Munson, T. Gutman, C. Russo, J. Bejarano, C. Khoury, R. Ghisone, B. Paul, Cl Lott, F. Ryan, P. Reinharz and M. Wong. The proposals were scored and ranked. As a Result of the scoring and ranking, the highest-ranking proposer was selected.

Description of General Provisions: This contract is to License the selected Oracle/PeopleSoft system.

Impact on Funding / Price Analysis: Maximum additional encumbrances of \$557,781.05 for remainder of Oracle/PeopleSoft Maintenance and Support contract to support this license count increase. Encumbering \$145,000 at this time.

Change in Contract from Prior Procurement: N/A

Recommendation: Approve as Submitted

Advisement Information

Fund	Control	Resp. Center	Object	Index Code	Sub Object	Budget Code	Line	Amount
GEN	10	1420	DE	ITGEN1420	DE5A5	ITGEN1420 DE5A5	15	\$145,000.00
						TOTAL	\$145,000.00	

Additional Info	
Blanket Encumbrance	
Transaction	
Renewal	
% Increase	
% Decrease	

Funding Source	Amount
Revenue Contract:	
County	\$145,000.00
Federal	\$0.00
State	\$0.00
Capital	\$0.00
Other	\$0.00
Total	\$145,000.00

Routing Slip

Department			
NIFS Entry	Michael Kessler	03/17/2022 12:34PM	Approved
NIFS Final Approval	Nancy Stanton	03/17/2022 02:04PM	Approved
Final Approval	Nancy Stanton	03/17/2022 02:04PM	Approved
County Attorney			
Approval as to Form	Daniel Gregware	03/17/2022 04:36PM	Approved
RE & Insurance Verification	Dan Grippo	03/21/2022 11:36AM	Approved
NIFS Approval	Daniel Gregware	03/21/2022 11:43AM	Approved
Final Approval	Daniel Gregware	03/21/2022 11:43AM	Approved
OMB			
NIFS Approval	Nadiya Gumieniak	03/17/2022 02:07PM	Approved
NIFA Approval	Irfan Qureshi	03/17/2022 02:22PM	Approved
Final Approval	Irfan Qureshi	03/17/2022 02:22PM	Approved
Compliance & Vertical DCE			
Procurement Compliance Approval	Ari Schulman	05/02/2022 11:37AM	Approved
DCE Compliance Approval	Robert Cleary	05/23/2022 04:53PM	Approved
Vertical DCE Approval	Arthur Walsh	05/26/2022 10:12AM	Approved
Final Approval	Arthur Walsh	05/26/2022 10:12AM	Approved
Legislative Affairs Review			
Final Approval	Christopher Leimone	06/16/2022 12:55PM	Approved
Legislature			
Final Approval			In Progress
Comptroller			
Claims Approval			Pending
Legal Approval			Pending

Accounting / NIFS Approval			Pending
Deputy Approval			Pending
Final Approval			Pending
NIFA			
NIFA Approval			Pending

RULES RESOLUTION NO. – 2022

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE
TO EXECUTE AN AMENDMENT TO A PERSONAL SERVICES
AGREEMENT BETWEEN THE COUNTY OF NASSAU, ACTING ON
BEHALF OF THE COUNTY DEPARTMENT OF INFORMATION
TECHNOLOGY, AND ORACLE AMERICA, INC. (“ORACLE”)

WHEREAS, the County has negotiated an amendment to a personal services agreement with Oracle for technical support and maintenance services related to the County’s Enterprise Resource Planning software, a copy of which is on file with the Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the County Executive to execute the said amendment to an agreement with Oracle.

Amendment #3.

THIS AMENDMENT dated as of the date of execution by the County (together with the schedules, appendices, attachments and exhibits, if any, this "Amendment"), is entered into by and between (i) Nassau County, a municipal corporation having its principal office at 1550 Franklin Avenue, Mineola, New York 11501 (the "County"), acting on behalf of the County Department of Information Technology, having offices located at 240 Old Country Road, Mineola, New York 11501 (the "Department"), and (ii) Oracle America, Inc.(as successor in interest to Oracle USA, Inc.), a Delaware corporation, having its principal office at 500 Oracle Parkway, Redwood Shores, California 94065 (the "Contractor").

WITNESSETH:

WHEREAS, pursuant to County contract number CFIT09000001 between the County and the Contractor, executed on behalf of the County on May 29, 2009, and amended thereafter on February 10, 2015 and July 16, 2019, (the "Original Agreement"), the Contractor performs maintenance and support services for the County in connection with the County's Enterprise Resource Planning ("ERP") software, which services are more fully described in the Original Agreement (the "Services" or "Technical Support Services"); and

WHEREAS, the term of the Original Agreement, for the purpose of annual renewal of Technical Support and Maintenance for ERP software purchased under the Original Agreement as amended, is until May 31, 2024, (the "Term"); and

WHEREAS, the Maximum Amount, as defined in the Agreement, that the County agreed to pay the Contractor for Services is Three Million, Seven Hundred and Forty-Two Thousand, Two Hundred and Eighteen Dollars and Ninety- Five Cents (\$3,742,218.95); and

WHEREAS, County and the Contractor desire to amend the Original Agreement to increase the Maximum Amount to provide funding for additional licenses and technical support services as provided in the Original Agreement.

WHEREAS, the services contemplated by this Amendment are personal services within the context and purview of Section 2206 of the County Government Law of Nassau County.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained in this Amendment, the parties agree as follows:

1. Licenses. County shall purchase additional software licenses as needed by the County users as outlined in Contractor's Ordering Document attached hereto as Attachment A-1. County may purchase additional licenses based on the County's needs pursuant to an agreed-upon ordering document.
2. Maximum Amount. The Maximum Amount shall be increased by Five Hundred and Fifty-Seven Thousand, Seven Hundred and Eighty-One Dollars and Five Cents

(\$557,781.05) to total Four Million, Three-Hundred Thousand Dollars (\$4,300,000.00) payable based on: (i) additional licenses pursuant to Attachment A-1; and (ii) additional licenses as may be ordered by the County in accordance with the Original Agreement and this Amendment.

3. Partial Encumbrance. The Contractor understands that only One Hundred and Forty-Five Thousand Dollars (\$145,000.00) is being encumbered at this time. The Contractor is cautioned not to perform services that would cause billings to exceed this amount unless additional funds are encumbered. The County shall not be liable for payment of any amounts which have not been encumbered and approved for this agreement by the Nassau County Comptroller.
4. Full Force and Effect. All the terms and conditions of the Agreement not expressly amended herein shall remain in full force and effect and govern the relationship of the parties for the remainder of the Term.

IN WITNESS WHEREOF, the Contractor and the County have executed this Amendment as of the date first above written.

ORACLE AMERICA, INC.

By: 

Name: Jake Camarillo

Title: Manager, Deal Management

Date: 24-OCT-2021

NASSAU COUNTY

By: _____

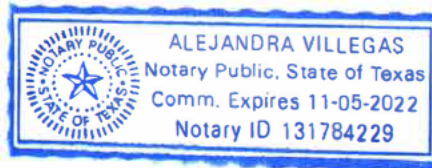
Name: _____

Title: Deputy County Executive

Date: _____

PLEASE EXECUTE IN BLUE INK

STATE OF CALIFORNIA)
) ss.:
COUNTY OF MONTGOMERY)



On the 26 day of October in the year 2021 before me personally came Jake Camanillo to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Bexar; that he or she is the Manager, ^{Dea}management Grate America, Inc., the corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto by authority of the board of directors of said corporation.

NOTARY PUBLIC

A handwritten signature in blue ink, appearing to read "Alejandra Villegas", written over the "NOTARY PUBLIC" text.

STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

On the _____ day of _____ in the year _____ before me personally came _____ to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of _____; that he or she is a Deputy County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

NOTARY PUBLIC

ORDERING DOCUMENT

Oracle America, Inc.
500 Oracle Parkway
Redwood Shores, CA
94065

Name	Nassau County, New York	Contact	Kathleen Dolan
Address	240 Old County Road Mineola NY 11501	Phone Number	1-516-5714265
		Email Address	kdolan@nassaucountyny.gov

Programs and Program-Related Service Offerings			
Item	Part Number	Description / License Type	Quantity
1.0	L11839	PeopleSoft Enterprise EPM Portal Pack -Enterprise \$M in Operating Budget Perpetual	320
1.1		Software Update License & Support	
2.0	L11870	PeopleSoft Enterprise Performance Management Warehouse-Enterprise \$M in Operating Budget Perpetual	320
2.1		Software Update License & Support	
3.0	L12817	PeopleSoft Enterprise Workforce Scorecard - Enterprise Employee Perpetual	970
3.1		Software Update License & Support	
4.0	L12895	PeopleSoft Enterprise Workforce Rewards - Enterprise Employee Perpetual	970
4.1		Software Update License & Support	
5.0	L14201	PeopleSoft Enterprise Supplier Rating System - Enterprise \$M in Operating Budget Perpetual	320
5.1		Software Update License & Support	
6.0	L32422	PeopleSoft Enterprise Human Resources - Enterprise Employee Perpetual	970
6.1		Software Update License & Support	
7.0	L32423	PeopleSoft Enterprise Payroll - Enterprise Employee Perpetual	970
7.1		Software Update License & Support	
8.0	L32424	PeopleSoft Enterprise Absence Management - Enterprise Employee Perpetual	970
8.1		Software Update License & Support	
9.0	L32425	PeopleSoft Enterprise Time and Labor - Enterprise Employee Perpetual	970
9.1		Software Update License & Support	
10.0	L32428	PeopleSoft Enterprise Recruiting Solutions - Enterprise Employee Perpetual	970
10.1		Software Update License & Support	
11.0	L32431	PeopleSoft Enterprise ePerformance - Enterprise Employee Perpetual	970
11.1		Software Update License & Support	
12.0	L32432	PeopleSoft Enterprise HCM Portal Pack - Enterprise Employee Perpetual	970
12.1		Software Update License & Support	
13.0	L38733	PeopleSoft Enterprise Purchasing - Enterprise \$M in Operating Budget Perpetual	320
13.1		Software Update License & Support	
14.0	L38734	PeopleSoft Enterprise Inventory - Enterprise \$M in Operating Budget Perpetual	320
14.1		Software Update License & Support	
15.0	L38736	PeopleSoft Enterprise eSupplier Connection - Enterprise \$M in Operating Budget Perpetual	320

Programs and Program-Related Service Offerings			
Item	Part Number	Description / License Type	Quantity
15.1		Software Update License & Support	
16.0	L38738	PeopleSoft Enterprise eProcurement - Enterprise \$M in Operating Budget Perpetual	320
16.1		Software Update License & Support	
17.0	L38742	PeopleSoft Enterprise Strategic Sourcing - Enterprise \$M in Operating Budget Perpetual	320
17.1		Software Update License & Support	
18.0	L38743	PeopleSoft Enterprise Supplier Contract Management - Enterprise \$M in Operating Budget Perpetual	320
18.1		Software Update License & Support	
19.0	L38751	PeopleSoft Enterprise Asset Management - Enterprise \$M in Operating Budget Perpetual	320
19.1		Software Update License & Support	
20.0	L38753	PeopleSoft Enterprise Project Costing - Enterprise \$M in Operating Budget Perpetual	320
20.1		Software Update License & Support	
21.0	L38754	PeopleSoft Enterprise Contracts - Enterprise \$M in Operating Budget Perpetual	320
21.1		Software Update License & Support	
22.0	L38755	PeopleSoft Enterprise Grants - Enterprise \$M in Operating Budget Perpetual	320
22.1		Software Update License & Support	
23.0	L38756	PeopleSoft Enterprise Expenses - Enterprise \$M in Operating Budget Perpetual	320
23.1		Software Update License & Support	
24.0	L38761	PeopleSoft Enterprise Program Management - Enterprise \$M in Operating Budget Perpetual	320
24.1		Software Update License & Support	
25.0	L38763	PeopleSoft Enterprise Financials - Enterprise \$M in Operating Budget Perpetual	320
25.1		Software Update License & Support	
26.0	L38764	PeopleSoft Enterprise Treasury - Enterprise \$M in Operating Budget Perpetual	320
26.1		Software Update License & Support	
27.0	L38766	PeopleSoft Enterprise Financials Portal Pack - Enterprise \$M in Operating Budget Perpetual	320
27.1		Software Update License & Support	
28.0	L38771	PeopleSoft Enterprise Interaction Hub - Enterprise \$M in Operating Budget Perpetual	320
28.1		Software Update License & Support	
29.0	L38777	PeopleSoft Enterprise Planning and Budgeting - Enterprise \$M in Operating Budget Perpetual	320
29.1		Software Update License & Support	
30.0	L46014	PeopleSoft Enterprise Scorecard - Enterprise \$M in Operating Budget Perpetual	320
30.1		Software Update License & Support	
31.0	L46774	PeopleSoft Enterprise Benefits Administration - Enterprise Employee Perpetual	970
31.1		Software Update License & Support	
32.0	L46782	PeopleSoft Enterprise eCompensation - Enterprise Employee Perpetual	970
32.1		Software Update License & Support	
33.0	L61227	Oracle Hyperion Planning - System 9- Enterprise \$M in Operating Budget Perpetual	320
33.1		Software Update License & Support	
34.0	L61229	Oracle Hyperion Workforce Planning - Enterprise \$M in Operating Budget Perpetual	320
34.1		Software Update License & Support	
35.0	L61231	Oracle Hyperion Capital Asset Planning - Enterprise \$M in Operating Budget Perpetual	320
35.1		Software Update License & Support	
36.0	L61236	Hyperion Performance Scorecard Plus - Enterprise \$M in Operating Budget Perpetual	320

Programs and Program-Related Service Offerings			
Item	Part Number	Description / License Type	Quantity
36.1		Software Update License & Support	
37.0	L92312	PeopleSoft Enterprise Enterprise Learning Management - Enterprise Employee Perpetual	970
37.1		Software Update License & Support	

Fee Description	Net Fee
Program Fees	118,637.14
Program-Related Service Offering Fees	26,100.14
Total Fees	144,737.28

A. Agreement and Modifications to the Agreement

1. Agreement

a. This order incorporates by reference the terms of the Software License and Services Agreement US-SLSA-42814-30-MAY-2009 and all amendments and addenda thereto (the "Master Agreement"). The following defined and capitalized terms in the Master Agreement shall have the same meaning as the stated terms in this order: "Agreement" and "Master Agreement"; "Customer"/"Client" and "You"/"Your"; "Documentation" and "Program Documentation"; "Ordering Document"/"Order Form" and "order"; "Services" and "Program-related Service Offerings"; "Technical Support" and "technical support".

2. Master Agreement Modifications- for this order only

a. Technical Support Services

The following shall be added as new paragraphs at the end of Section 3.1 (Technical Support Services) of the Agreement:

"Technical support consists of Oracle's annual technical support services You may have ordered from Oracle or an authorized reseller for the Programs. If ordered, annual technical support (including first year and all subsequent years) is provided under Oracle's technical support policies in effect at the time the technical support services are provided. You agree to cooperate with Oracle and provide the access, resources, materials, personnel, information and consents that Oracle may require in order to perform the technical support services. The technical support policies are incorporated in this order and are subject to change at Oracle's discretion; however, Oracle policy changes will not result in a material reduction in the level of technical support services provided for supported Programs during the period for which fees for technical support have been paid. You should review the policies prior to entering into the order for the applicable technical support services. You may access the current version of the technical support policies at <http://oracle.com/contracts>.

If You decide to purchase technical support for any Program license within a license set, You are required to purchase technical support at the same level for all licenses within that license set. You may desupport a subset of licenses in a license set only if You agree to terminate that subset of licenses. The technical support fees for the remaining licenses will be priced in accordance with the technical support policies in effect at the time of termination. Oracle's license set definition is available in the current technical support policies. If You decide not to purchase technical support, You may not update any unsupported Program licenses with new versions of the Program."

B. General Terms

1. Summary of Fees

- a. Listed above is a summary of net fees due under this order. All fees on this order are in US Dollars.
- b. You have ordered Hardware and/or Programs and 365 days of technical support services.

2. Technical Support

a. Software Update License & Support (or any successor technical support offering to Software Update License & Support, "SULS") acquired on this order may be renewed annually and, if You renew SULS for the same number of licenses for the same Programs, for the first and second renewal years the fee for SULS will not increase by more than 4% over the prior year's fees.

3. Commencement Date

a. The "Commencement Date" refers to the date of shipment of tangible media or the effective date of this order if shipment of tangible media is not required.

4. Territory

a. The Program licenses included on this order are for use in the United States.

5. Delivery and Installation

a. You are responsible for installation of the Programs unless the Programs have been pre-installed by Oracle on the Hardware You are purchasing under the order or unless You purchase installation services from Oracle for those Programs.

b. Notwithstanding anything to the contrary in the Master Agreement, Oracle has no delivery obligation under this order. You acknowledge that Oracle has delivered to Your location, 1 copy of the software media and 1 set of Program Documentation (in the form generally available) for each Program listed in the Program and Program-Related Service Offerings section above.

c. Oracle has made available to You for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com> the Programs listed in the Programs and Program Support Service Offerings section of the applicable order. Through the Internet URL, You can access and electronically download to Your location the latest production release as of the effective date of the applicable order of the software and related Program Documentation for each Program listed. Provided that You have continuously maintained technical support for the listed Programs, You may continue to download the Programs and related Program Documentation. Please be advised that not all Programs are available on all hardware/operating system combinations. For the most recent Program availability please check the electronic delivery web site

specified above. You acknowledge that Oracle is under no further delivery obligation with respect to Programs under the applicable order, electronic download or otherwise.

Provided that you have continuously maintained technical support for the programs for the licensed quantities listed above, Oracle will make available to you for electronic download the updates provided under technical support to the programs listed above.

Should you require a replacement copy of the software or program documentation, such replacement copy shall also be delivered electronically. You shall not be entitled to any replacement copy in the form of tangible media for the software or the program documentation.

You acknowledge and agree that (a) as of the effective date of this order, you have not received any tangible media for the programs listed above, (b) any rights to receive tangible media granted under the agreement shall not be applicable to or provided for the programs listed above or for any updates to these programs, (c) you have requested to receive via electronic delivery all updates for the programs listed above that are provided by Oracle under Oracle's technical support services, and (d) you are solely responsible for ensuring that you do not order tangible media from Oracle for the programs which you receive via electronic delivery or for any updates to these programs.

In the event that you order updates for delivery via tangible media shipment (e.g., shipment of CD Pack(s)), sales taxes and interest may be due, and you agree to reimburse Oracle for any applicable sales taxes and interest (the interest rate used will be the applicable state's rate on sales tax underpayments) related to acquisition of such updates (as specified in the agreement).

6. Effective Date

a. If accepting this order electronically, the effective date of this order is the date You click to accept the order. If accepting this order via E -sign, the effective date of this order is the date You adopt and sign. If accepting this order via Download and Sign, the effective date is the date you return the document to Oracle. Otherwise, the effective date is stated below.

7. Pricing Invoicing and Payment Obligation

a. In entering into payment obligations under this order, You agree and acknowledge that You have not relied on the future availability of any Program or updates. However, (a) if You order technical support, the preceding sentence does not relieve Oracle of its obligation to provide such technical support under the Master Agreement, if and when available, in accordance with Oracle's then current technical support policies, and (b) the preceding sentence does not change the rights granted to You under this order and the Master Agreement.

b. You understand that You may receive multiple invoices for the products and/or Service Offerings You ordered. Invoices will be submitted to You pursuant to Oracle's Invoicing Standards Policy, which may be accessed at <http://oracle.com/contracts>.

c. Program fees are invoiced as of the Commencement Date for the Programs.

d. Program -related Service Offering fees are invoiced in arrears of the Program -related Service Offering performance; specifically, technical support fees are invoiced quarterly in arrears. The period of performance for all Program-related Service Offerings is effective upon the Commencement Date.

8. Fees

a. Once placed, Your order shall be non-cancelable and the sums paid nonrefundable, except as provided in the Master Agreement.

9. Order of Precedence

a. In the event of inconsistencies between the terms contained in this order and the Master Agreement, this order shall take precedence. This order will control over the terms contained in any purchase order.

10. Offer Validity

a. This order is valid through 20-May-2022, and shall become binding upon execution by You and acceptance by Oracle.

11. Segmentation

The purchase of any products (i.e., hardware (including integrated software and operating system) and programs) and related Service Offerings or other Service Offerings are all separate offers and separate from any other order for any products and related Service Offerings or other Service Offerings You may receive or have received from Oracle. You understand that You may purchase any products and related Service Offerings or other Service Offerings independently of any other products or Service Offerings. Your obligation to pay for (a) any products and related Service Offerings is not contingent on performance of any other Service Offerings or delivery of any other products or (b) other Service Offerings is not contingent on delivery of any products or performance of any additional/other Service Offerings. You acknowledge that You have entered into the purchase without reliance on any financing or leasing arrangement with Oracle or its affiliate.

12. Trial Programs

You may order trial Programs, or Oracle may include additional Programs with Your order which You may use for trial, non -production purposes only. You may not use the trial Programs to provide or attend third party training on the content and/or functionality of the Programs. You have 30 days from the Commencement Date to evaluate these Programs. To use any of these Programs after the 30 day trial period, You must obtain a license for such Programs from Oracle or an authorized reseller. If You decide not to obtain a license for any Program after the 30 day trial period, You will cease using and promptly delete any such Programs from Your computer systems. Programs licensed for trial purposes are provided "as is" and Oracle does not provide technical support or offer any warranties for these Programs.

13. Source Code

Oracle may deliver source code as part of its standard delivery for particular Programs, Operating System or Integrated Software; all source code delivered by Oracle is subject to the terms of the Agreement, the applicable order and the applicable Program Documentation.

C. Other

1. Order Placed Pursuant to Expansion (ILF)

The Program licenses listed in the Program and Program-Related Service Offerings section with the license types Enterprise Employee Perpetual are ordered and subject to the applicable fees and terms of the order between You and Oracle dated 29-May-2009 As of the effective date of this order, Your actual Enterprise Employee Perpetual is greater than or equal to 12,610. The Summary Exhibit lists the Program licenses acquired prior to the effective date, the Program licenses acquired under this order and the total number of Program licenses acquired to date.

Summary Exhibit

Program Description	License Type	Number of Program Licenses Acquired Prior to Effective Date	Number of Program Licenses Acquired under the Programs and Program-Related Service Offerings section	Total Number of Program Licenses Acquired as of the Effective Date (Under This Ordering Document)
PeopleSoft Enterprise Human Resources PeopleSoft Enterprise Payroll PeopleSoft Enterprise Absence Management PeopleSoft Enterprise Time and Labor PeopleSoft Enterprise Recruiting Solutions PeopleSoft Enterprise ePerformance PeopleSoft Enterprise Benefits Administration PeopleSoft Enterprise eCompensation PeopleSoft Enterprise Enterprise Learning Management PeopleSoft Enterprise Workforce Rewards PeopleSoft Enterprise Workforce Scorecard PeopleSoft Enterprise HCM Portal Pack	Enterprise Employee Perpetual	12,610	970	13,580

2. Order Placed Pursuant to Expansion (ILF)

The Program licenses listed in the Program and Program-Related Service Offerings section with the license types Enterprise \$M in Operating Budget Perpetual are ordered and subject to the applicable fees and terms of the order between You and Oracle dated 29-May-2009 As of the effective date of this order, Your actual Enterprise \$M in Operating Budget Perpetual is greater than or equal to 3,200. The Summary Exhibit lists the Program licenses acquired prior to the effective date, the Program licenses acquired under this order and the total number of Program licenses acquired to date.

Summary Exhibit

Program Description	License Type	Number of Program Licenses Acquired Prior to Effective Date	Number of Program Licenses Acquired under the Programs and Program-Related Service Offerings section	Total Number of Program Licenses Acquired as of the Effective Date (Under This Ordering Document)
PeopleSoft Enterprise Financials PeopleSoft Enterprise Treasury	Enterprise \$M in Operating Budget Perpetual	3,200	320	3,520

PeopleSoft Enterprise Financials Portal Pack				
PeopleSoft Enterprise Purchasing				
PeopleSoft Enterprise Inventory				
PeopleSoft Enterprise eSupplier Connection				
PeopleSoft Enterprise eProcurement				
PeopleSoft Enterprise Strategic Sourcing				
PeopleSoft Enterprise Supplier Contract Management				
PeopleSoft Enterprise Asset Management				
PeopleSoft Enterprise Project Costing				
PeopleSoft Enterprise Contracts				
PeopleSoft Enterprise Grants				
PeopleSoft Enterprise Expenses				
PeopleSoft Enterprise Program Management				
PeopleSoft Enterprise EPM Portal Pack				
PeopleSoft Enterprise Scorecard				
PeopleSoft Enterprise Planning and Budgeting				
PeopleSoft Enterprise Performance Management Warehouse				
PeopleSoft Enterprise Interaction Hub				
Oracle Hyperion Capital Asset Planning				
Oracle Hyperion Workforce Planning				
Oracle Hyperion Planning - System 9				
Hyperion Performance Scorecard Plus				
PeopleSoft Enterprise Supplier Rating System				

Nassau County, New York		Oracle America, Inc.	
Signature	_____	Signature	_____
Name	_____	Name	_____
Title	_____	Title	_____
Signature Date	_____	Signature Date	_____

BILL TO / SHIP TO INFORMATION

Bill To		Ship To	
Customer Name	Nassau County, New York	Customer Name	Nassau County, New York
Customer Address	240 Old County Road Mineola NY 11501	Customer Address	240 Old County Road Mineola NY 11501
Contact Name	Kathleen Dolan	Contact Name	Kathleen Dolan
Contact Phone	1-516-5714265	Contact Phone	1-516-5714265
Contact Email	kdolan@nassaucountyny.gov	Contact Email	kdolan@nassaucountyny.gov



Nassau County Interim Finance Authority

Contract Approval Request Form (As of January 1, 2015)

1. Vendor: Oracle America, Inc.

2. Amount requiring NIFA approval: \$557,781.05

Amount to be encumbered: \$145,000.00

Slip Type: Amendment

If new contract - \$ amount should be full amount of contract

If advisement - NIFA only needs to review if it is increasing funds above the amount previously approved by NIFA

If amendment - \$ amount should be full amount of amendment only

3. Contract Term: 05/29/2009 to 05/31/2024

Has work or services on this contract commenced? Yes

If yes, please explain: This is a required user license count increase having been experienced during the use of the product.

4. Funding Source:

General Fund (GEN)	X	Grant Fund (GRT)
Capital Improvement Fund (CAP)		Other
Federal %	0	
State %	0	
County %	100	

Is the cash available for the full amount of the contract? Yes

If not, will it require a future borrowing? No

Has the County Legislature approved the borrowing? N/A

Has NIFA approved the borrowing for this contract? N/A

5. Provide a brief description (4 to 5 sentences) of the item for which this approval is requested:

IT uses Oracle Licenses and software for the implementation of the Enterprise Resource Planning Solutions(Peoplesoft), which replaced NUHRS in September 2020. This amendment is to secure funds for an increased user license count and its support through 5/31/24. The contract ceiling is increasing by \$557,781.05 to support this through 5/31/24.

6. Has the item requested herein followed all proper procedures and thereby approved by the:

Nassau County Attorney as to form Yes

Nassau County Committee and/or Legislature

Date of approval(s) and citation to the resolution where approval for this item was provided:

7. Identify all contracts (with dollar amounts) with this or an affiliated party within the prior 12 months:

Contract ID	Posting Date	Amount Added in Prior 12 Months
-------------	--------------	---------------------------------

AUTHORIZATION

To the best of my knowledge, I hereby certify that the information contained in this Contract Approval Request Form and any additional information submitted in connection with this request is true and accurate and that all expenditures that will be made in reliance on this authorization are in conformance with the Nassau County Approved Budget and not in conflict with the Nassau County Multi-Year Financial Plan. I understand that NIFA will rely upon this information in its official deliberations.

IQURESHI

03/17/2022

Authenticated User

Date

COMPTROLLER'S OFFICE

To the best of my knowledge, I hereby certify that the information listed is true and accurate and is in conformance with the Nassau County Approved Budget and not in conflict with the Nassau County Multi-Year Financial Plan.

Regarding funding, please check the correct response:

I certify that the funds are available to be encumbered pending NIFA approval of this contract.

If this is a capital project:

I certify that the bonding for this contract has been approved by NIFA.

Budget is available and funds have been encumbered but the project requires NIFA bonding authorization.

Authenticated User

Date

NIFA

Amount being approved by NIFA:

Payment is not guaranteed for any work commenced prior to this approval.

Authenticated User

Date

NOTE: All contract submissions MUST include the County's own routing slip, current NIFS printouts for all relevant accounts and relevant Nassau County Legislature communication documents and relevant supplemental information pertaining to the item requested herein.

NIFA Contract Approval Request Form MUST be filled out in its entirety before being submitted to NIFA for review.

NIFA reserves the right to request additional information as needed.

Elaine Phillips
Comptroller



OFFICE OF THE COMPTROLLER
240 Old Country Road
Mineola, New York 11501

COMPTROLLER APPROVAL FORM FOR PERSONAL, PROFESSIONAL OR HUMAN SERVICES CONTRACTS

Attach this form along with all personal, professional or human services contracts, contract renewals, extensions and amendments.

CONTRACTOR NAME: Oracle America, Inc.

CONTRACTOR ADDRESS: 500 Oracle Parkway, Redwood Shores, CA 94065

FEDERAL TAX ID #: 9428 6249

Instructions: Please check the appropriate box ("☑") after one of the following roman numerals, and provide all the requested information.

I. ☐ The contract was awarded to the lowest, responsible bidder after advertisement for sealed bids. The contract was awarded after a request for sealed bids was published in _____ [newspaper] on _____ [date]. The sealed bids were publicly opened on _____ [date]. _____ [#] of sealed bids were received and opened.

II. ☐ The contractor was selected pursuant to a Request for Proposals.

The Contract was entered into after a written request for proposals was issued on _____ [date]. Potential proposers were made aware of the availability of the RFP by advertisement in _____ [newspaper], posting on industry websites, via email to interested parties and by publication on the County procurement website. Proposals were due on _____ [date]. _____ [state #] proposals were received and evaluated. The evaluation committee consisted of: _____

_____ (list # of persons on committee and their respective departments). The proposals were scored and ranked. As a result of the scoring and ranking, the highest-ranking proposer was selected.

III. ☒ This is a renewal, extension or amendment of an existing contract.

The contract was originally executed by Nassau County on May 29, 2009 [date]. This is a renewal or extension pursuant to the contract, or an amendment within the scope of the contract or RFP (copies of the relevant pages are attached). The original contract was entered into after a written request for proposals was issued on March 3, 2008. Potential proposers were made aware of the availability of the RFP by advertising in Newsday and on the website, mailing etc. Proposals were due on April 2, 2008. Twenty Six proposers requested copies of the RFP.

Three Proposals were received, evaluated, scored and ranked, As a result the highest-ranking proposer was selected. [describe procurement method, i.e., RFP, three proposals evaluated, etc.] Attach a copy of the most recent evaluation of the contractor's performance for any contract to be renewed or extended. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to continue to contract with the county.

IV. ☐ Pursuant to Executive Order No. 1 of 1993, as amended, at least three proposals were solicited and received. The attached memorandum from the department head describes the proposals received, along with the cost of each proposal.

- ☐ A. The contract has been awarded to the proposer offering the lowest cost proposal; OR:
- ☐ B. The attached memorandum contains a detailed explanation as to the reason(s) why the contract was awarded to other than the lowest-cost proposer. The attachment includes a specific delineation of the unique skills and experience, the specific reasons why a proposal is deemed superior, and/or why the proposer has been judged to be able to perform more quickly than other proposers.

V. ☐ Pursuant to Executive Order No. 1 of 1993 as amended, the attached memorandum from the department head explains why the department did not obtain at least three proposals.

- ☐ A. There are only one or two providers of the services sought or less than three providers submitted proposals. The memorandum describes how the contractor was determined to be the sole source provider of the personal service needed or explains why only two proposals could be obtained. If two proposals were obtained, the memorandum explains that the contract was awarded to the lowest cost proposer, or why the selected proposer offered the higher quality proposal, the proposer's unique and special experience, skill, or expertise, or its availability to perform in the most immediate and timely manner.
- ☐ B. The memorandum explains that the contractor's selection was dictated by the terms of a federal or New York State grant, by legislation or by a court order. (Copies of the relevant documents are attached).
- ☐ C. Pursuant to General Municipal Law Section 104, the department is purchasing the services required through a New York State Office of General Services contract no. _____, and the attached memorandum explains how the purchase is within the scope of the terms of that contract.

- ☐ **D.** Pursuant to General Municipal Law Section 119-o, the department is purchasing the services required through an inter-municipal agreement.

VI. ☐ This is a human services contract with a not-for-profit agency for which a competitive process has not been initiated. Attached is a memorandum that explains the reasons for entering into this contract without conducting a competitive process, and details when the department intends to initiate a competitive process for the future award of these services. For any such contract, where the vendor has previously provided services to the county, attach a copy of the most recent evaluation of the vendor's performance. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to contract with the county.

In certain limited circumstances, conducting a competitive process and/or completing performance evaluations may not be possible because of the nature of the human services program, or because of a compelling need to continue services through the same provider. In those circumstances, attach an explanation of why a competitive process and/or performance evaluation is inapplicable.

VII. ☐ This is a public works contract for the provision of architectural, engineering or surveying services. The attached memorandum provides details of the department's compliance with Board of Supervisors' Resolution No. 928 of 1993, including its receipt and evaluation of annual Statements of Qualifications & Performance Data, and its negotiations with the most highly qualified firms.

Instructions with respect to Sections VIII, IX and X: All Departments must check the box for VIII. Then, check the box for either IX or X, as applicable.

VIII. ☒ Participation of Minority Group Members and Women in Nassau County Contracts. The selected contractor has agreed that it has an obligation to utilize best efforts to hire MWBE sub-contractors. Proof of the contractual utilization of best efforts as outlined in Exhibit "EE" may be requested at any time, from time to time, by the Comptroller's Office prior to the approval of claim vouchers.

IX. ☐ Department MWBE responsibilities. To ensure compliance with MWBE requirements as outlined in Exhibit "EE", Department will require vendor to submit list of sub-contractor requirements prior to submission of the first claim voucher, for services under this contract being submitted to the Comptroller.

X. ☒ Vendor will not require any sub-contractors.

In addition, if this is a contract with an individual or with an entity that has only one or two employees: ☐ a review of the criteria set forth by the Internal Revenue Service, *Revenue Ruling No. 87-41, 1987-1 C.B. 296*, attached as Appendix A to the Comptroller's Memorandum, dated February 13, 2004, concerning independent contractors and employees indicates that the contractor would not be considered an employee for federal tax purposes.



Department Head Signature

1/14/22

Date

NOTE: Any information requested above, or in the exhibit below, may be included in the county's "staff summary" form in lieu of a separate memorandum.



COUNTY OF NASSAU

POLITICAL CAMPAIGN CONTRIBUTION DISCLOSURE FORM

1. Has the vendor or any corporate officers of the vendor provided campaign contributions pursuant to the New York State Election Law in (a) the period beginning April 1, 2016 and ending on the date of this disclosure, or (b), beginning April 1, 2018, the period beginning two years prior to the date of this disclosure and ending on the date of this disclosure, to the campaign committees of any of the following Nassau County elected officials or to the campaign committees of any candidates for any of the following Nassau County elected offices: the County Executive, the County Clerk, the Comptroller, the District Attorney, or any County Legislator?

YES ☐ NO ☒ If yes, to what campaign committee?

2. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

The undersigned further certifies and affirms that the contribution(s) to the campaign committees identified above were made freely and without duress, threat or any promise of a governmental benefit or in exchange for any benefit or remuneration.

Electronically signed and certified at the date and time indicated by:

Dated: 25-Oct-2021 | 2:39 PM PDT

Vendor: Oracle America, Inc.

Title: Group Vice President

The above signatory is an authorized representative of Oracle America, Inc. and is signing this form on behalf of Oracle America, Inc. and not in his or her individual capacity.



COUNTY OF NASSAU

LOBBYIST REGISTRATION AND DISCLOSURE FORM

1. Name, address and telephone number of lobbyist(s)/lobbying organization. The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements. The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

NONE

2. List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):

Oracle does not have a registered lobbyist in Nassau County

3. Name, address and telephone number of client(s) by whom, or on whose behalf, the lobbyist is retained, employed or designated:

NONE

4. Describe lobbying activity conducted, or to be conducted, in Nassau County, and identify client(s) for each activity listed. See the last page for a complete description of lobbying activities.

NONE

5. The name of persons, organizations or governmental entities before whom the lobbyist expects to lobby:

NONE

6. If such lobbyist is retained or employed pursuant to a written agreement of retainer or employment, you must attach a copy of such document; and if agreement of retainer or employment is oral, attach a written statement of the substance thereof. If the written agreement of retainer or employment does not contain a signed authorization from the client by whom you have been authorized to lobby. separately attach such a written authorization from the client.

7. Has the lobbyist/lobbying organization or any of its corporate officers provided campaign contributions pursuant to the New York State Election Law in (a) the period beginning April 1, 2016 and ending on the date of this disclosure, or (b), beginning April 1, 2018, the period beginning two years prior to the date of this disclosure and ending on the date of this disclosure, to the campaign committees of any of the following Nassau County elected officials or to the campaign committees of any candidates for any of the following Nassau County elected offices: the County Executive, the County Clerk, the Comptroller, the District Attorney, or any County Legislator?

YES ☐ NO ☐ If yes, to what campaign committee? If none, you must so state:

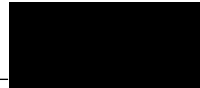
I understand that copies of this form will be sent to the Nassau County Department of Information Technology ("IT") to be posted on the County's website.

I also understand that upon termination of retainer, employment or designation I must give written notice to the County Attorney within thirty (30) days of termination.

VERIFICATION: The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

The undersigned further certifies and affirms that the contribution(s) to the campaign committees listed above were made freely and without duress, threat or any promise of a governmental benefit or in exchange for any benefit or remuneration.

Electronically signed and certified at the date and time indicated by:



Dated: 25-Oct-2021 | 2:39 PM PDT

Vendor: Oracle America, Inc.

Title: Group Vice President

The above signatory is an authorized representative of Oracle America, Inc. and is signing this form on behalf of Oracle America, Inc. and not in his or her individual capacity.

The term lobbying shall mean any attempt to influence: any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including but not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.

The term "lobbying" or "lobbying activities" does not include: Persons engaged in drafting legislation, rules, regulations or rates; persons advising clients and rendering opinions on proposed legislation, rules, regulations or rates, where such professional services are not otherwise connected with legislative or executive action on such legislation or administrative action on such rules, regulations or rates; newspapers and other periodicals and radio and television stations and owners and employees thereof, provided that their activities in connection with proposed legislation, rules, regulations or rates are limited to the publication or broadcast of news items, editorials or other comment, or paid advertisements; persons who participate as witnesses, attorneys or other representatives in public rule-making or rate-making proceedings of a County agency, with respect to all participation by such persons which is part of the public record thereof and all preparation by such persons for such participation; persons who attempt to influence a County agency in an adjudicatory proceeding, as defined by § 102 of the New York State Administrative Procedure Act.

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name: Kurt Solsky
Date of birth: [REDACTED]
Home address: [REDACTED]
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: United States

Business Address: 1900 Oracle Way
City: Reston State/Province/Territory: VA Zip/Postal Code: 20190
Country: United States
Telephone: 703-478-9000

Other present address(es):
City: _____ State/Province/Territory: _____ Zip/Postal Code: _____
Country: _____
Telephone: _____

List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

President	_____	Treasurer	_____
Chairman of Board	_____	Shareholder	_____
Chief Exec. Officer	_____	Secretary	_____
Chief Financial Officer	_____	Partner	_____
Vice President	_____		
(Other)	GVP, Oracle Digital Applications - Licensed Business		

3. Do you have an equity interest in the business submitting the questionnaire?

YES ☒ NO ☐ If Yes, provide details.

***Because this is being submitted on behalf of Oracle America, Inc. and not for the signatory in his individual capacity, individual declines to provide personal information requested in this section**

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire?

YES ☐ NO ☒ If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or notfor-profit organization other than the one submitting the questionnaire?

YES ☐ NO ☒ If Yes, provide details.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer?

YES ☐ NO ☒ If Yes, provide details.

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency. Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

- a. Been debarred by any government agency from entering into contracts with that agency?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

- b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

- c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

- d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated?

YES ☐ NO ☒ If 'Yes', provide details for each such instance. (Provide a detailed response to all questions check "Yes". If you need more space, photocopy the appropriate page and attached it to the questionnaire.)

***Please see the below statement for questions 7-13.**

9.

- a. Is there any felony charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

- b. Is there any misdemeanor charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

- c. Is there any administrative charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

- d. In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? Y

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

- e. In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

- f. In the past 5 years, have you been found in violation of any administrative or statutory charges?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

10. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

11. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

12. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

13. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

***Please see the below statement for questions 7-13.**

Statement for Questions 7-13:

Questions 7-13 appear to correspond to other businesses identified in the response to Question 5 and Respondent's history as a principal in such other businesses or non-profit organizations. Accordingly, Respondent answered "no" to Question 5, indicating that he has not in the past three years been a principal owner or officer of a business or non-profit other than Oracle. Accordingly, Respondent has answered "no" to Questions 7-13. Respondent and Oracle do not interpret Questions 7-13 as seeking any information about Respondent personally or Respondent's involvement in any business or nonprofit organization outside of those identified in response to Section 5, of which there are none, and no such information is provided or represented in Respondent's answers to Questions 7-13.

I, Kurt Solsky , hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, Kurt Solsky , hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

Oracle America, Inc.

Name of submitting business

Electronically signed and certified at the date and time indicated by



Group Vice President

Title

21-Dec-2021 | 10:11 AM PST

Date

The above signatory is an authorized representative of Oracle America, Inc. and is signing this form on behalf of Oracle America, Inc. and not in his or her individual capacity.

Business History Form

The contract shall be awarded to the responsible proposer who, at the discretion of the County, taking into consideration the reliability of the proposer and the capacity of the proposer to perform the services required by the County, offers the best value to the County and who will best promote the public interest.

In addition to the submission of proposals, each proposer shall complete and submit this questionnaire. The questionnaire shall be filled out by the owner of a sole proprietorship or by an authorized representative of the firm, corporation or partnership submitting the Proposal.

NOTE: All questions require a response, even if response is "none" or "not-applicable." No blanks.

(USE ADDITIONAL SHEETS IF NECESSARY TO FULLY ANSWER THE FOLLOWING QUESTIONS).

Date: 18-Nov-2021 | 3:27 PM PST

1) Proposer's Legal Name: Oracle America, Inc.

2) Address of Place of Business: FJEEUIA^ Y æ

City: Re•q } State/Province/Territory: XA Zip/Postal Code: 0EFJ€Ä I H

Country: United States

3) Mailing Address (if different): It is not different

City: _____ State/Province/Territory: _____ Zip/Postal Code: _____

Country: _____

Phone: _____

Does the business own or rent its facilities? If other, please provide details:

Our properties consist of owned and leased office facilities for sales, support, research and development, services, manufacturing, cloud operations and administrative and other functions.

4) Dun and Bradstreet number: 620827688

5) Federal I.D. Number: 94-2805249

6) The proposer is a: Ö[] [] æä } (Describe) _____

7) Does this business share office space, staff, or equipment expenses with any other business?

YES ☒ NO ☐ If yes, please provide details:

Oracle has numerous offices around the world and occasionally may share buildings with other companies

8) Does this business control one or more other businesses?

YES ☒ NO ☐ If yes, please provide details:

Oracle America, Inc. has subsidiaries

9) Does this business have one or more affiliates, and/or is it a subsidiary of, or controlled by, any other business?

YES ☒ NO ☐ If yes, please provide details:

Oracle America, Inc. has shareholders

- 10) Has the proposer ever had a bond or surety cancelled or forfeited, or a contract with Nassau County or any other government entity terminated?
YES ☐ NO ☒ If yes, state the name of bonding agency, (if a bond), date, amount of bond and reason for such cancellation or forfeiture: or details regarding the termination (if a contract).

*Please see Addendum #1

- 11) Has the proposer, during the past seven years, been declared bankrupt?
YES ☐ NO ☒ If yes, state date, court jurisdiction, amount of liabilities and amount of assets

- 12) In the past five years, has this business and/or any of its owners and/or officers and/or any affiliated business, been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency? And/or, in the past 5 years, have any owner and/or officer of any affiliated business been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency, where such investigation was related to activities performed at, for, or on behalf of an affiliated business.

YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

*Please see Addendum #1

- 13) In the past 5 years, has this business and/or any of its owners and/or officers and/or any affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies? And/or, in the past 5 years, has any owner and/or officer of an affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies, for matters pertaining to that individual's position at or relationship to an affiliated business.

YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

*Please see Addendum #1

- 14) Has any current or former director, owner or officer or managerial employee of this business had, either before or during such person's employment, or since such employment if the charges pertained to events that allegedly occurred during the time of employment by the submitting business, and allegedly related to the conduct of that business:

a) Any felony charge pending?

YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

*Please see Addendum #1

b) Any misdemeanor charge pending?

YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

*Please see Addendum #1

c) In the past 10 years, you been convicted, after trial or by plea, of any felony and/or any other crime, an

element of which relates to truthfulness or the underlying facts of which related to the conduct of business?
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

*Please see Addendum #1

d) In the past 5 years, been convicted, after trial or by plea, of a misdemeanor?
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

*Please see Addendum #1

e) In the past 5 years, been found in violation of any administrative, statutory, or regulatory provisions?
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

*Please see Addendum #1

- 15) In the past (5) years, has this business or any of its owners or officers, or any other affiliated business had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?

YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

*Please see Addendum #1

- 16) For the past (5) tax years, has this business failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?
YES ☐ NO ☒ If yes, provide details for each such year. Provide a detailed response to all

Oracle operates numerous facilities in multiple jurisdictions which may levy water and sewer charges. A comprehensive review of all such charges was not performed for the purposes of this form.

- 17) Conflict of Interest:

a) Please disclose any conflicts of interest as outlined below. NOTE: If no conflicts exist, please expressly state "No conflict exists."

(i) Any material financial relationships that your firm or any firm employee has that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

Vendor is not clear how County defines "material financial relationships"; however Vendor is not currently aware of any material financial relationships of Vendor or its officers and Directors that would constitute a conflict as it pertains to Oracle's provisions of products/services under the relevant contract.

(ii) Any family relationship that any employee of your firm has with any County public servant that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

Vendor is not clear how County defines "family relationship". Vendor does not require candidates to disclose family relationships upon hire. Vendor is not currently aware of any family relationships that would constitute conflict as it pertains to Oracle's provision of products/services under the relevant contract.

(iii) Any other matter that your firm believes may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

To the best of Vendor's knowledge at this time, no such conflict exists as it pertains to Vendor's provision of products/services under the relevant contract.

- b) Please describe any procedures your firm has, or would adopt, to assure the County that a conflict of interest would not exist for your firm in the future.

Vendor has internal policies and processes designed to identify and prevent conflicts of interest with customers.

- A. Include a resume or detailed description of the Proposer's professional qualifications, demonstrating extensive experience in your profession. Any prior similar experiences, and the results of these experiences, must be identified.

Have you previously uploaded the below information under in the Document Vault?

YES ☐ NO ☐

Is the proposer an individual?

YES ☐ NO ☒ Should the proposer be other than an individual, the Proposal MUST include:

i) Date of formation; September 17, 1986

ii) Name, addresses, and position of all persons having a financial interest in the company, including shareholders, members, general or limited partner. If none, explain.

Indirectly wholly owned by Oracle Corporation

No individuals with a financial interest in the company have been attached..

iii) Name, address and position of all officers and directors of the company. If none, explain.

Please see Addendum #2

No officers and directors from this company have been attached.

iv) State of incorporation (if applicable); Delaware

v) The number of employees in the firm; As of May 31, 2021, we employed approximately 132,000 full-time employees, of which approximately 45,000 were employed in the U.S. and approximately 87,000 were employed internationally.

vi) Annual revenue of firm; Please refer to Oracle's Form 10-K, can be found at the following site: <http://investor.oracle.com/financial-reporting/sec-filings/default.aspx>

vii) Summary of relevant accomplishments

Oracle provides products and services that address all aspects of corporate information technology (IT) environments.

viii) Copies of all state and local licenses and permits.

Oracle America, Inc. does not hold a business license with the state or any local jurisdictions in New York.

- B. Indicate number of years in business.

Oracle America, Inc. is a wholly owned subsidiary of Oracle Corporation (Oracle). Founded June 1977

- C. Provide any other information which would be appropriate and helpful in determining the Proposer's capacity and reliability to perform these services.

None

- D. Provide names and addresses for no fewer than three references for whom the Proposer has provided similar services or who are qualified to evaluate the Proposer's capability to perform this work.

Company _____
Contact Person _____
Address _____
City _____ State/Province/Territory _____
Country _____
Telephone _____
Fax # _____
E-Mail Address _____

Company _____
Contact Person _____
Address _____
City _____ State/Province/Territory _____
Country _____
Telephone _____
Fax # _____
E-Mail Address _____

Company _____
Contact Person _____
Address _____
City _____ State/Province/Territory _____
Country _____
Telephone _____
Fax # _____
E-Mail Address _____

I, kurt solsky , hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, kurt solsky , hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

Name of submitting business: Oracle America, Inc.

Electronically signed and certified at the date and time indicated by:



Group Vice President

Title

18-Nov-2021 | 3:27 PM PST

Date

The above signatory is an authorized representative of Oracle America, Inc. and is signing this form on behalf of Oracle America, Inc. and not in his or her individual capacity.

From: [Kessler, Michael](#)
To: [Schulman, Ari](#)
Cc: [Cleary, Robert](#)
Subject: FW: Oracle Corp Reference - MBTA
Date: Monday, May 2, 2022 10:37:23 AM
Attachments: [Nassau Oracle Reference.pdf](#)
Importance: High

Hi Ari,

I'm including you on this, as I had forgotten to, last week (apologies for that). Could you [or Robert] provide an ETA for its Procurements approval(s)? As Robert knows, this Oracle amendment has been a long process and we are trying to get this before the Leg, this month. This is an important amendment/contract.

Thanks,
Michael

Michael Kessler

IT Project Manager

Nassau County Department of Information Technology
240 Old Country Road, Suite 608
Mineola, NY 11501
(516) 571-0158

From: Kessler, Michael
Sent: Thursday, April 28, 2022 10:28 AM
To: Cleary, Robert <RCleary@nassaucountyny.gov>
Cc: Stanton, Nancy <nstanton@nassaucountyny.gov>; Alpoge, Simay <salpoge@nassaucountyny.gov>; Torla, Rosemarie <RTorla@nassaucountyny.gov>
Subject: RE: Oracle Corp Reference - MBTA
Importance: High

Hi Robert,

Yesterday afternoon, I had a conversation with Ms Stephanie Shaughnessy, Director of Enterprise Applications, Financial Systems for MBTA - Information Technology Dept, regarding Oracle Corp, as they, too, are utilizing the PeopleSoft suite of applications. Currently, they are using the Procurements, inventory, And Financials modules/components. They've been using these products since 2004. They are currently in discussions with their sales/contact management team regarding further increasing their PeopleSoft product set profile. They have had no issues in their dealings or support needs with Oracle and/or the products, have found them to be responsive to their needs and would recommend them/product suite. If needed, I can provide her contact information.

I believe that this, the one below, and the reference previously sent (attached, again, hereon) should suffice the vendor integrity requirements. Please approve the [new] ECRS Amendment entry (Contract CFIT09000001, NIFS Id: CLIT22000001), ASAP, as we are trying to get this before the Leg.

Thanks,
Michael

Michael Kessler

IT Project Manager

Nassau County Department of Information Technology
240 Old Country Road, Suite 608
Mineola, NY 11501
(516) 571-0158

From: Kessler, Michael

Sent: Thursday, April 21, 2022 11:34 AM

To: Cleary, Robert <RCleary@nassaucountyny.gov>

Cc: Stanton, Nancy <nstanton@nassaucountyny.gov>; Alpoge, Simay
<salpoge@nassaucountyny.gov>; Torla, Rosemarie <RTorla@nassaucountyny.gov>

Subject: Oracle Corp Reference

Hi Robert,

I just spoke with Ms. Jayasree Chavali, Acting Director of the PeopleSoft Center of Excellence for New York State (NYS) regarding her experience with Oracle Corporation and their support of the PeopleSoft product line. NYS is currently utilizing multiple Oracle PeopleSoft products, including Enterprise Learning System, Benefits, ATM apps, and HRMS among them. She stated that she has found Oracle to be very responsive to her needs. They were very helpful in their efforts to combine 3 legacy PeopleSoft apps into the current HRMS system. As well, she found working with them and their salesperson/contract manager, Clayton Hatcher, pleasurable.

Summarizing the conversation, she found Oracle Corporation to be reputable, responsive and responsible, and would recommend them as a vendor.

Jayasree's contact information is: 518-225-3636; jaya.chavali@its.ny.gov , if needed.

Regards,
Michael

Michael Kessler

IT Project Manager

Nassau County Department of Information Technology
240 Old Country Road, Suite 608
Mineola, NY 11501
(516) 571-0158

COUNTY OF SUFFOLK



STEVEN BELLONE
SUFFOLK COUNTY EXECUTIVE

DEPARTMENT OF INFORMATION TECHNOLOGY

ARI MCKENZIE
DEPUTY COMMISSIONER

SCOTT MASTELLON
COMMISSIONER

LARRY KRIEB
DEPUTY COMMISSIONER

Nancy Stanton, Commissioner
Nassau County Department of Information Technology
240 Old Country Rd
Mineola, NY 11501

March 23, 2022

Ms. Stanton,

As you know, I am the Commissioner of the Department of Information Technology in Suffolk County and have held this position for close to six (6) years. We have been using Oracle for our database management system since I have been in this position and it has been in use within the County for many years prior to my tenure. In my opinion, Oracle is one of the top performing vendors in meeting our technical needs and one that I would recommend for other government agencies. Their products and overall support have proven to be a tremendous asset to our government.

If you should have any questions or require any additional information on our use of Oracle products, the value their products provide to Suffolk County and/or their support services, please do not hesitate to contact me.

Sincerely,

Scott Mastellon
Commissioner, Department of Information Technology

Cc: Al Perez, Deputy Commissioner, Nassau County Department of Information Technology

Addendum #1 to Business History Form

Generally, unless otherwise stated by the respondent, all responses to this questionnaire are limited to the best of the respondent's knowledge and to Oracle America, Inc. ("Oracle"), and the acts or omissions of any acquired companies only after the date of the acquisition.

Question 10 – Oracle's response is provided by and limited to Oracle America, Inc. on behalf of itself and its acquired companies after the date of acquisition by Oracle America, Inc., and is provided to the best of Oracle America, Inc.'s knowledge as of the date of submission. Oracle has not had a bond or surety cancelled or forfeited. Oracle has had contracts with government entities terminate in the normal course of business; no court has ordered a contract with a governmental entity terminated for breach or failure to perform.

Questions 12 and 13 – Oracle's response is provided by and limited to Oracle America, Inc. on behalf of itself, its acquired companies after the date of acquisition by Oracle America, Inc., and the Section 16 Officers and Directors of Oracle Corporation during their time of employment by Oracle and as it relates to the conduct of Oracle's business, and is provided to the best of Oracle America, Inc.'s knowledge as of the date of submission. Oracle is subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business and which may include regulatory matters and investigations by government agencies. Oracle is a public company and, as such, reports all litigation and/or legal claims that may have a material, adverse effect on the operation of its business in its Form 10-K filings and any subsequent updates with the Securities and Exchange Commission. Oracle's Form 10-K can be found at the following site: <http://investor.oracle.com/financial-reporting/sec-filings/default.aspx>. Oracle's response generally excludes any confidential investigations that may exist at the time. With respect to Oracle's Section 16 officers, to the best of its knowledge, Oracle is not aware of any such investigation or proceeding.

Question 14 – Oracle's response is limited to the Section 16 Officers and Directors of Oracle Corporation during their time of employment with Oracle and as it relates to the conduct of Oracle's business, and is provided to the best of Oracle America Inc.'s knowledge at the time of submission. Oracle objects to clauses related to misdemeanors, which could include routine traffic tickets; Oracle would have no knowledge of these infractions.

Question 15 – Oracle's response is provided by and limited to Oracle America, Inc. on behalf of itself, its acquired companies after the date of acquisition by Oracle America, Inc., and the Section 16 Officers and Directors of Oracle Corporation during their time of employment by Oracle and as it relates to the conduct of Oracle's business, and is provided to the best of Oracle America, Inc.'s knowledge as of the date of submission.

Addendum #2
Oracle America, Inc.

Directors and Officers:

Name	Position(s)
Safra Catz	Director / Chief Executive Officer
Dorian Daley	Director / Executive Vice President / General Counsel
Lawrence J. Ellison	Chief Technology Officer
Douglas Kehring	Executive Vice President
William Corey West	Executive Vice President / Chief Accounting Officer
Gregory Hilbrich	Executive Vice President / Treasurer
Brian S. Higgins	Vice President / Secretary
Sangita Mata	Assistant Treasurer
Lisa Hickman-Lott	Vice President, Tax
Clayton Reeves	Vice President, Tax
Jacklyn Park	Assistant Secretary
Kimberly Woolley	Assistant Secretary
Edward Screven	Chief Corporate Architect

The Address of all above officers and directors is the following:

500 Oracle Parkway, Redwood City, CA 94065

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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended May 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____ to ____
Commission File Number: 001-35992

Oracle Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2300 Oracle Way
Austin, Texas
(Address of principal executive offices)

54-2185193
(I.R.S. Employer
Identification No.)

78741
(Zip Code)

(737) 867-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, par value \$0.01 per share
3.125% senior notes due July 2025

Trading Symbol(s)
ORCL
—

Name of each exchange on which registered
New York Stock Exchange
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant was \$96,373,328,000 based on the number of shares held by non-affiliates of the registrant as of May 31, 2021, and based on the closing sale price of common stock as reported by the New York Stock Exchange on November 30, 2020, which is the last business day of the registrant's most recently completed second fiscal quarter. This calculation does not reflect a determination that persons are affiliates for any other purposes.

Number of shares of common stock outstanding as of June 15, 2021: 2,792,000,000.

Documents Incorporated by Reference:

Portions of the registrant's definitive proxy statement relating to its 2021 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. Such proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days of the registrant's fiscal year ended May 31, 2021

ORACLE CORPORATION

FISCAL YEAR 2021
FORM 10-K
ANNUAL REPORT

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Cautionary Note on Forward-Looking Statements

For purposes of this Annual Report, the terms “Oracle,” “we,” “us” and “our” refer to Oracle Corporation and its consolidated subsidiaries. This Annual Report on Form 10-K contains statements that are not historical in nature, are predictive in nature, or that depend upon or refer to future events or conditions or otherwise contain forward-looking statements within the meaning of Section 21 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Private Securities Litigation Reform Act of 1995. These include, among other things, statements regarding:

- our expectations regarding the impacts on our business as a result of the global COVID-19 pandemic;
- our expectation that we may acquire companies, products, services and technologies to further our corporate strategy as compelling opportunities become available;
- our belief that our acquisitions enhance the products and services that we can offer to customers, expand our customer base, provide greater scale to accelerate innovation, grow our revenues and earnings, and increase stockholder value;
- our expectation that, on a constant currency basis, our total cloud and license revenues generally will continue to increase due to expected growth in our cloud services and our license support offerings, and continued demand for our cloud license and on-premise license offerings;
- our belief that our Oracle Cloud Software-as-a-Service and Infrastructure-as-a-Service (SaaS and IaaS, respectively, and collectively, Oracle Cloud Services) offerings are opportunities for us to expand our cloud and license business, and that we are in the early stages of what we expect will be a material migration of our existing Oracle customer base from on-premise applications and infrastructure products and services to the Oracle Cloud;
- our belief that we can market our SaaS and IaaS services to a broader ecosystem of small and medium-sized businesses, non-IT lines of business purchasers, developers and partners due to the highly available, intuitive design, low touch and low cost characteristics of the Oracle Cloud;
- our expectation that substantially all of our customers will renew their license support contracts annually;
- our belief that Oracle Fusion Cloud ERP is a strategic suite of applications that is foundational to facilitate and extract more business value out of the adoption of other Oracle SaaS offerings as customers realize the value of a common data model that spans across core business applications;
- our belief that our SaaS offerings remove business boundaries between front- and back-office activities;
- our expectations regarding the Oracle Autonomous Database to deliver rapid insights and innovation to our customers while also reducing customer downtime and cost;
- our expectation that current and expected customer demand will require us to accelerate cloud services and license support expenses in order to expand the Oracle Cloud by increasing existing data center capacity and adding additional data centers in new geographic locations, which may result in lower total operating margins in future periods;
- our expectation that our hardware business will have lower operating margins as a percentage of revenues than our cloud and license business;
- our expectation that we will continue to make significant investments in research and development, and our belief that research and development efforts are essential to maintaining our competitive position;
- our expectation that our international operations will continue to provide a significant portion of our total revenues and expenses;
- our expectation that variable expenditures that were curtailed primarily in response to COVID-19 may normalize in future periods provided global economic conditions improve;

- our expectation that the proportion of our cloud services and license support revenues relative to our cloud license and on-premise license revenues, hardware revenues and services revenues will continue to increase;
- the sufficiency of our sources of funding for working capital, capital expenditures, contractual obligations, acquisitions, dividends, stock repurchases, debt repayments and other matters;
- our belief that we have adequately provided under U.S. generally accepted accounting principles for outcomes related to our tax audits and that the final outcome of our tax-related examinations, agreements or judicial proceedings will not have a material effect on our results of operations, and our belief that our net deferred tax assets will likely be realized in the foreseeable future;
- our belief that the outcome of certain legal proceedings and claims to which we are a party will not, individually or in the aggregate, result in losses that are materially in excess of amounts already recognized, if any;
- the possibility that certain legal proceedings to which we are a party could have a material impact on our financial position, future cash flows and results of operations;
- the possibility that we may incur additional restructuring expenses in future periods due to the initiation of new restructuring plans;
- declarations of future cash dividend payments and the timing and amount of future stock repurchases, including our expectation that the levels of our future stock repurchase activity may be modified in comparison to past periods in order to use available cash for other purposes;
- our expectations regarding the impact of recent accounting pronouncements on our consolidated financial statements;
- our expectation that, to the extent customers renew support contracts or cloud SaaS and IaaS contracts from companies that we have acquired, we will recognize revenues for the full contracts' values over the respective renewal periods;
- our ability to predict revenues, particularly certain cloud license and on-premise license revenues and hardware revenues;
- the percentage of remaining performance obligations that we expect to recognize as revenues over the next twelve months;

as well as other statements regarding our future operations, financial condition and prospects, and business strategies. Forward-looking statements may be preceded by, followed by or include the words "expects," "anticipates," "intends," "plans," "believes," "seeks," "strives," "endeavors," "estimates," "will," "should," "is designed to" and similar expressions. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about our business that could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors" included elsewhere in this Annual Report and as may be updated in filings we make from time to time with the U.S. Securities and Exchange Commission (the SEC), including our Quarterly Reports on Form 10-Q to be filed by us in our fiscal year 2022, which runs from June 1, 2021 to May 31, 2022.

We have no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or risks, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. New information, future events or risks could cause the forward-looking events we discuss in this Annual Report not to occur. You should not place undue reliance on these forward-looking statements, which reflect our expectations only as of the date of this Annual Report.

PART I**Item 1. Business**

Oracle provides products and services that address enterprise information technology (IT) environments. Our products and services include applications and infrastructure offerings that are delivered worldwide through a variety of flexible and interoperable IT deployment models. These models include on-premise deployments, cloud-based deployments, and hybrid deployments (an approach that combines both on-premise and cloud-based deployment) such as our Oracle Cloud@Customer offering (an instance of Oracle Cloud in a customer's own data center). Accordingly, we offer choice and flexibility to our customers and facilitate the product, service and deployment combinations that best suit our customers' needs. Our customers include businesses of many sizes, government agencies, educational institutions and resellers that we market and sell to directly through our worldwide sales force and indirectly through the Oracle Partner Network. Using Oracle technologies, our customers build, deploy, run, manage and support their internal and external products, services and business operations including, for example, a global cloud application supplier that utilizes Oracle Cloud Infrastructure-as-a-Service (IaaS) to provide its Software-as-a-Service (SaaS) offerings; a multi-national financial institution that runs its banking applications using the Oracle Exadata Database Machine; and a global consumer products company that leverages Oracle Fusion Cloud Enterprise Resource Planning for its accounting processes, consolidation and financial planning functions.

Oracle Cloud Services offerings, which include Oracle SaaS and Oracle IaaS offerings, provide a comprehensive and integrated stack of applications and infrastructure services delivered via cloud-based deployment models. Oracle Cloud Services integrate the software, hardware and services on a customer's behalf in a cloud-based IT environment that Oracle deploys, upgrades, supports and manages for the customer.

Oracle Cloud Services are designed to be rapidly deployable to enable customers shorter time to innovation; intuitive for casual and experienced users; easily maintainable to reduce upgrade, integration and testing work; connectable among differing deployment models to enable interchangeability and extensibility between IT environments; compatible to easily move workloads between the Oracle Cloud and other IT environments; cost-effective by requiring lower upfront customer investment; and secure, standards-based and reliable.

Oracle cloud license and on-premise license deployment offerings include Oracle Applications, Oracle Database and Oracle Middleware software offerings, among others, which customers deploy using IT infrastructure from the Oracle Cloud or their own cloud-based or on-premise IT environments. Substantially all customers, at their option, purchase license support contracts when they purchase an Oracle license.

Oracle hardware products include Oracle Engineered Systems, servers, storage and industry-specific products, among others. Customers generally opt to purchase hardware support contracts when they purchase Oracle hardware products.

Oracle also offers services to assist our customers and partners to maximize the performance of their Oracle purchases.

Providing choice and flexibility to Oracle customers as to when and how they deploy Oracle applications and infrastructure technologies is an important element of our corporate strategy. We believe that offering customers broad, comprehensive, flexible and interoperable deployment models for Oracle applications and infrastructure technologies is important to our growth strategy and better addresses customer needs relative to our competitors, many of whom provide fewer offerings, more restrictive deployment models and less flexibility for a customer's transition to cloud-based IT environments.

Our investments in, and innovation with respect to, Oracle products and services that we offer through our three businesses (cloud and license, hardware and services businesses, described further below) are another important element of our corporate strategy. In fiscal 2021, 2020 and 2019, we invested \$6.5 billion, \$6.1 billion and \$6.0 billion, respectively, in research and development to enhance our existing portfolio of offerings and products and to develop new technologies and services. We have a deep understanding as to how applications and infrastructure technologies interact and function with one another. We focus our development efforts on improving the performance, security, operation, integration and cost-effectiveness of our offerings relative to our competitors; facilitating the ease with which organizations are able to deploy, use, manage and maintain our offerings; and incorporating emerging technologies within our offerings to enable leaner business processes,

automation and innovation. For example, the Oracle Autonomous Database is designed to deliver transformational infrastructure through an Oracle Cloud IaaS offering that utilizes Oracle's Next-Generation Cloud Infrastructure's machine learning capabilities. After an initial purchase of Oracle products and services, our customers can continue to benefit from our offerings, research and development efforts and deep IT expertise by electing to purchase and renew Oracle support offerings for their license and hardware deployments, which may include product enhancements that we periodically deliver to our products, and by renewing their Oracle Cloud Services contracts with us.

Our selective and active acquisition program is another important element of our corporate strategy. We believe that our acquisitions enhance the products and services that we can offer to customers, expand our customer base, provide greater scale to accelerate innovation, grow our revenues and earnings, and increase stockholder value. We have invested billions of dollars over time to acquire a number of companies, products, services and technologies that add to, are complementary to, or have otherwise enhanced our existing offerings. We expect to continue to acquire companies, products, services and technologies to further our corporate strategy.

We have three businesses, each of which is comprised of a single operating segment. Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 15 of Notes to Consolidated Financial Statements, both included elsewhere in this Annual Report, provide additional information related to our businesses and operating segments.

Oracle Corporation was incorporated in 2005 as a Delaware corporation and is the successor to operations originally begun in June 1977.

Impacts of the COVID-19 Pandemic on Oracle's Business

Oracle is committed to the health, safety and welfare of our employees, customers, suppliers, communities, stockholders and other stakeholders. While the world continues to navigate the risks and uncertainties associated with the COVID-19 pandemic, we are committed to providing critical technologies, programs and support to individuals and organizations to navigate, adjust and advance their operations in light of the unique demands and constraints imposed by the pandemic. Many enterprises, governments and educational institutions have faced unprecedented disruption due to the COVID-19 pandemic and their customers expect to deal with organizations in digital ways more than ever before. Organizations have been required to adjust their operations and IT infrastructures to operate safely while agilely responding to evolving purchaser needs and business requirements. Organizations have turned to the Oracle Cloud to accelerate their digital transformations using applications and infrastructure technologies that are designed to be complete, current, and robust in order to safely and securely operate, safeguard and advance their business initiatives. Regardless of IT deployment model, Oracle has developed, delivered and supported products and services for decades that enable telecommunication companies to keep people connected; retailers to provide food and other necessities; researchers to identify solutions; hospitals to provide care; airlines to ensure travel; banks to help people access funds; insurers to provide benefits; governments to keep people safe and informed; utilities to supply power and water; and many other critical functions.

We have proactively sought, supported, donated to, partnered and engaged with organizations globally that provide critical medicines, research, goods and services to combat the COVID-19 pandemic, including:

- medical research organizations, which power COVID-19 simulation and modeling projects using Oracle Cloud IaaS;
- the U.S. federal government, which received Oracle's National Electronic Health Records Cloud and Oracle's Public Health Management Applications Suite to help public health agencies collect and analyze information related to COVID-19 and track any adverse effects related to COVID-19 vaccines;
- national governments of several African countries, which are receiving systems and services to manage public health vaccination programs, through our work with the Tony Blair Institute;
- hospitals, which have utilized Oracle infrastructure technologies to rapidly develop and deploy applications that collect, analyze and manage characteristics of COVID-19 patients;

- enterprises, which, at the onset of the COVID-19 pandemic, Oracle permitted at no additional charge to access Oracle Fusion Cloud Human Capital Management (HCM) options for employee health and safety programs in order to proactively manage and respond to COVID-19 implications on their workforces;
- state and local government agencies, which have utilized Oracle Cloud SaaS solutions to develop and target constituent outreach related to COVID-19, and to assess, research and respond to COVID-19 incident management on a unified platform; and
- pharmaceutical companies, which power their research and clinical trials using Oracle Health Sciences solutions;

among dozens of other specific use cases, programs and partnerships that Oracle has donated to, partnered with, developed and supported in response to the COVID-19 pandemic.

Oracle applications and infrastructure technologies are critical to the business operations of our customers, which number in the hundreds of thousands across a broad geographic and industry base. We are profitable and generate a large amount of positive cash flow from our operations and we do not believe the COVID-19 pandemic will jeopardize either of these characteristics of our business. Other impacts due to COVID-19 on our business are currently unknown.

For additional discussion regarding the impacts and risks to our business from the COVID-19 pandemic, refer to Item 1A Risk Factors and Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Annual Report on Form 10-K.

Oracle Applications and Infrastructure Technologies

Oracle's comprehensive portfolio of applications and infrastructure technologies is designed to address an organization's IT environment needs including business process, infrastructure and applications development requirements, among others. Oracle technologies are based upon industry standards and are designed to be enterprise-grade, reliable, scalable and secure. Oracle applications and infrastructure technologies including database and middleware software as well as enterprise applications, virtualization, clustering, large-scale systems management and related infrastructure products and services are the building blocks of Oracle Cloud Services, our partners' cloud services, and our customers' cloud IT environments. Oracle applications and infrastructure offerings are marketed and sold through our cloud and license, hardware, and services businesses and are delivered through the Oracle Cloud, or through other IT deployment models including cloud-based, hybrid and on-premise deployments. We believe Oracle applications and infrastructure offerings enable flexibility, interoperability and choice to best meet customer IT needs.

We believe that our Oracle Cloud Services offerings are opportunities for us to expand our cloud and license business. We believe that our customers increasingly recognize the value of access to the latest versions of Oracle cloud-based applications and infrastructure capabilities via a lower cost, rapidly deployable, flexible and interoperable services model that Oracle provisions, manages, upgrades and maintains on the customer's behalf. We believe that we can market and sell our Oracle SaaS and IaaS offerings together to help new and existing customers migrate their extensive installed base of on-premise applications and infrastructure technologies to the Oracle Cloud and we believe we are in the early stages of what we expect will be a material migration of our existing Oracle customer base from on-premise applications and infrastructure products and services to the Oracle Cloud. In addition, we also believe we can market our SaaS and IaaS services to a broader ecosystem of small and medium-sized businesses, non-IT lines of business purchasers, developers and partners due to the highly available, intuitive design, low touch and low cost characteristics of the Oracle Cloud.

In recent periods, customer demand for our applications and infrastructure technologies delivered through our Oracle Cloud Services deployment models has increased. To address customer demand and enable customer choice, we have introduced certain programs for customers to pivot their applications and infrastructure licenses and license support contracts to the Oracle Cloud for new deployments and to migrate to and expand with the Oracle Cloud for their existing workloads. The proportion of our cloud services and license support revenues relative to our cloud license and on-premise license revenues, hardware revenues and services revenues has increased and represented 71%, 70% and 68% of our total revenues during fiscal 2021, 2020 and 2019, respectively. We expect these trends to continue.

Oracle Applications Technologies

Oracle applications technologies are marketed, sold, delivered and supported through our cloud and license business. Our applications cloud services and license support revenues represented 41% of our total cloud services and license support revenues in fiscal 2021 and 40% of our total cloud services and license support revenues in each of fiscal 2020 and 2019. Oracle applications technologies include our Oracle Cloud SaaS offerings, which are available for customers as a subscription, and Oracle Applications license offerings, which are available for customers to purchase for use within the Oracle Cloud, and other cloud-based and on-premise IT environments, and include the option to purchase related license support. Regardless of the deployment model selected, our applications technologies are designed to reduce the risk, cost and complexity of our customers' IT infrastructures, while supporting customer choice with flexible deployment models that readily enable performance, agility, compatibility and extendibility. Our applications technologies are generally designed using industry standard architectures to manage and automate core business functions across the enterprise, as well as to help customers differentiate and innovate in those processes unique to their industries or organizations. We offer applications that are deployable to meet several business automation requirements across a broad range of industries. We also offer industry-specific applications, which provide solutions to customers in the automotive, communications, construction and engineering, consumer goods, education and research, financial services, food and beverage, healthcare, high technology, hospitality, industrial manufacturing, life sciences, media and entertainment, public sector, retail and utilities industries, among others.

Oracle Cloud Software as a Service (SaaS)

Oracle's broad spectrum of Oracle Cloud SaaS offerings provides customers a choice of software applications that are delivered via a cloud-based IT environment that we host, manage, upgrade and support, and that customers purchase by entering into a subscription agreement with us for a stated period. Customers access Oracle Cloud SaaS offerings utilizing common web browsers via a broad spectrum of devices. Our SaaS offerings are built upon open industry standards such as SQL, Java and HTML5 for easier application accessibility, integration and development. Our SaaS offerings represent an industry leading business innovation platform, leveraging Oracle's Next-Generation Cloud Infrastructure, and include a broad suite of modular, next generation cloud software applications spanning all core business functions including, among others:

- Oracle Fusion Cloud Enterprise Resource Planning (ERP), which is designed to be a complete, global and integrated ERP solution to help organizations improve decision making and workforce productivity, and to optimize back-office operations by utilizing a single data and security model with a common user interface;
- Oracle Fusion Cloud Enterprise Performance Management (EPM), which is designed to analyze financial performance, drive accurate and agile financial plans, optimize the financial close and consolidation process, streamline account reconciliation and satisfy an organization's reporting requirements;
- Oracle Fusion Cloud Supply Chain and Manufacturing Management (SCM), which is designed to help organizations create, optimize and digitize their supply chains and innovate products quickly;
- Oracle Fusion Cloud HCM, which is designed to help organizations find, develop and retain their talent, enable collaboration, provide complete workforce insights, improve business process efficiency, and enable users to connect to an integrated suite of HCM applications from any device;
- Oracle Fusion Cloud Advertising and Customer Experience including Sales, Service, Marketing and Advertising, which is designed to be a complete and integrated solution to help organizations deliver consistent and personalized customer experiences across their customer channels, touch points and interactions. It also enables organizations to leverage their own data and consumer data to inform and measure marketing strategies and programs; and
- NetSuite Applications Suite, which is designed to be a unified, cloud-based applications suite to run a company's entire business and includes financials and ERP, customer relationship management, human resources, professional services and commerce, among others. It is generally marketed to small to medium-sized organizations.

In addition, we offer several cloud-based industry solutions to address specific customer needs within certain industries including construction and engineering, retail, and utilities, among others.

Customers, partners and other interested parties may elect to subscribe to Oracle applications and infrastructure training and certification programs through a variety of online, cloud-based learning subscriptions offered by Oracle University. Learners generally have unlimited access to course content delivered during the subscription period.

We believe that the comprehensiveness and breadth of our SaaS offerings as a business innovation platform differentiate us from many of our competitors that offer more limited or specialized applications. Our SaaS offerings are designed to support connected business processes in the cloud and are centered on an intuitive and conversational user experience, a responsive, open and flexible business core, and a common data model. We believe Oracle Fusion Cloud ERP is a strategic suite of applications that is foundational to facilitate and extract more business value out of the adoption of other Oracle SaaS offerings, such as Oracle Fusion Cloud HCM and Oracle Fusion Cloud EPM, as customers realize the value of a common data model that spans across core business applications. We believe our SaaS offerings remove business boundaries between front- and back-office activities. Our SaaS offerings are designed to deliver a secure data isolation architecture and flexible upgrades; self-service access controls for users; a Service-Oriented Architecture; built-in social, mobile and business insight capabilities (analytics); and a high performance, high availability infrastructure based on our infrastructure technologies, including Oracle's Next-Generation Cloud Infrastructure. These SaaS capabilities are designed to simplify IT environments, reduce time to implementation and risk, provide an intuitive user experience for casual and experienced users, and enable customers to focus resources on business growth opportunities. Our SaaS offerings are also designed to natively incorporate advanced technologies such as Internet-of-Things (IoT), artificial intelligence, machine learning, blockchain, digital assistants and advances in the "human interface" and how users interact with Oracle Cloud SaaS offerings within a business context or to augment human capabilities to enhance productivity.

Oracle Applications Licenses

Customers have the ability to license Oracle Applications for use within the Oracle Cloud or within their own cloud-based or on-premise IT environments. Oracle Applications are designed to manage and automate core business functions across the enterprise, including HCM, ERP, EPM, SCM, Advertising and Customer Experience, and industry-specific applications as described above, among others.

We provide customers the option to purchase license support contracts in connection with the purchase of Oracle Applications licenses.

Oracle License Support

Oracle license support offerings are marketed and sold as a part of our cloud and license business. Substantially all of our customers opt to purchase license support contracts when they purchase Oracle applications and infrastructure licenses to run within the Oracle Cloud or other cloud-based and on-premise IT environments. We believe our license support offerings protect and enhance our customers' investments in Oracle applications and infrastructure technologies because they provide proactive and personalized support services including Oracle Lifetime Support and unspecified license enhancements and upgrades during the term of the support period. Substantially all license support customers renew their support contracts with us upon expiration in order to continue to benefit from technical support services and the periodic issuance of unspecified updates and enhancements, which current license support customers are entitled to receive. Our license support contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are typically one year in duration.

Oracle Infrastructure Technologies

Oracle infrastructure technologies are marketed, sold and delivered through our cloud and license business and through our hardware business. Our infrastructure technologies are designed to be flexible, cost-effective, standards-based, secure and high-performance in order to facilitate the development, running, integration, management and extension across an organization's cloud-based, on-premise and hybrid IT environments.

Our cloud and license business' infrastructure technologies include the Oracle Database, which is the world's most popular enterprise database; Java, which is the computer industry's most widely-used software development language; and middleware including development tools, among others. These technologies are available through a subscription to our Oracle Cloud IaaS offerings or through the purchase of a license and related license support, at the customer's option, to run within the Oracle Cloud, as a part of a customer's on-premise cloud services, and in other customer IT environments. Our cloud and license business' infrastructure technologies also include cloud-based compute, storage and networking capabilities, among others, through our Oracle Cloud IaaS offerings that are further described below. Our infrastructure offerings also include new and innovative services such as Oracle Autonomous Database (described further below) and emerging technologies such as IoT, digital assistant, and blockchain.

Our hardware business' infrastructure technologies consist of hardware products and certain unique hardware-related software offerings including Oracle Engineered Systems, enterprise servers, storage solutions, industry-specific hardware, virtualization software, operating systems, management software, and related hardware services, including hardware support at the customer's option. Our customers utilize Oracle hardware products and related offerings in their cloud-based, on-premise or hybrid environments to run their internal business operations and to deliver products and services to their customers.

We design our infrastructure technologies to work in our customers' on-premise IT environments that may include other Oracle or non-Oracle hardware or software components. Our flexible and open approach also provides Oracle customers with a choice as to how they can utilize and deploy Oracle infrastructure technologies: through the use of Oracle Cloud offerings; on-premise in our customers' data centers; or a hybrid combination of these two deployment models, such as in the Oracle Cloud@Customer deployment model (described further below). We focus on the operation and integration of Oracle infrastructure technologies to make them easier to deploy, extend, interconnect, manage and maintain for our customers and to improve computing performance relative to our competitors' offerings. For example, the Oracle Exadata Database Machine integrates multiple Oracle technology components to work together to deliver improved performance, availability, scalability, security and operational efficiency of Oracle Database workloads relative to our competitors' products.

Oracle Infrastructure Technologies – Cloud and License Business Offerings

Oracle infrastructure technologies are marketed, sold and delivered through our cloud and license business. Our infrastructure cloud services and license support revenues represented 59% of our total cloud services and license support revenues during fiscal 2021 and 60% in each of fiscal 2020 and 2019.

Oracle Cloud Infrastructure as a Service (IaaS)

Oracle Cloud IaaS is based upon Oracle's Next-Generation Cloud Infrastructure and is designed to deliver IaaS services including compute, storage and networking services, among others, as well as Oracle Autonomous Database that Oracle runs, manages, upgrades and supports on behalf of the customer for a fee for a stated time period, or for certain of our IaaS services, on a "pay-as-you-go" basis at a specified rate for services consumed. By utilizing Oracle Cloud IaaS, customers can leverage the Oracle Cloud for enterprise-grade, high performance, scalable, cost-effective and secure infrastructure technologies that are designed to be rapidly deployable and provide real-time elasticity while reducing the amount of time and resources normally consumed by IT processes within on-premise environments. Oracle's Next-Generation Cloud Infrastructure technology is designed to be differentiated from other cloud vendors to provide better security by separating cloud control code computers from customer data compute nodes. Customers use Oracle Cloud IaaS offerings to build and operate new cloud-native applications, to run new workloads and to move their existing Oracle or non-Oracle workloads to the Oracle

Cloud from their on-premise data centers or from other cloud-based IT environments, among other uses. We continue to invest in Oracle Cloud IaaS to improve features and performance; to expand the catalog of cloud-based infrastructure tools and services that we provide; to increase the capacity and geographic footprint to deliver these services; to simplify the processes for migrating workloads to the Oracle Cloud; and to provide customers with the ability to run workloads across different IT environments, the Oracle Cloud as well as other third-party clouds in a hybrid deployment model.

Oracle customers and partners utilize Oracle's open, standards-based IaaS offerings for platform-related services that are based upon the Oracle Database, Java and Oracle Middleware, including open source and other tools for a variety of use cases across data management (including the use of Oracle Autonomous Database), applications development, integration, content management, analytics, IT management and governance, security, and rapidly emerging technologies such as machine learning. Oracle Cloud IaaS machine learning features are designed to be embedded into customer applications for a variety of predictive use cases including, among others, the servicing of machine parts that are at risk of failing, the stocking of retailer store shelves, and the financial modeling to stay within a business' forecasts.

Oracle customers and partners also utilize Oracle Cloud IaaS for highly-scalable, available, and secure compute, storage and networking services. Our Oracle Cloud IaaS offerings' cloud-based compute services range from virtual machines to graphics processing unit-based offerings to bare metal servers and include options for dense I/O workloads and high performance computing. Oracle Cloud IaaS also includes a range of cloud-based storage offerings including block, object and archive storage services. In addition, Oracle Cloud IaaS offers networking, connectivity, and edge services that help connect customer data centers and third-party clouds, such as Microsoft Azure, with our Oracle Cloud IaaS offerings.

Oracle Cloud@Customer offerings are a direct response to restrictions imposed upon cloud-based IT environment adoption by businesses that operate within certain regulated industries, entities or jurisdictions and enable customer choice in deployment models. Oracle Cloud@Customer enables customers to run Oracle Autonomous Database or Oracle Database in their own data centers behind their firewalls while having the services managed by Oracle. Oracle Cloud@Customer offerings enable customers to take advantage of the agility, innovation and subscription-based pricing of Oracle Cloud Services while meeting data sovereignty, data residency, data protection and regulatory business policy requirements. Oracle Dedicated Region Cloud@Customer is designed to enable customers to bring a self-contained Oracle Cloud instance into their data centers while accessing a substantial portfolio of Oracle Cloud IaaS and SaaS offerings. Oracle Roving Edge Infrastructure offerings are designed to enable customers to access cloud computing and storage services at the edge of networks and in generally disconnected locations in order to accelerate deployment of cloud workloads outside of the data center.

Oracle Database Licenses

Oracle Database is the world's most popular enterprise database and is designed to enable reliable and secure storage, retrieval and manipulation of all forms of data. Oracle Database is licensed throughout the world by businesses and organizations of all sizes for a multitude of purposes, including, among others: for use within the Oracle Cloud to deliver our Oracle Cloud SaaS and IaaS offerings; for use as a cloud license by a number of cloud-based vendors within their respective cloud services offerings; for packaged and custom applications for transaction processing; and for data warehousing and business intelligence. Oracle Database may be deployed in various IT environments including Oracle Cloud, Oracle Cloud@Customer and Dedicated Region Cloud@Customer environments, other cloud-based IT environments, and on-premise data centers, among others. As described above, customers may elect to purchase license support for Oracle Database licenses. We also offer Oracle Database cloud services, such as Oracle Exadata Cloud Service and Oracle Database Service, as a part of our Oracle Cloud IaaS offerings.

Oracle Database Enterprise Edition is available with a number of optional add-on products to address specific customer requirements. In addition to the Oracle Database, we offer a portfolio of specialized database products to address specific customer requirements.

Oracle Autonomous Database

Oracle Autonomous Database offerings are designed to deliver performance and scale with automated database operations and policy-driven optimization by combining certain Oracle infrastructure technologies including the Oracle Database, Oracle's Next-Generation Cloud Infrastructure, Oracle Exadata, and native machine learning capabilities, among others. Oracle Autonomous Database offerings are designed to be self-driving, lower labor costs and reduce human error for routine database administration tasks including maintenance, tuning, patching, security and backup. Oracle Autonomous Database offerings use machine learning-driven diagnostics for fault prediction and error handling. We believe the Oracle Autonomous Database offerings deliver rapid insights and innovation by enabling organizations to quickly provision a data warehouse that automatically and elastically scales to handle very large data warehouses and support millions of transactions per second while enabling a flexible payment model for only the resources used. The integration of Oracle Autonomous Database with other Oracle Cloud Services, such as Java Cloud and Oracle APEX low-code service, and the open interfaces and integrations, provide developers with a modern, open platform to develop new and innovative applications.

Oracle Autonomous Database offerings include:

- Oracle Autonomous Data Warehouse (ADW), which is designed to provide customers with easy-to-use analytics tools in a fully managed, high-performance and elastic service optimized for data warehouse workloads. We believe that most businesses view data as a potentially high-value source that can be used to gain new insights into their customers' behaviors, to anticipate future demand more accurately, to align workforce deployment with business activity forecasts and to accelerate the pace of operations, among other benefits. ADW's self-patching and self-tuning capabilities are designed to enable upgrades while the database is running, thereby eliminating human error. Oracle ADW automates manual IT tasks such as deployment, storing, securing, scaling and backing-up data. In addition, the machine learning-based technology of ADW is designed to enable customers to deploy new, or move existing data marts and data warehouses to the cloud and includes a drag and drop interface that is designed to be highly intuitive; and
- Oracle Autonomous Transaction Processing (ATP), which is designed to enable organizations to safely run a complex mix of high-performance transactions, reporting and batch processing using instant, elastic compute and storage through an Oracle Database running on an Oracle Exadata cloud-based instance. Oracle ATP is designed to enable organizations to conduct real-time transactional data analysis for faster results and lower administration costs, and to eliminate cyber-attacks on unpatched or unencrypted databases. Oracle ATP is designed to be simple and agile to develop and deploy new applications because complex management and tuning is not required.

Oracle ADW and Oracle ATP offer the following options, among others:

- Shared Exadata Infrastructure, which is designed to be a simple and elastic deployment choice in which Oracle autonomously operates all aspects of the database lifecycle, including database placement, backup and software updates; and
- Dedicated Exadata Infrastructure, which is designed to provide the characteristics of a private cloud in a public cloud deployment, including dedicated compute, storage, network and database resources for a single tenant. Dedicated Exadata Infrastructure deployment is also designed to provide high levels of security isolation and governance with customizable operational policies for autonomous operations for workload placement, workload optimization, schedule updating, availability, over-provisioning and peak usage.

Oracle Middleware Licenses

We license our Oracle Middleware, which is a broad family of integrated application infrastructure software, for use in the Oracle Cloud, other cloud-based environments, on-premise data centers and related IT environments. Oracle Middleware is designed to enable customers to design and integrate Oracle and non-Oracle business applications, automate business processes, scale applications to meet customer demand, simplify security and

compliance, manage lifecycles of documents and get actionable, targeted business intelligence. Built with Oracle's Java technology platform, Oracle Middleware products are designed to be flexible across different deployment environments—cloud, on-premise or hybrid—as a foundation for custom, packaged and composite applications, thereby simplifying and reducing time to deployment. Oracle Middleware is designed to protect customers' IT investments and work with both Oracle and non-Oracle database, middleware and applications software through an open architecture and adherence to industry standards. In addition, Oracle Middleware supports multiple development languages and tools, which enables developers to flexibly build once and deploy applications globally across websites, portals and cloud-based applications utilizing a variety of IT environments.

Among our other middleware license offerings, we license a wide range of development tools, such as Oracle WebLogic Server for Java application development and Oracle Mobile Application Framework, which is designed to address the needs of businesses that are increasingly focused on delivering mobile device applications to their customers. Organizations may elect to purchase license support, as described above, for Oracle Middleware licenses at their option. We also offer certain of our middleware capabilities as a part of Oracle Cloud IaaS.

Java Licenses

Java is the world's most popular programming language that is used to deliver cloud development and deployment services, microservices, big data analytics, data management, social services, mobile services, chatbots, and continuous integration tools for numerous platforms and technologies including websites, enterprise and consumer applications, embedded devices and gaming. Java is designed to enable developers to write software on a single platform and run it on many other different platforms, independent of operating system and hardware architecture. Java has been adopted by both independent software vendors (ISVs) that have built their products using Java and by enterprise organizations building custom applications or consuming Java-based ISV products. Oracle is the steward of the Java platform and ecosystem. Customers generally purchase Java offerings through subscriptions that include license and support services. Oracle's Java offerings are used by customers to support their Java deployments and to stay current with the latest security updates and other technology innovations.

Oracle Infrastructure Technologies – Hardware Business Offerings

Oracle infrastructure technologies are also marketed, sold and delivered through our hardware business, including a broad selection of hardware products and related hardware support services for cloud-based IT environments, data centers and related IT environments.

Oracle Engineered Systems

Oracle Engineered Systems are core to our cloud-based and on-premise data center infrastructure offerings. Oracle Engineered Systems are pre-integrated products, combining multiple unique Oracle technology components, including database, storage, operating system, and management software with server, storage, networking hardware and other technologies. Oracle Engineered Systems are designed to work together to deliver improved performance, scalability, availability, security and operational efficiency relative to our competitors' products; to be upgraded effectively and efficiently in a non-disruptive manner; and to simplify maintenance cycles and improve security by providing a single solution for patching. For example, Oracle Exadata Database Machine is a computing platform that is optimized for running Oracle Database, achieving higher performance, scalability and availability at a lower cost by combining Oracle Database, storage and operating system software with Oracle server, storage and networking hardware. We offer certain of our Oracle Engineered Systems, including the Oracle Exadata Database Machine, among others, through flexible deployment options, including on-premise, Oracle Cloud IaaS, and as an Oracle Cloud@Customer offering.

Oracle Servers

We offer a wide range of Oracle server products that are designed for mission-critical enterprise environments and that are key components of our Oracle Engineered Systems and Oracle Cloud offerings. We have two families of server products: those based on the Oracle SPARC microprocessor, which are designed to be differentiated by their reliability, security and scalability specifically for UNIX environments; and those using x86 microprocessors. By offering a range of server sizes and microprocessors, customers are offered the flexibility to choose the types of

servers that they believe will be most appropriate and valuable for their particular IT environments. We believe the combination of Oracle server systems with Oracle software enhances our customers' ability to shift data and workloads between data center and cloud deployments based on an organization's business requirements.

Oracle Storage

Oracle storage products are engineered for the cloud and designed to securely store, manage, protect and archive customers' mission-critical data assets generated by any database or application. Oracle storage products combine flash, disk, tape and server technologies with optimized software and unique integrations with the Oracle Database offering greater performance and efficiency and lower total cost relative to our competitors' storage products. Certain of our storage products provide integration with Oracle Cloud Services for backup and archiving.

Oracle Industry-Specific Hardware Offerings

We offer hardware products and services designed for certain specific industries including, among others, our point-of-sale terminals and related hardware that are designed for managing businesses within the food and beverage, hotel and retail industries; and hardware products and services for communications networks including network signaling, policy control and subscriber data management solutions, and session border control technology.

Oracle Operating Systems, Virtualization, Management and Other Hardware-Related Software

We offer a portfolio of operating systems, including Oracle Linux and Oracle Solaris, virtualization software including Oracle Virtual Machine, and other hardware-related software. We also offer a range of management technologies and products, including Oracle Enterprise Manager and the Oracle Cloud Observability and Management Platform, designed to help customers efficiently operate complex IT environments, including both end users' and service providers' cloud environments.

Oracle Hardware Support

Oracle hardware support offerings provide customers with unspecified software updates for software components that are essential to the functionality of our hardware products such as for Oracle operating systems and firmware. These offerings can also include product repairs, maintenance services and technical support services. We continue to evolve hardware support processes that are intended to proactively identify and solve quality issues and to increase the amount of new and renewed hardware support contracts sold in connection with the sales of our hardware products. Hardware support contracts are generally priced as a percentage of the net hardware products fees.

Oracle Services

We offer services to help customers and partners maximize the performance of their investments in Oracle applications and infrastructure technologies. We believe that our services are differentiated based on our focus on Oracle technologies, extensive experience and broad sets of intellectual property and best practices. Our services offerings substantially include, among others:

- consulting services, which are designed to help our customers and global system integrator partners more successfully architect and deploy our cloud and license offerings, including IT strategy alignment, enterprise architecture planning and design, implementation, integration, application development, security assessments and ongoing software enhancements and upgrades. We utilize a global, blended delivery model to optimize value for our customers and partners, consisting of consultants from local geographies, industry specialists and consultants from our global delivery and solution centers; and
- advanced customer services, which are support services provided by Oracle to a customer on-site or remote to enable increased performance and higher availability of a customer's Oracle products and services.

Oracle Cloud Operations

Oracle Cloud Operations deliver our Oracle Cloud Services to customers through a secure, reliable, scalable, enterprise grade cloud infrastructure platform managed by Oracle employees within a global network of data centers, which we refer to as the Oracle Cloud. The Oracle Cloud enables secure and isolated cloud-based instances for each of our customers to access the functionality of Oracle Cloud Services via a broad spectrum of devices. Oracle Cloud Operations leverage automated software tools to enable the rapid delivery of the latest cloud technology capabilities to the Oracle Cloud as they become available, providing Oracle customers access to the latest Oracle releases generally on a quarterly cadence. We have invested in the expansion of the Oracle Cloud by increasing existing data center capacity and adding additional data centers in new geographic locations to meet current and expected customer demand. We expect this trend will continue.

Manufacturing

We rely on third-party manufacturing partners to produce the substantial majority of our hardware products that we market and sell to customers and utilize internally to deliver Oracle Cloud Services, and we distribute most of our hardware products from these partners' facilities. Our manufacturing processes are substantially based on standardization of components across product types and centralization of assembly and distribution centers. Production of our hardware products requires that we purchase materials, supplies, product subassemblies and full assemblies from a number of suppliers. For most of our hardware products, we have existing alternative sources of supply or such sources are readily available. However, we do rely on sole sources for certain hardware components. We monitor and evaluate potential risks of disruption within our supply chain operations. Refer to Risk Factors included in Item 1A within this Annual Report for additional discussion of the challenges we encounter with respect to the sources and availability of supplies for our hardware products and the related risks to our business.

Sales and Marketing

We directly market and sell our cloud, license, hardware, support and services offerings to businesses of many sizes and in many industries, government agencies and educational institutions. We also market and sell our offerings through indirect channels.

In the United States (U.S.), our sales and services employees are based in our headquarters and in field offices throughout the country. Outside the U.S., our international subsidiaries sell, support and service our offerings in their local countries as well as within other foreign countries where we do not operate through a direct sales subsidiary. Our geographic coverage allows us to draw on business and technical expertise from a global workforce, provides stability to our operations and revenue streams to offset geography specific economic trends, and offers us an opportunity to take advantage of new markets for our offerings. Our international operations subject us to certain risks, which are more fully described in Risk Factors included in Item 1A of this Annual Report. A summary of our domestic and international revenues and long-lived assets is set forth in Note 15 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

We also market our product offerings worldwide through indirect channels. The companies that comprise our indirect channel network are members of the Oracle Partner Network. The Oracle Partner Network is a global program that manages our business relationships with a large, broad-based network of companies, including cloud and license, hardware and services suppliers, system integrators and resellers that deliver innovative solutions and services based upon and in conjunction with our product offerings. By offering our partners access to our product offerings, educational information, technical services, marketing and sales support, the Oracle Partner Network program extends our market reach by providing our partners with the resources they need to be successful in delivering solutions to customers globally.

Research and Development

We develop the substantial majority of our products and services offerings internally utilizing the skills and diversity of a global workforce. In addition, we have extended our products and services offerings and intellectual property through acquisitions of businesses and technologies. We also purchase or license intellectual property rights in certain circumstances. Internal development allows us to maintain technical control over the design and

development of our products. We have a number of U.S. and foreign patents and pending applications that relate to various aspects of our products and technology. While we believe that our patents have value, no single patent is essential to us or to any of our principal businesses. Rapid technological advances in cloud, software and hardware development, evolving standards in computer hardware and software technology, changing customer needs and frequent new product introductions, offerings and enhancements characterize the markets in which we compete. We plan to continue to dedicate a significant amount of resources to research and development efforts to maintain and improve our current products and services offerings.

Human Capital Resources

At Oracle, our success is driven by the quality of our people, who we believe are among the best and brightest in the industry. We strive to create an environment that supports employee success and a culture where everyone has a voice in driving innovation.

Workforce

As of May 31, 2021, we employed approximately 132,000 full-time employees, of which approximately 45,000 were employed in the U.S. and approximately 87,000 were employed internationally. Our employee counts by lines of business are:

35,000	Sales and marketing	23,000	Services
19,000	Cloud services and license support operations	40,000	Research and development
3,000	Hardware	12,000	General and administrative

None of our employees in the U.S. is represented by a labor union; however, in certain foreign subsidiaries, labor unions or workers' councils represent some of our employees.

Diversity and Inclusion

We believe that innovation starts with inclusion. We endeavor to hire employees from a broad pool of talent with diverse backgrounds, perspectives and abilities and we believe Oracle's diverse leaders serve as role models for our inclusive workforce. We seek to continuously build on our inclusive hiring strategies, tracking our progress and holding ourselves accountable for greater diversity at Oracle. Our programs are supported by Oracle leaders across the company with strategic sponsorship from Oracle's Executive Diversity Council, which is led by Safra Catz, our Chief Executive Officer, and extend through the actions we are taking globally on Oracle's five Diversity and Inclusion (D&I) Imperatives:

- driving insight and accountability with data;
- recruiting with an intention on diversity;
- embedding inclusion into talent development;
- inspiring an inclusive culture through community; and
- investing in the future diversity of our industry.

In addition to global, regional and local programs, Oracle Human Resources partners with business leaders to create and implement D&I plans to embed targeted strategies into organizations across Oracle. Employee satisfaction on the importance of D&I at Oracle and their manager's encouragement of diverse ideas and perspectives ranks high in our employee engagement surveys.

Leaders Who Listen

We believe that an important aspect of creating a culture and environment that supports employee and business success is listening to employee feedback. We share the results of our annual employee engagement survey with leaders who receive direct observations from employees about areas critical to Oracle's strategic priorities, including the employee and customer experience. Nearly 80% of our employees participate in the annual survey.

Leaders listen to employees, evaluate feedback and prioritize actions to enhance employee, business and customer success.

Flexible Work Options

The COVID-19 pandemic changed the way both leaders and employees think about where and how they work. For the vast majority of Oracle's employees, productivity is no longer tied to being in an office and collaboration can happen between people anywhere. In fiscal 2021 we announced a modern approach to work that gives our employees more flexibility to choose where and how to work. Depending on their role, this means that when our offices reopen after the pandemic, many employees can choose their office location, as well as continue to work from home some or all the time. We expect this modern approach to work will help us engage with a wider pool of talent and retain employees who want or need more flexibility.

Tenure

We monitor employee turnover rates as our success depends upon retaining top talent. During the COVID-19 pandemic, we observed decreased turnover in the short term and we believe that in the long term, we have an opportunity to continue to reduce undesirable turnover by offering competitive rewards, flexible work options, career growth and development opportunities. The average tenure of our employees is approximately eight years and 29% of our employees have been employed with Oracle for ten or more years.

Opportunities to Learn and Grow

We believe that a primary reason candidates join Oracle is for career development opportunities. We have programs and resources to help our employees explore, build and achieve their career goals. We also promote regular career conversations between leaders and employees. These are separate from performance feedback conversations and are focused on helping employees identify and take steps to grow their careers. Our Talent Review process, run on Oracle Fusion Cloud HCM, provides the mechanism for leaders to review and discuss opportunities and action plans to develop employees. 31% of our open non-entry level positions were filled internally in fiscal 2021, providing growth opportunities and retaining critical knowledge and talent.

Helping our employees learn and apply new skills is key to retaining them and critical to our ability to innovate and rapidly evolve. We support employees with anytime, everywhere learning resources to help build skills for today and the future. Oracle employees received four million hours of training in fiscal 2021 and accessed online learning content at an average rate of more than two million views per month. When the COVID-19 pandemic hit, we implemented a global work from home program and immediately pivoted to enable employees to continue learning from home. We moved in-person learning and development to online and our employees took advantage of the rich content available to help them enhance their skills. In addition to online classes and learning resources on business and technical skills, we also added more webinars and learning opportunities to support employee and family well-being.

Making a Difference

Many of our employees participate in Oracle's corporate citizenship initiatives focused on education, the environment and community. Each year, through our volunteering and giving programs, employees donate tens of thousands of volunteer hours and millions of dollars (matched by Oracle) to causes ranging from equality and racial justice, to cleaning up oceans and mentoring students, to sharing their time and resources with people in need.

Seasonality and Cyclical

Our quarterly revenues have historically been affected by a variety of seasonal factors, including the structure of our sales force incentive compensation plans, which are common in the IT industry. In each fiscal year, our total revenues and operating margins are typically highest in our fourth fiscal quarter and lowest in our first fiscal quarter. The operating margins of our businesses (in particular, our cloud and license business and hardware business) are generally affected by seasonal factors in a similar manner as our revenues because certain expenses within our cost structure are relatively fixed in the short term. See "Cloud and License Business" in Item 7 of this

Annual Report for more information regarding the seasonality and cyclicity of our revenues, expenses and margins.

Competition

We face intense competition in all aspects of our business. The nature of the IT industry creates a competitive landscape that is constantly evolving as firms emerge, expand or are acquired, as technology evolves and as customer demands and competitive pressures otherwise change.

Our customers are demanding less complexity and lower total cost in the implementation, sourcing, integration and ongoing maintenance of their IT environments. Our enterprise cloud, license and hardware offerings compete directly with certain offerings from some of the largest and most competitive companies in the world, including Amazon.com, Inc., Microsoft Corporation, International Business Machines Corporation (IBM), Intel Corporation, Cisco Systems, Inc., Adobe Systems Incorporated, Alphabet Inc. and SAP SE, as well as other companies like Hewlett-Packard Enterprise, salesforce.com, inc. and Workday, Inc. In addition, due to the low barriers to entry in many of our market segments, new technologies and new and growing competitors frequently emerge to challenge our offerings. Our competitors range from companies offering broad IT solutions across many of our lines of business to vendors providing point solutions, or offerings focused on a specific functionality, product area or industry. In addition, as we expand into new market segments, we face increased competition as we compete with existing competitors, as well as firms that may be partners in other areas of our business and other firms with whom we have not previously competed. Moreover, we or our competitors may take certain strategic actions—including acquisitions, partnerships and joint ventures, or repositioning of product lines—which invite even greater competition in one or more product offering categories.

Key competitive factors in each of the segments in which we currently compete and may compete in the future include: total cost of ownership, performance, scalability, reliability, security, functionality, efficiency, ease of use, speed to production and quality of technical support. Our products and services sales and the relative strength of our products and services versus those of our competitors are also directly and indirectly affected by the following, among other factors:

- market adoption of cloud-based IT offerings including SaaS and IaaS offerings;
- the ease of deployment, use, transacting for and maintenance of our products and services offerings;
- compatibility between Oracle products and services deployed within local IT environments and public cloud IT environments, including our Oracle Cloud environments;
- the adoption of commodity servers and microprocessors;
- the broader “platform” competition between our industry standard Java technology platform and the .NET programming environment of Microsoft;
- operating system competition among our Oracle Solaris and Linux operating systems, with alternatives including Microsoft’s Windows Server, and other UNIX and Linux operating systems;
- the adoption of open source alternatives to commercial software by enterprise software customers;
- products, features and functionality developed internally by customers and their IT staff;
- products, features and functionality customized and implemented for customers by consultants, systems integrators or other third parties; and
- the attractiveness of offerings from business processing outsourcers.

For more information about the competitive risks we face, refer to Item 1A Risk Factors included elsewhere in this Annual Report.

Governmental Regulation

We operate globally and are subject to numerous U.S. federal, state, and foreign laws and regulations covering a wide variety of subject matters. For information about governmental regulations applicable to our business, refer to Item 1A Risk Factors and Note 17 of Notes to Consolidated Financial Statements, both included elsewhere in this Annual Report.

Available Information

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed pursuant to Sections 13(a) and 15(d) of the Exchange Act are available, free of charge, on the SEC website at www.sec.gov and our Investor Relations website at www.oracle.com/investor as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC. We use our Investor Relations website as a means of disclosing material non-public information. Accordingly, investors should monitor our Investor Relations website, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, information regarding our environmental policy and global sustainability initiatives and solutions are also available on our website at www.oracle.com/corporate/citizenship. The information posted on or accessible through our website is not incorporated into this Annual Report. The references to our websites are intended to be inactive textual references only.

Information About Our Executive Officers

Our executive officers are listed below.

Name	Office(s)
Lawrence J. Ellison	Chairman of the Board of Directors and Chief Technology Officer
Safra A. Catz	Chief Executive Officer and Director
Jeffrey O. Henley	Vice Chairman of the Board of Directors
Edward Screven	Executive Vice President, Chief Corporate Architect
Dorian E. Daley	Executive Vice President and General Counsel
William Corey West	Executive Vice President, Chief Accounting Officer

Mr. Ellison, 76, has been our Chairman of the Board and Chief Technology Officer since September 2014. He served as our Chief Executive Officer from June 1977, when he founded Oracle, until September 2014. He has served as a Director since June 1977. He previously served as our Chairman of the Board from May 1995 to January 2004. He currently serves as a director of Tesla, Inc.

Ms. Catz, 59, has been our Chief Executive Officer since September 2014. She served as our President from January 2004 to September 2014, our Chief Financial Officer most recently from April 2011 until September 2014 and a Director since October 2001. She was previously our Chief Financial Officer from November 2005 until September 2008 and our Interim Chief Financial Officer from April 2005 until July 2005. Prior to being named our President, she held various other positions with us since joining Oracle in 1999. She currently serves as a director of The Walt Disney Company. She also serves on the U.S. National Security Commission on Artificial Intelligence.

Mr. Henley, 76, has served as our Vice Chairman of the Board since September 2014. He previously served as our Chairman of the Board from January 2004 to September 2014 and has served as a Director since June 1995. He served as our Executive Vice President and Chief Financial Officer from March 1991 to July 2004.

Mr. Screven, 56, has been Executive Vice President, Chief Corporate Architect since May 2015. He served as our Senior Vice President, Chief Corporate Architect from November 2006 to April 2015 and as Vice President, Chief Corporate Architect from January 2003 to November 2006. He held various other positions with us since joining Oracle in 1986.

Ms. Daley, 62, has been our Executive Vice President and General Counsel since April 2015. She served as our Secretary from October 2007 until October 2017 and she was our Senior Vice President, General Counsel from October 2007 to April 2015. She served as our Vice President, Legal, Associate General Counsel and Assistant Secretary from June 2004 to October 2007, as Associate General Counsel and Assistant Secretary from October 2001 to June 2004 and as Associate General Counsel from February 2001 to October 2001. She held various other positions with us since joining Oracle's Legal Department in 1992.

Mr. West, 59, has been our Executive Vice President, Chief Accounting Officer since April 2015. He served as our Senior Vice President, Corporate Controller and Chief Accounting Officer from February 2008 to April 2015 and served as our Vice President, Corporate Controller and Chief Accounting Officer from April 2007 to February 2008. His previous experience includes 14 years with Arthur Andersen LLP, most recently as a partner.

Item 1A.Risk Factors

We operate in rapidly changing economic and technological environments that present numerous risks, many of which are driven by factors that we cannot control or predict. The following discussion, as well as our “Critical Accounting Policies and Estimates” discussion in Item 7 Management’s Discussion and Analysis of Financial Condition and Results of Operations, highlights some of these risks. The risks described below are not exhaustive and you should carefully consider these risks and uncertainties before investing in our securities.

Business and Operational Risks

The COVID-19 pandemic has affected how we and our customers are operating our respective businesses, and the duration and extent to which this will impact our future results of operations remains uncertain. The COVID-19 pandemic and efforts to control its spread have materially affected how we, our customers, partners and suppliers are operating our businesses. Our operations have been negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. For example, the COVID-19 pandemic has led governments to implement preventative measures to contain or control further spread of the virus, such as travel restrictions, prohibitions of non-essential activities, quarantines, work-from-home directives and shelter-in-place orders. These preventative measures led to sharp reductions in demand in certain industries in which our customers operate. It is not clear what long-term effects the COVID-19 pandemic will have on our business, including the effects on our customers and prospects. If we are not able to respond to and manage the impact of the COVID-19 pandemic effectively, our business will be harmed.

During fiscal 2021, we cancelled some customer events and transformed others, including Oracle OpenWorld, to virtual events. Our shift to creating virtual customer events may not be successful and we may not be able to showcase our products as well as we have historically done through in-person events, or generate the same customer interest, opportunities and leads through these virtual events. If we attempt to reintroduce large in-person events, we may not be able to do so successfully and our customers may not be able or willing to attend them.

The conditions caused by the COVID-19 pandemic initially adversely affected our customers’ willingness to purchase our products, delayed prospective customers’ purchasing decisions and in certain cases, resulted in delayed payments by existing customers. There have also been, and likely will continue to be, delays in our supply chain. The negative impacts of the global COVID-19 pandemic on the broader global economy and related impacts on our customers’ business operations and their demand for our products may continue into future fiscal periods. The COVID-19 pandemic may also heighten other risks described in this Risk Factors section.

Our success depends upon our ability to develop new products and services, integrate acquired products and services and enhance our existing products and services. Rapid technological advances, intense competition, changing delivery models and evolving standards in computer hardware and software development and communications infrastructure, changing and increasingly sophisticated customer needs and frequent new product introductions and enhancements characterize the industries in which we compete. If we are unable to develop new or sufficiently differentiated products and services, enhance and improve our product offerings and support services in a timely manner or position and price our products and services to meet demand, customers may not purchase or subscribe to our license, hardware or cloud offerings or renew license support, hardware support or cloud subscriptions contracts. Renewals of these contracts are important to the growth of our business. In addition, we cannot provide any assurance that the standards on which we choose to develop new products will allow us to compete effectively for business opportunities in emerging areas.

We have continued to refresh and release new offerings of our cloud products and services. Machine learning and artificial intelligence are increasingly driving innovations in technology but if they fail to operate as anticipated or our other products do not perform as promised, our business and reputation may be harmed.

In addition, our business may be adversely affected if:

- we do not continue to develop and release new or enhanced products and services within the anticipated time frames;

- infrastructure costs to deliver new or enhanced products and services take longer or result in greater costs than anticipated;
- we are unable to increase our existing data center capacity or establish data centers in new geographic locations in a timely manner to meet current or expected customer demand;
- there is a delay in market acceptance of and difficulty in transitioning new and existing customers to new, enhanced or acquired product lines or services;
- there are changes in information technology (IT) trends that we do not adequately anticipate or address with our product development efforts;
- we do not optimize complementary product lines and services in a timely manner; or
- we fail to adequately integrate, support or enhance acquired product lines or services.

Our Oracle Cloud strategy, including our Oracle Cloud Software-as-a-Service and Infrastructure-as-a-Service (SaaS and IaaS, respectively, and collectively, Oracle Cloud Services) offerings, may adversely affect our revenues and profitability. We provide our cloud and other offerings to customers worldwide via deployment models that best suit their needs, including via our cloud-based SaaS and IaaS offerings. As these business models continue to evolve, we may not be able to compete effectively, generate significant revenues or maintain the profitability of our cloud offerings. Additionally, the increasing prevalence of cloud and SaaS delivery models offered by us and our competitors may unfavorably impact the pricing of our cloud and license offerings. If we do not successfully execute our cloud computing strategy or anticipate the cloud computing needs of our customers, our reputation as a cloud services provider could be harmed and our revenues and profitability could decline.

As customer demand for our cloud offerings increases, we experience volatility in our reported revenues and operating results due to the differences in timing of revenue recognition between our cloud license and on-premise license, and hardware product arrangements relative to our cloud offering arrangements. Customers generally purchase our cloud offerings on a subscription basis and revenues from these offerings are generally recognized ratably over the terms of the subscriptions. Consequently, any deterioration in sales activity associated with our cloud offerings may not be immediately observable in our consolidated statement of operations. This is in contrast to revenues associated with our license and hardware product arrangements, which are generally recognized in full at the time of delivery of the related licenses and hardware products. In addition, we may not be able to accurately anticipate customer transition from or be able to sufficiently backfill reduced customer demand for our license, hardware and support offerings relative to the expected increase in customer adoption of and demand for our Oracle Cloud Services, which could adversely affect our revenues and profitability.

We might experience significant coding, manufacturing or configuration errors in our cloud, license and hardware offerings. Despite testing prior to the release and throughout the lifecycle of a product or service, our cloud, license and hardware offerings sometimes contain coding, manufacturing or configuration errors that can impact their function, performance and security, and result in other negative consequences. The detection and correction of any errors in released cloud, license or hardware offerings can be time consuming and costly. Errors in our cloud, license or hardware offerings could affect their ability to properly function, integrate or operate with other cloud, license or hardware offerings, could result in service interruptions, delays or outages of our cloud offerings, could create security vulnerabilities in our products or services, could delay the development or release of new products or services or new versions of products or services, and could adversely affect market acceptance of our products or services. This includes third-party software products or services incorporated into our own. If we experience any of these errors, or if there are delays in releasing our cloud, license or hardware offerings or new versions of these offerings, our sales could be affected and revenues could decline. In addition, we run Oracle's business operations as well as cloud and other services that we offer to our customers on our products and networks. Therefore, any flaws could affect our and our customers' abilities to conduct business operations and to ensure accuracy in financial processes and reporting, and may result in unanticipated costs. Enterprise customers rely on our cloud, license and hardware offerings and related services to run their businesses and errors in our cloud, license and hardware offerings and related services could expose us to product liability, performance and warranty claims as well as significant harm to our brand and reputation, which could impact our future sales.

If we are unable to compete effectively, the results of operations and prospects for our business could be harmed. We face intense competition in all aspects of our business. The nature of the IT industry creates a competitive landscape that is constantly evolving as firms emerge, expand or are acquired, as technology evolves and as delivery models change. Many vendors spend amounts in excess of what Oracle spends to develop and market applications and infrastructure technologies including databases, middleware products, application development tools, business applications, collaboration products and business intelligence, compute, storage and networking products, among others, which compete with Oracle applications and infrastructure offerings. Use of our competitors' technologies influences a customer's purchasing decision or creates an environment that makes it less efficient to utilize or migrate to Oracle products and services. Our competitors may also adopt business practices that provide customers access to competing products and services at a risk profile that we may not generally find acceptable, which may convince customers to purchase competitor products and services. We could lose customers if our competitors introduce new competitive products, add new functionality, acquire competitive products, reduce prices, better execute on their sales and marketing strategies, offer more flexible business practices or form strategic alliances with other companies. Mergers, consolidations or alliances among our competitors, or acquisitions of our competitors by large companies, may result in increased competition. We may also face increasing competition from open source software initiatives in which competitors may provide software and intellectual property for free. Existing or new competitors could gain sales opportunities or customers at our expense.

We may need to change our pricing models to compete successfully. The intense competition we face in the sales of our products and services and general economic and business conditions could put pressure on us to change our prices. If our competitors offer deep discounts on certain products or services or develop products that the marketplace considers more valuable, we may need to lower prices, introduce pricing models and offerings that are less favorable to us, or offer other favorable terms in order to compete successfully. Any such changes may reduce revenues and margins and could adversely affect operating results. Additionally, the increasing prevalence of cloud delivery models offered by us and our competitors may unfavorably impact the pricing of our other cloud and license, hardware and services offerings, and we may also incur increased cloud delivery expenses as we expand our cloud operations and update our infrastructure, all of which could reduce our revenues and/or profitability. Our license support fees and hardware support fees are generally priced as a percentage of our net license fees and net new hardware products fees, respectively. Our competitors may offer lower pricing on their support offerings, which could put pressure on us to further discount our offerings.

Changes to our prices and pricing policies could cause our revenues to decline or be delayed as our sales force implements and our customers adjust to the new pricing policies. Some of our competitors may bundle products for promotional purposes or as a long-term pricing strategy, commit to large customer deployments at prices that are unprofitable, or provide guarantees of prices and product implementations. These practices could, over time, significantly constrain the prices that we can charge for certain of our products. If we do not adapt our pricing models to reflect changes in customer use of our products or changes in customer demand, our revenues could decrease. The increase in open source software distribution may also cause us to change our pricing models.

Any failure to offer high-quality technical support services may adversely affect our relationships with our customers and our financial results. Our customers depend on our support organization to resolve technical issues relating to our applications and infrastructure offerings. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services or may be inefficient in our resolution of customer support issues. Increased customer demand for these services, without corresponding revenues, could increase costs and adversely affect our operating results. Any failure to maintain high-quality technical support, or a market perception that we do not maintain high-quality technical support, could adversely affect our reputation, our ability to sell and renew our applications and infrastructure offerings to existing and prospective customers, and our business, operating results, and financial position.

Our cloud offerings and hardware offerings are complex, and if we cannot successfully manage this complexity, the results of these businesses will suffer. We depend on suppliers to develop, manufacture and deliver on a timely basis the necessary technologies and components for our hardware products that we market and sell to our customers and that we use as a part of our cloud infrastructure to deliver our cloud offerings, and there are some technologies and components that can only be purchased from a single vendor due to price, quality, technology,

availability or other business constraints. As a result, our supply chain operations could be disrupted or negatively impacted by industry consolidation and component constraints or shortages, natural disasters, political unrest, public health crises such as the COVID-19 pandemic, changes to trade policies, port stoppages or other transportation disruptions or slowdowns, or other factors affecting the countries or regions where these single source component vendors are located or where the products are being shipped. We may be unable to purchase these items from the respective single vendors on acceptable terms or may experience significant shortages, delays or quality issues in the delivery of necessary technologies, parts or components from a particular vendor. If one or more of the risks described above occurs, our cloud and license business and hardware business and related operating results could be materially and adversely affected.

We are susceptible to third-party manufacturing and logistics delays, which could result in the loss of sales and customers. We outsource a significant majority of our manufacturing, assembly, delivery and technology of, and certain component designs for, our hardware products to a variety of companies, many of which are located outside the U.S. From time to time, these partners experience production problems or delays or cannot meet our demand for products. To reduce this risk, we continue to explore additional third-party manufacturing partners to drive supply chain continuity, but finding additional manufacturing sources in a timely and cost-effective manner is difficult. Third-party manufacturing and logistics delays attributable to the effects of COVID-19 caused a loss of sales during our fiscal 2021. Ongoing or future delays in manufacturing could cause the loss of additional sales, delayed revenue recognition or an increase in our hardware products expenses, all of which could adversely affect the margins of our cloud and license business and hardware business. These challenges could arise if we alter our manufacturing strategies, suppliers, or locations.

Our hardware revenues and profitability have declined and could continue to decline. Our hardware business may adversely affect our total revenues and overall profitability and related growth rates. We may not achieve our estimated revenue, profit or other financial projections with respect to our hardware business in a timely manner or at all due to a number of factors, including:

- changes in our hardware offerings, technologies and strategies, including shifting factory locations, which could adversely affect supply and demand for our hardware products;
- our hardware business has higher expenses as a percentage of revenues, and thus has been less profitable, than our cloud and license business;
- our focus on certain of our more profitable Oracle Engineered Systems and certain other hardware products we consider strategic and the de-emphasis of certain of our lower profit margin commodity hardware products, which could adversely affect our hardware revenues;
- changes in strategies and frequency for the development and introduction of new versions or next generations of our hardware products that could adversely affect our hardware revenues;
- general supply chain material shortages worldwide, which were further exacerbated globally as a result of the COVID-19 pandemic;
- a greater risk of material charges that could adversely affect our operating results, such as potential write-downs and impairments of our inventories; higher warranty expenses than what we experience in our cloud and license and services businesses; and amortization and potential impairment of intangible assets associated with our hardware business; and
- decreased customer demand for related hardware support as hardware products approach the end of their useful lives, which could adversely affect our hardware revenues.

Our periodic workforce restructurings and reorganizations can be disruptive. We are currently restructuring our workforce and in the past we have restructured or made other adjustments to our workforce in response to management changes, product changes, performance issues, change in strategies, acquisitions and other internal and external considerations. These types of restructurings have resulted in increased restructuring costs and temporary reduced productivity while the employees adjusted to their new roles and responsibilities. In addition, we may not achieve or sustain the expected growth, resource redeployment or cost savings benefits of these

restructurings, or may not do so within the expected timeframe. These effects could recur in connection with future acquisitions and other restructurings and our revenues and other results of operations could be negatively affected.

We may lose key employees or may be unable to hire enough qualified employees. We rely on hiring qualified employees and the continued service of our senior management, including our Chairman of the Board of Directors, Chief Technology Officer and founder; our Chief Executive Officer; other members of our executive team; and other key employees. In the technology industry, there is substantial and continuous competition for highly skilled business, product development, technical and other personnel. In response to the COVID-19 pandemic and to ensure the safety of our employees, we have temporarily closed the majority of our offices. In fiscal 2021, we moved our headquarters to Austin, Texas and announced a modern approach to work that may provide our employees more flexibility to choose where and how to work. Depending on their role, this means that, when our offices reopen after the COVID-19 pandemic, many employees can choose their office location, as well as continue to work from home some or all the time. While we believe this may help us engage with a wider pool of talent and may help to retain employees who want or need more flexibility, it could negatively impact employee productivity and it may present risks for our real estate portfolio and strategy. We intend to reopen our offices when it is safe to do so and local requirements allow, but our employees who opt to return to the office may nevertheless be exposed to health risks, which may expose us to potential liability.

We may also experience increased compensation costs that are not offset by either improved productivity or higher sales. We may not be successful in recruiting new personnel and in retaining and motivating existing personnel. With rare exceptions, we do not have long-term employment or non-competition agreements with our employees. Members of our senior management team have left Oracle over the years for a variety of reasons, and we cannot guarantee that there will not be additional departures, which may be disruptive to our operations.

We continually focus on improving our cost structure by hiring personnel in countries where advanced technical expertise and other expertise are available at lower costs. When we make adjustments to our workforce, we may incur expenses associated with workforce reductions that delay the benefit of a more efficient workforce structure. We may also experience increased competition for employees in these countries as the trend toward globalization continues, which may affect our employee retention efforts and increase our expenses in an effort to offer a competitive compensation program. In addition, changes to immigration and labor law policies may adversely impact our access to technical and professional talent.

Our general compensation program includes restricted stock units and performance-based equity, which are important tools in attracting and retaining employees in our industry. If our stock price performs poorly, it may adversely affect our ability to retain or attract employees. We continually evaluate our compensation practices and consider changes from time to time, such as reducing the number of employees granted equity awards or the number of equity awards granted per employee and granting alternative forms of stock-based compensation, which may have an impact on our ability to retain employees and the amount of stock-based compensation expense that we record. Any changes in our compensation practices or those of our competitors could affect our ability to retain and motivate existing personnel and recruit new personnel.

Our cloud and license, and hardware indirect sales channels could affect our future operating results. Our cloud and license, and hardware indirect channel network is comprised primarily of resellers, system integrators/implementers, consultants, education providers, internet service providers, network integrators and independent software vendors. Our relationships with these channel participants are important elements of our cloud, software and hardware marketing and sales efforts. Our financial results could be adversely affected if our contracts with channel participants were terminated, if our relationships with channel participants were to deteriorate, if any of our competitors enter into strategic relationships with or acquire a significant channel participant, if the financial condition or operations of our channel participants were to weaken or if the level of demand for our channel participants' products and services were to decrease. There can be no assurance that we will be successful in maintaining, expanding or developing our relationships with channel participants. If we are not successful, we may lose sales opportunities, customers and revenues.

Acquisitions present many risks and we may not achieve the financial and strategic goals that were contemplated at the time of a transaction. We continue to review and consider strategic acquisitions of companies, products, services and technologies. We have a selective and active acquisition program and we expect to continue to make acquisitions in the future because acquisitions have been an important element of our overall corporate strategy. Risks we may face in connection with our acquisition program include:

- our ongoing business may be disrupted and our management's attention may be diverted by acquisition, transition or integration activities;
- we may have difficulties (1) managing an acquired company's technologies or lines of business; (2) entering new markets where we have no, or limited, direct prior experience or where competitors may have stronger market positions; or (3) retaining key personnel from the acquired companies;
- an acquisition may not further our business strategy as we expected, we may not integrate an acquired company or technology as successfully as we expected, we may impose our business practices or alter go-to-market strategies that adversely impact the acquired business or we may overpay for, or otherwise not realize the expected return on our investments, each or all of which could adversely affect our business or operating results and potentially cause impairment to assets that we recorded as a part of an acquisition including intangible assets and goodwill;
- our operating results or financial condition may be adversely impacted by (1) claims or liabilities that we assume from an acquired company or technology or that are otherwise related to an acquisition; (2) pre-existing contractual relationships that we assume from an acquired company, the termination or modification of which may be costly or disruptive to our business; and (3) unfavorable revenue recognition or other accounting treatment as a result of an acquired company's business practices;
- we may fail to identify or assess the magnitude of certain liabilities, shortcomings or other circumstances prior to acquiring a company or technology;
- we may not realize any anticipated increase in our revenues from an acquisition for a number of reasons, including (1) if a larger than predicted number of customers decline to renew their contracts with the acquired company; (2) if we are unable to sell the acquired products or service offerings to our customer base; (3) if acquired customers do not elect to purchase our technologies due to differing business practices; or (4) if contract models utilized by an acquired company do not allow us to recognize revenues in a manner that is consistent with our current accounting practices;
- we may have difficulty integrating acquired technologies, products, services and their related supply chain operations with our existing lines of business and related infrastructures;
- we may have multiple product lines or services offerings as a result of our acquisitions that are offered, priced, delivered and supported differently, which could cause customer confusion and delays;
- we may incur higher than anticipated costs (1) to support, develop and deliver acquired products or services; (2) for general and administrative functions that support new business models; or (3) to comply with regulations applicable to an acquired business that are more complicated than we had anticipated;
- we may be unable to obtain timely approvals from, or may otherwise have certain limitations, restrictions, penalties or other sanctions imposed on us by worker councils or similar bodies under applicable employment laws as a result of an acquisition;
- we may be unable to obtain required approvals from governmental authorities under competition and antitrust laws on a timely basis, if at all;
- our use of cash to pay for acquisitions may limit other potential uses of our cash;
- we may significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition and we may have to delay or not proceed with a substantial

acquisition if we cannot obtain the necessary funding to complete the acquisition in a timely manner or on favorable terms; and

- we may experience additional or unexpected changes in how we are required to account for our acquisitions pursuant to U.S. generally accepted accounting principles, including arrangements that we may assume in an acquisition.

The occurrence of any of these risks could have a material adverse effect on our business, results of operations, financial condition or cash flows, particularly in the case of a larger acquisition or several concurrent acquisitions.

Data Privacy, Security and Intellectual Property Risks

If our security measures for our products and services are compromised and as a result, our data, our customers' data or our IT systems are accessed improperly, made unavailable, or improperly modified, our products and services may be perceived as vulnerable, our brand and reputation could be damaged, the IT services we provide to our customers could be disrupted, and customers may stop using our products and services, any of which could reduce our revenue and earnings, increase our expenses and expose us to legal claims and regulatory actions. Our products and services, including Oracle Cloud Services, store, retrieve, manipulate and manage third-party data, such as our customers' information and data, as well as our own data. We have a reputation for secure and reliable product offerings and related services, and we have invested a great deal of time and resources in protecting the integrity and security of our products, services and the internal and external data that we manage. Nonetheless, we believe that Oracle in particular is an attractive target for computer hackers and other bad actors because Oracle stores and processes large amounts of data, including in customer sectors involving particularly sensitive data such as health sciences, financial services, retail, hospitality and the government. We and our third-party vendors are regularly subject to attempts by third parties (which may include individuals or groups of hackers and sophisticated organizations, such as state-sponsored organizations, nation states and individuals sponsored by them) to identify and exploit product and service vulnerabilities, penetrate or bypass our security measures, and gain unauthorized access to our or our customers', partners' and suppliers' software, hardware and cloud offerings, networks and systems. Successful attempts by one of these malicious actors can lead to the compromise of personal information or the confidential information or data of Oracle or our customers. Attempts of this nature typically involve IT-related viruses, worms, and other malicious software programs that attack networks, systems, products and services, exploit potential security vulnerabilities of networks, systems, products and services, create system disruptions and cause shutdowns or denials of service. Third parties may attempt to fraudulently induce customers, partners, employees or suppliers into disclosing sensitive information such as user names, passwords or other information in order to gain access to our data, our customers', suppliers' or partners' data or the IT systems of Oracle, our customers, suppliers or partners. Our products and services, including our Oracle Cloud Services, may also be accessed or modified improperly as a result of customer, partner, employee, contractor or supplier error or malfeasance.

If a cyber-attack or other security incident results in unauthorized access to or modification of our customers' or suppliers' data, other external data, our own data or our IT systems, or if the services we provide to our customers are disrupted, or if our products or services are reported to have or are perceived as having security vulnerabilities, we could incur significant expenses and suffer significant damage to our brand and reputation. If our customers lose confidence in the security and reliability of our products and services, including our cloud offerings, and perceive them to not be secure, they may decide to reduce or terminate their spend with us. In addition, cyber-attacks and other security incidents could lead to significant investigation and remediation costs, loss or destruction of information, interruption of our operations, inappropriate use of proprietary and sensitive data, lawsuits, indemnity obligations, regulatory investigations and financial penalties, and claims and increased legal liability, including in some cases contractual costs related to customer notification and fraud monitoring. Our remediation efforts may not be successful. Because the techniques used to obtain unauthorized access to, or sabotage IT systems, change frequently, grow more complex over time, and often are not recognized until launched against a target, we may be unable to anticipate or implement adequate measures to prevent such techniques. Our internal IT systems continue to evolve and we are often early adopters of new technologies. However, our business policies and internal security controls may not keep pace with these changes as new threats

emerge. In addition, we often experience increased activity of this nature during times of instability, including during the current COVID-19 pandemic when most of our employees are working from home, and our operations may be more susceptible to malfeasance due to operational changes instituted to comply with safety, health and regulatory requirements, among others. We may not discover any security breach and loss of information for a significant period of time after the security breach.

Our products operate in conjunction with and are dependent on a wide variety of third-party products, components and services. If there is a security vulnerability in one of these components, and if there is a security exploit targeting it, we could face increased costs, liability claims, customer dissatisfaction, reduced revenue, or harm to our reputation or competitive position. We also have an active acquisition program and have acquired a number of companies, products, services and technologies over the years. While we make significant efforts to address any IT security issues with respect to our acquired companies, we may still inherit such risks when we integrate these companies within Oracle.

Our business practices with respect to data could give rise to operational interruption, liabilities or reputational harm as a result of governmental regulation, legal requirements or industry standards relating to privacy and data protection. As regulatory focus on privacy issues continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to data collection and use within our business will intensify. In addition, U.S. and foreign governments have enacted or are considering enacting legislation or regulations, or may in the near future interpret existing legislation or regulations, in a manner that could significantly impact our ability, as well as the ability of our customers, partners and data providers, to collect, augment, analyze, use, transfer and share personal and other information that is integral to certain services we provide.

In the wake of the European Union (EU) General Data Protection Regulation (GDPR), the rate of global consideration and adoption of privacy laws has increased, giving rise to more global jurisdictions in which regulatory inquiries and audits may be requested of Oracle, and if we are not deemed to be in compliance, could result in enforcement actions and/or fines. This is true in the U.S. where, for example, the California Consumer Privacy Act (CCPA) became effective in January 2020, the U.S. Congress is considering several privacy bills at the federal level, and other state legislatures are considering privacy laws. Regulators globally are also imposing greater monetary fines for privacy violations. The GDPR, which became effective in May 2018, provides for monetary penalties of up to 4% of an organization's worldwide revenue. These penalties can be significant. For example, one European data protection regulator has fined a major U.S. technology company €50 million for its data handling practices. The U.S. Federal Trade Commission continues to fine companies on a regular basis for unfair and deceptive data protection practices, and these fines may increase in size. The CCPA provides for statutory damages or fines on a per violation basis that could be very large in the event of a significant data security breach or other CCPA violation. Taken together, the changes in laws or regulations associated with the enhanced protection of personal and other types of data could greatly increase the size of potential fines related to data protection, and our cost of providing our products and services could result in changes to our business practices or even prevent us from offering certain services in jurisdictions in which we operate. Although we have implemented contracts, diligence programs, policies and procedures designed to ensure compliance with applicable laws and regulations, there can be no assurance that our employees, contractors, partners, suppliers, data providers or agents will not violate such laws and regulations or our contracts, policies and procedures. Additionally, public perception and standards related to the privacy of personal information can shift rapidly, in ways that may affect our reputation or influence regulators to enact regulations and laws that may limit our ability to provide certain products and services.

We make statements about our use and disclosure of personal information through our privacy policy, information provided on our website and press statements. Any failure, or perceived failure, by us to comply with these public statements or with U.S. federal, state, or foreign laws and regulations, including laws and regulations regulating privacy, data security, or consumer protection, public perception, standards, self-regulatory requirements or legal obligations, could result in lost or restricted business, proceedings, actions or fines brought against us or levied by governmental entities or others, or could adversely affect our business and harm our reputation.

Third parties have claimed, and in the future may claim, infringement or misuse of intellectual property rights and/or breach of license agreement provisions.

We periodically receive notices from, or have lawsuits filed against us by, others claiming infringement or other misuse of their intellectual property rights and/or breach of our agreements with them. These third parties include entities that do not design, manufacture, or distribute products or services or that acquire intellectual property for the sole purpose of monetization through infringement assertions. We expect to continue to receive such claims as:

- we continue to expand into new businesses and acquire companies;
- the number of products and competitors in our industry segments grows;
- the use and support of third-party code (including open source code) becomes more prevalent in the industry;
- the volume of issued patents continues to increase; and
- non-practicing entities continue to assert intellectual property infringement in our industry segments.

Responding to any such claim, regardless of its validity, could:

- be time consuming, costly and result in litigation;
- divert management's time and attention from developing our business;
- require us to pay monetary damages or enter into royalty and licensing agreements that we would not normally find acceptable;
- require us to stop selling or to redesign certain of our products;
- require us to release source code to third parties, possibly under open source license terms;
- require us to satisfy indemnification obligations to our customers; or
- otherwise adversely affect our business, results of operations, financial condition or cash flows.

We may not be able to protect our intellectual property rights. We rely on copyright, trademark, patent and trade secret laws, confidentiality procedures, controls and contractual commitments to protect our intellectual property. Despite our efforts, these protections may be limited. Unauthorized third parties may try to copy or reverse engineer our products or otherwise use our intellectual property. Our patents may be invalidated or circumvented. Any of our pending or future patent applications may not be issued with the claim scope we seek, if at all. In addition, the laws of some countries do not provide the same level of intellectual property protection as U.S. laws and courts. If we cannot protect our intellectual property against unauthorized copying or use, or other misappropriation, we may not remain competitive.

We may not receive significant revenues from our current research and development efforts for several years, if at all. Developing our various product offerings is expensive and the investment in the development of these offerings often involves a long return on investment cycle. An important element of our corporate strategy is to continue to dedicate a significant amount of resources to research and development and related product and service opportunities both through internal investments and the acquisition of intellectual property from acquired companies. Accelerated product and service introductions and short lifecycles require high levels of expenditures for research and development that could adversely affect our operating results if not offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain our competitive position. However, we do not expect to receive significant revenues from these investments for several years, if at all.

Legal and Regulatory Risks

Adverse litigation results could affect our business. We are subject to various legal proceedings. Litigation can be lengthy, expensive and disruptive to our operations, and can divert our management's attention away from running our core business. The results of our litigation also cannot be predicted with certainty. An adverse decision

could result in monetary damages or injunctive relief that could affect our business, operating results or financial condition. Additional information regarding certain of the lawsuits we are involved in is discussed under Note 17 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

We may be subjected to increased taxes due to changes in U.S. or international tax laws or from adverse resolutions of tax audits and controversies. As a multinational corporation, we incur income taxes as well as non-income based taxes (such as payroll, sales, use, property and value-added taxes) in both the U.S. and various foreign jurisdictions. Significant uncertainties exist with respect to the application of the various taxes to the businesses in which we engage, often requiring that we make judgments in determining our tax liabilities and worldwide provision for income taxes. We are regularly under audit by tax authorities in the U.S. and internationally, which can lead to disagreements such as regarding our intercompany transfer prices and calculations and on the applicability of withholding taxes to our cross-border transactions. Any unfavorable resolution of these tax audits and controversies could cause our tax liabilities to increase and may have a significant adverse impact on our provision for income taxes and tax rate. Although we believe that our income and non-income based tax estimates are reasonable, there is no assurance that the final determination of tax audits or disputes will not be different from what is reflected in our historical income tax provisions and tax accruals.

Increasingly, countries around the world are actively considering or have enacted changes in relevant tax, accounting and other laws, regulations and interpretations. In the U.S., various proposals, if enacted, would dramatically raise the U.S. corporate tax rate and increase the tax on non-U.S. income. Such unfavorable tax legislation resulting from the shifting U.S. political landscape and economic environment create the potential for added volatility in our quarterly provision for income taxes and could have a significant adverse impact on our future income tax provision and tax rate.

Other countries also continue to consider changes to their tax laws that could negatively affect us by increasing taxes imposed on our international revenue streams, operations and cross-border transactions, including the imposition of taxes targeted at digital technology businesses and changes in withholding tax regimes. More fundamentally, longstanding international tax principles that determine each country's right to tax cross-border transactions are being reconsidered, creating significant uncertainty as to the future level of corporate income tax on our international operations. This re-examination of the global tax system is driven by a perceived need to provide greater taxing rights to market jurisdictions where customers or users are located. Various measures are being discussed, including adjustments to the manner in which taxable profits are allocated among jurisdictions, as well as the limitation of deductions for, or the imposition of additional withholding taxes on, intercompany payments.

The foregoing proposals to raise U.S. corporate income taxes in combination with the uncertain international tax environment have upended the predictability and reliability of the global tax system. Our future income tax provision and tax rate could significantly increase if such tax law changes are enacted in the U.S. or in countries in which we do business. Our provision for income taxes also could be adversely affected by shifts of earnings from jurisdictions that have relatively lower statutory tax rates to those in which the rates are relatively higher. In addition, changes in the valuation of our deferred tax assets or liabilities could negatively impact our income tax provision.

Our international sales and operations subject us to additional risks that can adversely affect our operating results. We derive a substantial portion of our revenues from, and have significant operations, outside of the U.S. Compliance with international and U.S. laws and regulations that apply to our international operations increases our cost of doing business in foreign jurisdictions. These laws and regulations include data privacy requirements, labor relations laws, tax laws, foreign currency-related regulations, competition regulations, anti-bribery laws and other laws prohibiting payments to governmental officials such as the U.S. Foreign Corrupt Practices Act (FCPA), market access regulations, tariffs, and import, export and general trade regulations, including but not limited to economic sanctions and embargos. Violations of these laws and regulations could result in fines and penalties, criminal sanctions against us, our officers or our employees, and prohibitions on the conduct of our business, including the loss of trade privileges. Any such violations could result in prohibitions on our ability to offer our products and services in one or more countries, could delay or prevent potential acquisitions and could also

materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, our business and our operating results. These laws can require suspension or termination of business, including financial transactions, in certain countries, territories or with certain customers and any such action in the future could adversely affect our business, financial condition and results of operations. Compliance with these laws also requires a significant amount of management attention and effort, which may divert management's attention from running our business operations and could harm our ability to grow our business, or may increase our expenses as we engage specialized or other additional resources to assist us with our compliance efforts.

Our success depends, in part, on our ability to anticipate these risks and manage these difficulties. We monitor our operations and investigate allegations of improprieties relating to transactions and the way in which such transactions are recorded. Where circumstances warrant, we provide information and report our findings to government authorities, and in some circumstances such authorities conduct their own investigations and we respond to their requests or demands for information. No assurance can be given that action will not be taken by such authorities or that our compliance program will prove effective.

We are also subject to a variety of other risks and challenges in managing an organization operating globally, including those related to:

- general economic conditions in each country or region;
- public health risks, social risks and supporting infrastructure stability risks, particularly in areas in which we have significant operations;
- fluctuations in currency exchange rates and related impacts on customer demand and our operating results;
- difficulties in transferring funds from or converting currencies in certain countries that could lead to a devaluation of our net assets, in particular our cash assets, in that country's currency;
- regulatory changes, including government austerity measures in certain countries that we may not be able to sufficiently plan for or avoid that may unexpectedly impair bank deposits or other cash assets that we hold in these countries or that impose additional taxes that we may be required to pay in these countries;
- political unrest, terrorism and the potential for other hostilities;
- common local business behaviors that are in direct conflict with our business ethics, practices and conduct policies;
- natural disasters;
- the effects of climate change (such as sea level rise, drought, flooding, wildfires and increased storm sensitivity);
- longer payment cycles and difficulties in collecting accounts receivable;
- overlapping tax regimes; and
- reduced protection for intellectual property rights in some countries.

The variety of risks and challenges listed above could also disrupt or otherwise negatively impact our supply chain operations and sales of our products and services in affected countries or regions.

As the majority shareholder of Oracle Financial Services Software Limited, a publicly traded company in India, and Oracle Corporation Japan, a publicly traded company in Japan, we are faced with several additional risks, including being subject to local securities regulations and being unable to exert full control that we would otherwise have if these entities were wholly-owned subsidiaries.

Our sales to government clients expose us to business volatility and risks, including government budgeting cycles and appropriations, procurement regulations, governmental policy shifts, early termination of contracts, audits,

investigations, sanctions and penalties. We derive revenues from contracts with the U.S. government, state and local governments, and foreign governments and are subject to procurement laws relating to the award, administration and performance of those contracts.

Governmental entities are variously pursuing policies that affect our ability to sell our products and services. Changes in government procurement policy, priorities, regulations, technology initiatives and/or requirements may negatively impact our potential for growth in the government sector. For example, the U.S. government imposes evolving cybersecurity requirements, including, for example, the FedRAMP authorization process and the Department of Defense (DoD) Cybersecurity Maturity Model Certification (CMMC). These requirements may impact our lines of business in the U.S. federal government market. Compliance with these cybersecurity requirements is complex and costly, and failure to meet, or delays in meeting, the required security controls could limit our ability to sell products and services, directly or indirectly, to the DoD and other federal and state government entities that implement similar cybersecurity requirements.

We are also subject to early termination of our contracts. Many governmental entities have the right to terminate contracts at any time, without cause. For example, the U.S. federal government may terminate any of our government contracts and subcontracts at its convenience, or for default based on our performance.

U.S. federal, state and local government and foreign government contracts are generally subject to government funding authorizations/appropriations. Contracts may be terminated based upon a lack of government funds.

There is increased pressure on governments and their agencies, both domestically and internationally, to reduce spending as governments continue to face significant deficit reduction pressures. This may adversely impact spending on government programs.

Government contracts laws and regulations impose certain risks, and contracts are generally subject to audits and investigations. If violations of law are found, they could result in civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business.

Environmental and other related laws and regulations subject us to a number of risks and could result in significant liabilities and costs. Some of our cloud and hardware operations are subject to state, federal and international laws governing protection of the environment, proper handling and disposal of materials used for these products, human health and safety, the use of certain chemical substances and the labor practices of suppliers, as well as local testing and labeling requirements. Compliance with these ever-changing environmental and other laws in a timely manner could increase our product design, development, procurement, manufacturing, delivery, cloud operations and administration costs, limit our ability to manage excess and obsolete non-compliant inventory, change our sales activities, or otherwise impact future financial results of our cloud and hardware businesses. Any violation of these laws can subject us to significant liability, including fines, penalties and possible prohibition of sales of our products and services into one or more states or countries and result in a material adverse effect on the financial condition or results of operations of our cloud and hardware businesses. Regulatory, market, and competitive pressures regarding the greenhouse gas emissions and energy mix for our data center operations may also grow.

A significant portion of our hardware revenues come from international sales. Environmental legislation, such as the EU Directive on Restriction of Hazardous Substances (RoHS), the EU Waste Electrical and Electronic Equipment Directive (WEEE Directive) and China's regulation on Management Methods for Controlling Pollution Caused by Electronic Information Products, among others, may increase our cost of doing business internationally and impact our hardware revenues from the EU, China and other countries with similar environmental legislation as we endeavor to comply with and implement these requirements. The UK Government has announced a procurement policy that includes environmental, social and economic sustainability measures.

The SEC requires public disclosure for registrants that use certain "conflict minerals" in their products. Our supply chain is multi-tiered, global and highly complex. As a provider of hardware end-products, we are several steps removed from the mining and smelting or refining of any conflict minerals in our supply chain. Accordingly, our ability to determine with certainty the origin and chain of custody of conflict minerals is limited.

We have an Environmental Steering Committee (ESC) comprised of senior individuals from a wide range of Oracle business units, including our Chief Sustainability Officer who reports to our Chief Executive Officer and oversees our overall sustainability strategy, including climate related risk mitigation. The ESC evaluates if climate or environmental risks have the potential for significant chronic or acute impact on our core and/or strategic business functions, including service delivery and support, product development and deployment, supply chain management, facility operations, employee recruitment and retention, or brand reputation. A failure by the ESC to identify and assess these risks could adversely affect our reputation, business, financial performance and growth.

We publish an annual Corporate Citizenship Report, which includes disclosure of our Environmental, Social and Governance (ESG) matters and goals. Our disclosures on these matters, and standards we set for ourselves or a failure to meet these standards, may potentially harm our reputation and brand. By electing to set and share publicly these corporate ESG standards, our business may also face increased scrutiny related to ESG activities.

Financial Risks

Our quarterly results of operations may fluctuate significantly based on a number of factors that make our results of operations difficult for us to predict. Our revenues, particularly certain of our cloud license and on-premise license revenues and hardware revenues, can be difficult to forecast. A substantial portion of our cloud license, on-premise license and hardware contracts is completed in the latter part of a quarter, and a significant percentage of these is comprised of larger value orders. Because a significant portion of our cost structure is largely fixed in the short term, sales and revenue shortfalls tend to have a disproportionately negative impact on our profitability. The number of large license transactions and, to a lesser extent, hardware products transactions increases the risk of fluctuations in our quarterly results because a delay in even a small number of these transactions could cause our quarterly sales, revenues and profitability to fall significantly short of our predictions. In addition, sudden shifts in regional or global economic activity, such as what we experienced initially at the outset of the COVID-19 pandemic, may cause our sales forecasts to be inaccurate.

We may experience foreign currency gains and losses. Changes in currency exchange rates can adversely affect customer demand and our revenue and profitability. We conduct a significant number of transactions and hold cash in currencies other than the U.S. Dollar. Changes in the values of major foreign currencies, particularly the Euro, Japanese Yen and British Pound, relative to the U.S. Dollar can significantly affect our total assets, revenues, operating results and cash flows, which are reported in U.S. Dollars. Fluctuations in foreign currency rates, including the strengthening of the U.S. Dollar against the Euro and most other major international currencies, adversely affects our revenue growth in terms of the amounts that we report in U.S. Dollars after converting our foreign currency results into U.S. Dollars and in terms of actual demand for our products and services as certain of these products may become relatively more expensive for foreign currency-based enterprises to purchase. In addition, currency variations can adversely affect margins on sales of our products in countries outside of the U.S. Generally, our reported revenues and operating results are adversely affected when the dollar strengthens relative to other currencies and are positively affected when the dollar weakens. In addition, our reported assets generally are adversely affected when the dollar strengthens relative to other currencies as a portion of our consolidated cash and bank deposits, among other assets, are held in foreign currencies and reported in U.S. Dollars.

In addition, we incur foreign currency transaction gains and losses, primarily related to sublicense fees and other intercompany agreements among us and our subsidiaries that we expect to cash settle in the near term, which are charged to earnings in the period incurred. We have a program which primarily utilizes foreign currency forward contracts designed to offset the risks associated with certain foreign currency exposures. We may suspend the program from time to time. As part of this program, we enter into foreign currency forward contracts so that increases or decreases in our foreign currency exposures are offset at least in part by gains or losses on the foreign currency forward contracts in an effort to mitigate the risks and volatility associated with our foreign currency transaction gains or losses. A large portion of our consolidated operations are international, and we expect that we will continue to realize gains or losses with respect to our foreign currency exposures, net of gains or losses from our foreign currency forward contracts. For example, we will experience foreign currency gains and losses in certain instances if it is not possible or cost-effective to hedge our foreign currency exposures, if our hedging efforts are ineffective, or should we suspend our foreign currency forward contract program. Our ultimate realized

loss or gain with respect to currency fluctuations will generally depend on the size and type of cross-currency exposures that we enter into, the currency exchange rates associated with these exposures and changes in those rates, whether we have entered into foreign currency forward contracts to offset these exposures and any related fees paid to purchase such contracts, and other factors. All of these factors could materially impact our results of operations, financial position and cash flows.

We have incurred foreign currency losses associated with the devaluation of currencies in certain highly inflationary economies relative to the U.S. Dollar. We could incur future losses in emerging market countries where we do business should their currencies become designated as highly inflationary.

There are risks associated with our outstanding and future indebtedness. As of May 31, 2021, we had an aggregate of \$84.2 billion of outstanding indebtedness that will mature between calendar year 2021 and calendar year 2061, and we may incur additional indebtedness in the future. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations, generate sufficient cash flows to service such debt and the other factors discussed in this section. There can be no assurance that we will be able to manage any of these risks successfully.

We may also need to refinance a portion of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that the terms of any refinancing may not be as favorable as the terms of our existing debt. Furthermore, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase.

Should we incur future increases in interest expense, our ability to utilize certain of our foreign tax credits to reduce our U.S. federal income tax could be limited, which could unfavorably affect our provision for income taxes and effective tax rate. In addition, changes by any rating agency to our outlook or credit rating could negatively affect the value of both our debt and equity securities and increase the interest amounts we pay on certain outstanding or future debt. These risks could adversely affect our financial condition and results of operations.

Risks Related to Our Common Stock

Our stock price could become more volatile and your investment could lose value. All of the factors discussed within this Risk Factors section could affect our stock price. The timing of announcements in the public market by us or by our competitors regarding new cloud services, products, product enhancements, technological advances, acquisitions or major transactions could also affect our stock price. Changes in the amounts and frequency of share repurchases or dividends could affect our stock price. Our stock price could also be affected by factors, some of which are beyond our control, including, among others: speculation in the press, social media and the analyst community, changes in recommendations or earnings related estimates by financial analysts, changes in investors' or analysts' valuation measures for our stock, negative analyst surveys or channel check surveys, earnings announcements where our financial results differ from our guidance or investors' expectations, our credit ratings and market trends unrelated to our performance. The stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. A significant drop in our stock price could also expose us to the risk of securities class action lawsuits, which could result in substantial costs and divert management's attention and resources, which could adversely affect our business.

We cannot guarantee that our stock repurchase program will be fully implemented or that it will enhance long-term stockholder value. In fiscal 2021, our Board of Directors approved expansions of our stock repurchase program totaling \$20.0 billion. The repurchase program does not have an expiration date and we are not obligated to repurchase a specified number or dollar value of shares. Our repurchase program may be suspended or terminated at any time and, even if fully implemented, may not enhance long-term stockholder value.

General Risks

Economic, political and market conditions can adversely affect our business, results of operations and financial condition, including our revenue growth and profitability, which in turn could adversely affect our stock price. Our business is influenced by a range of factors that are beyond our control and that we have no comparative advantage in forecasting. These include:

- general economic and business conditions;
- overall demand for enterprise cloud, license and hardware products and services;
- governmental budgetary constraints or shifts in government spending priorities; and
- general legal, regulatory and political developments.

Macroeconomic developments such as the global economic effects resulting from the COVID-19 pandemic, the United Kingdom leaving the EU (Brexit), evolving trade policies between the U.S. and international trade partners, or the occurrence of similar events in other countries that lead to uncertainty or instability in economic, political or market conditions could negatively affect our business, operating results, financial condition and outlook, which, in turn, could adversely affect our stock price. Any general weakening of, and related declining corporate confidence in, the global economy or the curtailment of government or corporate spending could cause current or potential customers to reduce or eliminate their IT budgets and spending, which could cause customers to delay, decrease or cancel purchases of our products and services or cause customers not to pay us or to delay paying us for previously purchased products and services.

In addition, international, regional or domestic political unrest and the related potential impact on global stability, terrorist attacks and the potential for other hostilities in various parts of the world, public health crises such as the COVID-19 pandemic, and natural disasters continue to contribute to a climate of economic and political uncertainty that could adversely affect our results of operations and financial condition, including our revenue growth and profitability. These factors generally have the strongest effect on our sales of cloud license and on-premise license, hardware and related services and, to a lesser extent, also may affect our renewal rates for license support and our subscription-based cloud offerings.

Business disruptions could adversely affect our operating results. A significant portion of our critical business operations are concentrated in a few geographic areas, some of which include emerging market international locations that may be less stable relative to running such business operations solely within the U.S. We are a highly automated business and a disruption or failure of our systems, supply chains and processes could cause delays in completing sales, providing services, including some of our cloud offerings, and enabling a seamless customer experience with respect to our customer facing back office processes. A major earthquake or fire, political, social or other disruption to infrastructure that supports our operations or other catastrophic event or the effects of climate change (such as increased storm severity, drought and pandemics) that results in the destruction or disruption of any of our critical business, supply chains or IT systems could severely affect our ability to conduct normal business operations and, as a result, our future operating results could be materially and adversely affected.

Item 1B.Unresolved Staff Comments

None.

Item 2. Properties

Our properties consist of owned and leased office facilities for sales, support, research and development, services, manufacturing, cloud operations and administrative and other functions. Our headquarters facility consists of approximately 0.9 million square feet in Austin, Texas, substantially all of which we own. We also own or lease other facilities for current use consisting of approximately 24.1 million square feet in various other locations in the U.S. and abroad. Approximately 3.9 million square feet, or 16%, of our total owned and leased space is sublet or is being actively marketed for sublease or disposition. We lease our principal internal manufacturing facility for our

hardware products in Hillsboro, Oregon. Our cloud operations deliver our Oracle Cloud Services through the use of global data centers, substantially all of which were leased through colocation suppliers. We believe that our facilities are in good condition and suitable for the conduct of our business.

Item 3. Legal Proceedings

The material set forth in Note 14 (pertaining to information regarding contingencies related to our income taxes) and Note 17 (pertaining to information regarding legal contingencies) of Notes to Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock is traded on the New York Stock Exchange under the symbol “ORCL.” According to the records of our transfer agent, we had 8,100 stockholders of record as of May 31, 2021.

For equity compensation plan information, please refer to Item 12 in Part III of this Annual Report.

Stock Repurchase Program

Our Board of Directors has approved a program for us to repurchase shares of our common stock. On March 10, 2021, we announced that our Board of Directors approved an expansion of our stock repurchase program by an additional \$20.0 billion. As of May 31, 2021, approximately \$15.6 billion remained available for stock repurchases pursuant to our stock repurchase program.

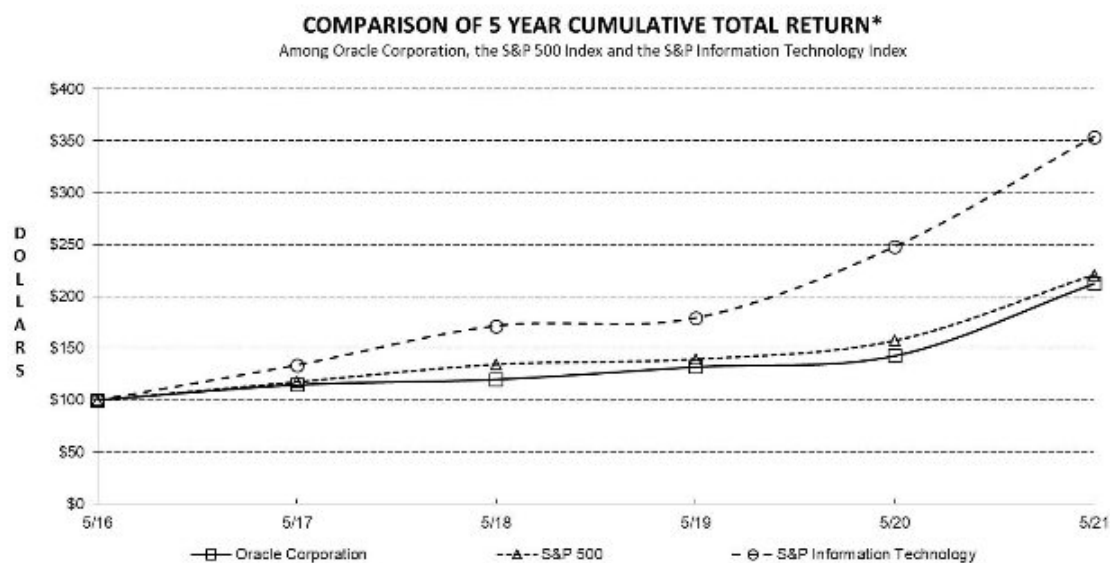
Our stock repurchase authorization does not have an expiration date and the pace of our repurchase activity will depend on factors such as our working capital needs, our cash requirements for acquisitions and dividend payments, our debt repayment obligations or repurchases of our debt, our stock price, and economic and market conditions. Our stock repurchases may be effected from time to time through open market purchases or pursuant to a Rule 10b5-1 plan. Our stock repurchase program may be accelerated, suspended, delayed or discontinued at any time.

The following table summarizes the stock repurchase activity for the three months ended May 31, 2021 and the approximate dollar value of shares that may yet be purchased pursuant to our stock repurchase program:

(in millions, except per share amounts)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
March 1, 2021—March 31, 2021	29.0	\$ 68.95	29.0	\$ 21,648.4
April 1, 2021—April 30, 2021	52.6	\$ 76.00	52.6	\$ 17,648.4
May 1, 2021—May 31, 2021	25.4	\$ 78.92	25.4	\$ 15,648.4
Total	107.0	\$ 74.79	107.0	

Stock Performance Graph and Cumulative Total Return

The graph below compares the cumulative total stockholder return on our common stock with the cumulative total return of the S&P 500 Index and the S&P Information Technology Index for each of the last five fiscal years ended May 31, 2021, assuming an investment of \$100 at the beginning of such period and the reinvestment of any dividends. The comparisons in the graphs below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our common stock.



Item 6. Selected Financial Data

Omitted at registrant's option.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

We begin Management's Discussion and Analysis of Financial Condition and Results of Operations with an overview of our businesses and significant trends. This overview is followed by a summary of our critical accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. We then provide a more detailed analysis of our results of operations and financial condition for fiscal 2021 compared to fiscal 2020. A discussion regarding our financial condition and results of operations for fiscal 2020 compared to fiscal 2019 can be found in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended May 31, 2020, as filed with the SEC on June 22, 2020, which is available free of charge on the SEC's website at www.sec.gov and on our Investor Relations website at www.oracle.com/investor.

Business Overview

Oracle provides products and services that address enterprise information technology (IT) environments. Our products and services include enterprise applications and infrastructure offerings that are delivered worldwide through a variety of flexible and interoperable IT deployment models. These models include on-premise deployments, cloud-based deployments, and hybrid deployments (an approach that combines both on-premise and cloud-based deployment) such as our Oracle Cloud@Customer offering (an instance of Oracle Cloud in a customer's own data center). Accordingly, we offer choice and flexibility to our customers and facilitate the product, service and deployment combinations that best suit our customers' needs. Through our worldwide sales force and Oracle Partner Network, we sell to customers all over the world including businesses of many sizes, government agencies, educational institutions and resellers.

We have three businesses: cloud and license; hardware; and services; each of which comprises a single operating segment. The descriptions set forth below as a part of this Item 7 and the information contained within Item 1 Business and Note 15 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report provide additional information related to our businesses and operating segments and align to how our chief operating decision makers (CODMs), which include our Chief Executive Officer and Chief Technology Officer, view our operating results and allocate resources.

Impacts of the COVID-19 Pandemic on Oracle's Business

For a discussion of the impacts on and risks to our business from COVID-19, please refer to "Impacts of the COVID-19 Pandemic on Oracle's Business" included in Item 1 Business in this Annual Report, the risks included in Item 1A Risk Factors in this Annual Report and the information presented below in "Results of Operations" in this Item 7.

Cloud and License Business

Our cloud and license business, which represented 84% and 83% of our total revenues in fiscal 2021 and 2020, respectively, markets, sells and delivers a broad spectrum of enterprise applications and infrastructure technologies through our cloud and license offerings. Revenue streams included in our cloud and license business are:

- Cloud services and license support revenues, which include:
 - license support revenues, which are earned by providing Oracle license support services to customers that have elected to purchase support services in connection with the purchase of Oracle applications and infrastructure software licenses for use in cloud, on-premise and other IT environments. Substantially all license support customers renew their support contracts with us upon expiration in order to continue to benefit from technical support services and the periodic issuance of unspecified updates and enhancements, which current license support customers are entitled to receive. License support contracts are generally priced as a percentage of the net fees paid by the customer to purchase a cloud license and/or on-premise license; are generally billed in advance of the support services being performed; are generally renewed at the customer's option; and are generally

recognized as revenues ratably over the contractual period that the support services are provided, which is generally one year; and

- cloud services revenues, which provide customers access to Oracle Cloud applications and infrastructure technologies via cloud-based deployment models that Oracle develops, provides unspecified updates and enhancements for, deploys, hosts, manages and supports and that customers access by entering into a subscription agreement with us for a stated period. Oracle Cloud Services arrangements are generally billed in advance of the cloud services being performed; generally have durations of one to three years; are generally renewed at the customer's option; and are generally recognized as revenues ratably over the contractual period of the cloud contract or, in the case of usage model contracts, as the cloud services are consumed over time.
- Cloud license and on-premise license revenues, which include revenues from the licensing of our software products including Oracle Applications, Oracle Database, Oracle Middleware and Java, among others, which our customers deploy within cloud-based, on-premise and other IT environments. Our cloud license and on-premise license transactions are generally perpetual in nature and are generally recognized as revenues up front at the point in time when the software is made available to the customer to download and use. Revenues from usage-based royalty arrangements for distinct cloud licenses and on-premise licenses are recognized at the point in time when the software end user usage occurs. The timing of a few large license transactions can substantially affect our quarterly license revenues due to the point-in-time nature of revenue recognition for license transactions, which is different than the typical revenue recognition pattern for our cloud services and license support revenues in which revenues are generally recognized ratably over the contractual terms. Cloud license and on-premise license customers have the option to purchase and renew license support contracts, as further described above.

Providing choice and flexibility to our customers as to when and how they deploy Oracle applications and infrastructure technologies are important elements of our corporate strategy. In recent periods, customer demand for our applications and infrastructure technologies delivered through our Oracle Cloud Services has increased. To address customer demand and enable customer choice, we have introduced certain programs for customers to pivot their applications and infrastructure licenses and the related license support to the Oracle Cloud for new deployments and to migrate to and expand with the Oracle Cloud for their existing workloads. The proportion of our cloud services and license support revenues relative to our cloud license and on-premise license revenues, hardware revenues and services revenues has increased and we expect this trend to continue. Cloud services and license support revenues represented 71%, 70% and 68% of our total revenues during fiscal 2021, 2020 and 2019, respectively.

Our cloud and license business' revenue growth is affected by many factors, including the strength of general economic and business conditions; governmental budgetary constraints; the strategy for and competitive position of our offerings; the continued renewal of our cloud services and license support customer contracts by the customer contract base; substantially all customers continuing to purchase license support contracts in connection with their license purchases; the pricing of license support contracts sold in connection with the sales of licenses; the pricing, amounts and volumes of licenses and cloud services sold; our ability to manage Oracle Cloud capacity requirements to meet existing and prospective customer demand; and foreign currency rate fluctuations.

On a constant currency basis, we expect that our total cloud and license revenues generally will continue to increase due to:

- expected growth in our cloud services and license support offerings; and
- continued demand for our cloud license and on-premise license offerings.

We believe these factors should contribute to future growth in our cloud and license business' total revenues, which should enable us to continue to make investments in research and development and our cloud operations to develop, improve, increase the capacity of and expand the geographic footprint of our cloud and license products and services.

Our cloud and license business' margin has historically trended upward over the course of the four quarters within a particular fiscal year due to the historical upward trend of our cloud and license business' revenues over those quarterly periods and because the majority of our costs for this business are generally fixed in the short term. The historical upward trend of our cloud and license business' revenues over the course of the four quarters within a particular fiscal year is primarily due to the addition of new cloud services and license support contracts to the customer contract base that we generally recognize as revenues ratably or based upon customer usage over the respective contractual terms; the renewal of existing customers' cloud services and license support contracts over the course of each fiscal year that we generally recognize as revenues ratably; and the historical upward trend of our cloud license and on-premise license revenues, which we generally recognize at a point in time upon delivery; in each case over those four quarterly periods.

Hardware Business

Our hardware business, which represented 8% and 9% of our total revenues in fiscal 2021 and 2020, respectively, provides a broad selection of enterprise hardware products and hardware-related software products including Oracle Engineered Systems, servers, storage, industry-specific hardware offerings, operating systems, virtualization, management and other hardware-related software, and related hardware support. Each hardware product and its related software, such as an operating system or firmware, are highly interdependent and interrelated and are accounted for as a combined performance obligation. The revenues for this combined performance obligation are generally recognized at the point in time that the hardware product and its related software are delivered to the customer and ownership is transferred to the customer. We expect to make investments in research and development to improve existing hardware products and services and to develop new hardware products and services. The majority of our hardware products are sold through indirect channels, including independent distributors and value-added resellers. Our hardware support offerings provide customers with unspecified software updates for software components that are essential to the functionality of our hardware products and associated software products such as Oracle Solaris. Our hardware support offerings can also include product repairs, maintenance services and technical support services. Hardware support contracts are entered into and renewed at the option of the customer, are generally priced as a percentage of the net hardware products fees and are generally recognized as revenues ratably as the hardware support services are delivered over the contractual terms.

We generally expect our hardware business to have lower operating margins as a percentage of revenues than our cloud and license business due to the incremental costs we incur to produce and distribute these products and to provide support services, including direct materials and labor costs.

Our quarterly hardware revenues are difficult to predict. Our hardware revenues, cost of hardware and hardware operating margins that we report are affected by many factors, including our manufacturing partners' abilities to timely manufacture or deliver a few large hardware transactions; our strategy for and the position of our hardware products relative to competitor offerings; customer demand for competing offerings, including cloud infrastructure offerings; the strength of general economic and business conditions; governmental budgetary constraints; whether customers decide to purchase hardware support contracts at or in close proximity to the time of hardware product sale; the percentage of our hardware support contract customer base that renews its support contracts and the close association between hardware products, which have a finite life, and customer demand for related hardware support as hardware products age; customer decisions to either maintain or upgrade their existing hardware infrastructure to newly developed technologies that are available; and foreign currency rate fluctuations.

Services Business

Our services business, which represented 8% of our total revenues in each of fiscal 2021 and 2020, helps customers and partners maximize the performance of their investments in Oracle applications and infrastructure technologies. We believe that our services are differentiated based on our focus on Oracle technologies, extensive experience, broad sets of intellectual property and best practices. Our services offerings include consulting services and advanced customer services. Our services business has lower margins than our cloud and license and hardware businesses. Our services revenues are affected by many factors including our strategy for, and the

competitive position of, our services; customer demand for our cloud and license and hardware offerings and the associated services for these offerings; general economic conditions; governmental budgetary constraints; personnel reductions in our customers' IT departments; tighter controls over customer discretionary spending; and foreign currency rate fluctuations.

Acquisitions

Our selective and active acquisition program is another important element of our corporate strategy. Historically, we have invested billions of dollars to acquire a number of complementary companies, products, services and technologies. The pace of our acquisitions has slowed in recent years, but as compelling opportunities become available, we may acquire companies, products, services and technologies in furtherance of our corporate strategy. Note 2 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report provides additional information related to our recent acquisitions.

We believe that we can fund our future acquisitions with our internally available cash, cash equivalents and marketable securities, cash generated from operations, additional borrowings or from the issuance of additional securities. We estimate the financial impact of any potential acquisition with regard to earnings, operating margin, cash flows and return on invested capital targets before deciding to move forward with an acquisition.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as set forth in the Financial Accounting Standards Board's Accounting Standards Codification (ASC), and we consider the various staff accounting bulletins and other applicable guidance issued by the SEC. GAAP, as set forth within the ASC, requires us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. To the extent that there are differences between these estimates, judgments or assumptions and actual results, our financial statements will be affected. The accounting policies that reflect our more significant estimates, judgments and assumptions and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results include:

- Revenue Recognition;
- Business Combinations;
- Goodwill and Intangible Assets—Impairment Assessments;
- Accounting for Income Taxes; and
- Legal and Other Contingencies.

Our senior management has reviewed our critical accounting policies and related disclosures with the Finance and Audit Committee of the Board of Directors. Note 1 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report includes additional information about our critical and other accounting policies.

Revenue Recognition

The most critical judgments required in applying ASC 606, *Revenue Recognition from Customers*, and our revenue recognition policy relate to the determination of distinct performance obligations and the evaluation of the standalone selling price (SSP) for each performance obligation.

Many of our customer contracts include multiple performance obligations. Judgment is required in determining whether each performance obligation within a customer contract is distinct. Oracle products and services generally do not require a significant amount of integration or interdependency. Therefore, multiple products and services

contained within a customer contract are generally considered to be distinct and are not combined for revenue recognition purposes. We allocate the transaction price for each customer contract to each performance obligation based on the relative SSP (the determination of SSP is discussed below) for each performance obligation within each contract. We recognize the amount of transaction price allocated to each performance obligation within a customer contract as revenue as each performance obligation is delivered.

We use historical sales transaction data and judgment, among other factors, in determining the SSP for products and services. For substantially all performance obligations except cloud licenses and on-premise licenses, we are able to establish the SSP based on the observable prices of products or services sold separately in comparable circumstances to similar customers. We typically establish an SSP range for our products and services, which is reassessed on a periodic basis or when facts and circumstances change. SSP for our products and services can evolve over time due to changes in our pricing practices that are influenced by intense competition, changes in demand for our products and services, and economic factors, among others. Our cloud licenses and on-premise licenses have not historically been sold on a standalone basis, as substantially all customers elect to purchase license support contracts at the time of a license purchase. License support contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license. We are unable to establish the SSP for our cloud licenses and on-premise licenses based on observable prices given the same products are sold for a broad range of amounts (that is, the selling price is highly variable) and a representative SSP is not discernible from past transactions or other observable evidence. As a result, the SSP for a cloud license and an on-premise license included in a contract with multiple performance obligations is generally determined by applying a residual approach whereby all other performance obligations within a contract are first allocated a portion of the transaction price based upon their respective SSPs, with any residual amount of transaction price allocated to cloud license and on-premise license revenues.

Business Combinations

We apply the provisions of ASC 805, *Business Combinations* (ASC 805), in accounting for our acquisitions. ASC 805 requires that we evaluate whether a transaction pertains to an acquisition of assets, or to an acquisition of a business. A business is defined as an integrated set of assets and activities that is capable of being conducted and managed for the purpose of providing a return to investors. Asset acquisitions are accounted for by allocating the cost of the acquisition to the individual assets and liabilities assumed on a relative fair value basis; whereas the acquisition of a business requires us to recognize separately from goodwill the assets acquired and the liabilities assumed at the acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as any contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the business acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of a business acquisition's measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

Accounting for business combinations requires our management to make significant estimates and assumptions, especially at the acquisition date, including our estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies and any contingent consideration, where applicable. Although we believe that the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

For a given business acquisition, we may identify certain pre-acquisition contingencies as of the acquisition date and may extend our review and evaluation of these pre-acquisition contingencies throughout the measurement period in order to obtain sufficient information to assess whether we include these contingencies as a part of the fair value estimates of assets acquired and liabilities assumed and, if so, to determine their estimated amounts.

If we cannot reasonably determine the fair value of a non-income tax related pre-acquisition contingency by the end of the measurement period, which is generally the case given the nature of such matters, we will recognize an asset or a liability for such pre-acquisition contingency if: (1) it is probable that an asset existed or a liability had been incurred at the acquisition date and (2) the amount of the asset or liability can be reasonably estimated. Subsequent to the measurement period or final determination of the net asset values for the business combination, whichever comes first, changes in our estimates of such contingencies will affect earnings and could have a material effect on our results of operations and financial position.

In addition, uncertain tax positions and tax related valuation allowances assumed in a business combination are initially estimated as of the acquisition date. We reevaluate these items quarterly based upon facts and circumstances that existed as of the acquisition date with any adjustments to our preliminary estimates being recorded to goodwill if identified within the measurement period. Subsequent to the measurement period or our final determination of the tax allowance's or contingency's estimated value, whichever comes first, changes to these uncertain tax positions and tax related valuation allowances will affect our provision for income taxes in our consolidated statement of operations and could have a material impact on our results of operations and financial position.

Goodwill and Intangible Assets—Impairment Assessments

We review goodwill for impairment annually and whenever events or changes in circumstances indicate its carrying value may not be recoverable. We make certain judgments and assumptions to determine our reporting units and in allocating shared assets and liabilities to determine the carrying values for each of our reporting units.

Judgment in the assessment of qualitative factors of impairment include cost factors; financial performance; legal, regulatory, contractual, political, business, and other factors; entity specific factors; industry and market considerations, macroeconomic conditions, and other relevant events and factors affecting the reporting unit. To the extent we determine that it is more likely than not that the fair value of the reporting unit is less than its carrying value, a quantitative test is then performed.

Performing a quantitative goodwill impairment test includes the determination of the fair value of a reporting unit and involves significant estimates and assumptions. These estimates and assumptions include, among others, revenue growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates, future economic and market conditions, and the determination of appropriate market comparables.

We make judgments about the recoverability of purchased finite lived intangible assets whenever events or changes in circumstances indicate that impairment may exist. In such situations, we are required to evaluate whether the net book values of our finite lived intangible assets are recoverable. We determine whether finite lived intangible assets are recoverable based upon the forecasted future cash flows that are expected to be generated by the lowest level associated asset grouping. Assumptions and estimates about future values and remaining useful lives of our intangible assets are complex and subjective and include, among others, forecasted undiscounted cash flows to be generated by certain asset groupings. These assumptions and estimates can be affected by a variety of factors, including external factors such as industry and economic trends and internal factors such as changes in our business strategy and our internal forecasts.

Accounting for Income Taxes

Judgment is required in determining our worldwide income tax provision. In the ordinary course of a global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of revenue sharing and cost reimbursement arrangements among related entities, the process of identifying items of revenues and expenses that qualify for preferential tax treatment, and the segregation of foreign and domestic earnings and expenses to avoid double taxation. Although we believe that our estimates are reasonable, the final tax outcome of these matters could be different from that which is reflected in our historical income tax provisions and accruals. Such differences could have a material effect on our income tax provision and net income in the period in which such determination is made.

We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. In order for us to realize our deferred tax assets, we must be able to generate sufficient taxable income in those jurisdictions where the deferred tax assets are located. We consider future growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate, historical earnings, taxable income in prior years, if carryback is permitted under the law, and prudent and feasible tax planning strategies in determining the need for a valuation allowance. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets valuation allowance would be charged to earnings in the period in which we make such a determination, or goodwill would be adjusted at our final determination of the valuation allowance related to an acquisition within the measurement period. If we later determine that it is more likely than not that the net deferred tax assets would be realized, we would reverse the applicable portion of the previously provided valuation allowance as an adjustment to our provision for income taxes at such time.

We calculate our current and deferred tax provision based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed during the subsequent year. Adjustments based on filed returns are generally recorded in the period when the tax returns are filed and the global tax implications are known, which can materially impact our effective tax rate.

The amount of income tax we pay is subject to ongoing audits by federal, state and foreign tax authorities, which often result in proposed assessments. Our estimate of the potential outcome for any uncertain tax issue may require certain judgments. A description of our accounting policies associated with tax related contingencies assumed as a part of a business combination is provided under “Business Combinations” above.

For those tax related contingencies that are not a part of a business combination, we account for these uncertain tax issues pursuant to ASC 740, *Income Taxes*, which contains a two-step approach to recognizing and measuring uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained in an audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. Although we believe that we have adequately reserved for our uncertain tax positions, no assurance can be given with respect to the final outcome of these matters. We adjust reserves for our uncertain tax positions due to changing facts and circumstances, such as the closing of a tax audit, judicial rulings, and refinement of estimates or realization of earnings or deductions that differ from our estimates. To the extent that the final outcome of these matters is different than the amounts recorded, such differences generally will impact our provision for income taxes in the period in which such a determination is made. Our provisions for income taxes include the impact of reserve provisions and changes to reserves that are considered appropriate and also include the related interest and penalties.

Legal and Other Contingencies

We are currently involved in various claims and legal proceedings. Quarterly, we review the status of each significant matter and assess our potential financial exposure. A description of our accounting policies associated with contingencies assumed as a part of a business combination is provided under “Business Combinations” above. For legal and other contingencies that are not a part of a business combination, we accrue a liability for an estimated loss if the potential loss from any claim or legal proceeding is considered probable, and the amount can be reasonably estimated. Significant judgment is required in both the determination of probability and the determination as to whether the amount of an exposure is reasonably estimable. Because of uncertainties related to these matters, accruals are based only on the best information available at the time the accruals are made. As additional information becomes available, we reassess the potential liability related to our pending claims and litigation and may revise our estimates. Such revisions in the estimates of the potential liabilities could have a material impact on our results of operations and financial position.

Results of Operations

Presentation of Operating Segment Results and Other Financial Information

In our fiscal 2021 compared to fiscal 2020 results of operations discussion below, we provide an overview of our total consolidated revenues, total consolidated operating expenses and total consolidated operating margin, all of which are presented on a GAAP basis. We also present a GAAP-based discussion below for substantially all of the other expense items as presented in our consolidated statements of operations that are not directly attributable to our three businesses.

In addition, we discuss below the fiscal 2021 compared to fiscal 2020 results of each of our three businesses—cloud and license, hardware and services—which are our operating segments as defined pursuant to ASC 280, *Segment Reporting*. The financial reporting for our three businesses that is presented below is presented in a manner that is consistent with that used by our CODMs. Our operating segment presentation below reflects revenues, direct costs and sales and marketing expenses that correspond to and are directly attributable to each of our three businesses. We also utilize these inputs to calculate and present a segment margin for each of our three businesses in the discussion below.

Consistent with our internal management reporting processes, the below operating segment presentation is noted to include any revenues adjustments related to cloud services and license support contracts that would have otherwise been recorded by the acquired businesses as independent entities but were not recognized in our consolidated statements of operations for the periods presented due to business combination accounting requirements. Refer to “Supplemental Disclosure Related to Certain Charges” below for additional discussion of these items and Note 15 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report for a reconciliation of the summations of our total operating segment revenues as presented in the discussion below to total revenues as presented per our consolidated statements of operations for all periods presented.

In addition, research and development expenses, general and administrative expenses, stock-based compensation expenses, amortization of intangible assets, certain other expense allocations, acquisition related and other expenses, restructuring expenses, interest expense, non-operating expenses or income, net and provision for income taxes are not attributed to our three operating segments because our management does not view the performance of our three businesses including such items and/or it is impractical to do so. Refer to “Supplemental Disclosure Related to Certain Charges” below for additional discussion of certain of these items and Note 15 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report for a reconciliation of the summations of total segment margin as presented in the discussion below to total income before provision for income taxes as presented per our consolidated statements of operations for all periods presented.

We experienced COVID-19 related impacts to our business during fiscal 2021 and 2020. Certain of these historical impacts on our operating results are further discussed below. Any future impacts are currently unknown.

Separately, as described further below and in Notes 1 and 14 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report, we recorded a \$2.3 billion non-recurring net deferred tax benefit during fiscal 2021 that related to a partial realignment of our legal entity structure that resulted in the intra-group transfer of certain intellectual property rights.

Constant Currency Presentation

Our international operations have provided and are expected to continue to provide a significant portion of each of our businesses’ revenues and expenses. As a result, each of our businesses’ revenues and expenses and our total revenues and expenses will continue to be affected by changes in the U.S. Dollar against major international currencies. In order to provide a framework for assessing how our underlying businesses performed, excluding the effects of foreign currency rate fluctuations, we compare the percent change in the results from one period to another period in this Annual Report using constant currency disclosure. To present this information, current and comparative prior period results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at constant exchange rates (i.e., the rates in effect on May 31, 2020, which was the last day of our prior fiscal year) rather than the actual exchange rates in effect during the respective periods. For example, if an entity

reporting in Euros had revenues of 1.0 million Euros from products sold on May 31, 2021 and 2020, our financial statements would reflect reported revenues of \$1.19 million in fiscal 2021 (using 1.19 as the month-end average exchange rate for the period) and \$1.10 million in fiscal 2020 (using 1.10 as the month-end average exchange rate for the period). The constant currency presentation, however, would translate the fiscal 2021 results using the fiscal 2020 exchange rate and indicate, in this example, no change in revenues during the period. In each of the tables below, we present the percent change based on actual, unrounded results in reported currency and in constant currency.

Total Revenues and Operating Expenses

(Dollars in millions)	Year Ended May 31,			
	2021	Percent Change		2020
		Actual	Constant	
Total Revenues by Geography:				
Americas	\$ 21,828	1%	2%	\$ 21,563
EMEA ⁽¹⁾	11,894	8%	2%	11,035
Asia Pacific	6,757	4%	1%	6,470
Total revenues	40,479	4%	2%	39,068
Total Operating Expenses	25,266	0%	-1%	25,172
Total Operating Margin	\$ 15,213	9%	6%	\$ 13,896
Total Operating Margin %	38%			36%
% Revenues by Geography:				
Americas	54%			55%
EMEA	29%			28%
Asia Pacific	17%			17%
Total Revenues by Business:				
Cloud and license	\$ 34,099	5%	3%	\$ 32,519
Hardware	3,359	-2%	-4%	3,443
Services	3,021	-3%	-5%	3,106
Total revenues	\$ 40,479	4%	2%	\$ 39,068
% Revenues by Business:				
Cloud and license	84%			83%
Hardware	8%			9%
Services	8%			8%

(1) Comprised of Europe, the Middle East and Africa

Excluding the effects of foreign currency rate fluctuations, our total revenues increased in fiscal 2021. The constant currency increase in our cloud and license business' revenues during fiscal 2021 was offset by decreases in our hardware business' revenues and services business' revenues. The constant currency increase in our cloud and license business' revenues during fiscal 2021 relative to fiscal 2020 was attributable to growth in our cloud services and license support revenues and growth in our cloud license and on-premise license revenues as customers purchased our applications and infrastructure technologies via cloud and license deployment models and renewed their related cloud contracts and license support contracts to continue to gain access to the latest versions of our technologies and to receive support services. The constant currency decrease in our hardware business' revenues during fiscal 2021 relative to fiscal 2020 was due to the emphasis we placed on the marketing and sale of our growing cloud-based infrastructure technologies and the de-emphasis of our sales and marketing efforts for certain of our non-strategic hardware products and related support services. The constant currency decrease in our services business' revenues during fiscal 2021 relative to fiscal 2020 was primarily attributable to a decline in our consulting revenues. All three of our businesses' revenues were adversely impacted during fiscal 2021 and 2020 due to the effects of the COVID-19 pandemic and some of these effects may continue into fiscal 2022. While we expect these effects to be temporary, the impacts of COVID-19 for future periods are unknown. In constant currency, the Americas, EMEA and Asia Pacific regions contributed 54%, 39% and 7%, respectively, to the growth in our total revenues during fiscal 2021.

Excluding the effects of foreign currency rate fluctuations, our total operating expenses decreased during fiscal 2021 relative to fiscal 2020 primarily due to lower sales and marketing expenses, lower hardware expenses and lower services expenses, all of which were primarily attributable to lower headcount and a reduction in certain variable expenditures as further described below. In addition, we also incurred lower amortization of intangible assets during fiscal 2021. These constant currency expense decreases were partially offset by certain constant currency expense increases during fiscal 2021, primarily: higher cloud services and license support expenses, which increased primarily due to higher infrastructure investments that were made to support the increase in our cloud and license business' revenues; higher research and development and general and administrative expenses, each of which increased primarily due to higher employee related expenses; higher acquisition related and other expenses, which increased primarily due to certain right-of-use assets and other assets that were abandoned in connection with plans to improve our cost structure and operations; and higher restructuring expenses, which increased due to actions taken during fiscal 2021 pursuant to the Fiscal 2019 Oracle Restructuring Plan (2019 Restructuring Plan). During fiscal 2021 and 2020, we curtailed a number of variable expenditures across all of our lines of businesses and functions including employee travel expenses and marketing expenses, among others, primarily in response to COVID-19. We expect certain of these expenses may normalize in future periods provided global economic and health conditions improve.

In constant currency, our total operating margin and total operating margin as a percentage of total revenues increased in fiscal 2021 due to higher total revenues and lower total operating expenses. In fiscal 2022, we expect to accelerate our investments primarily in our cloud and license business. We expect fiscal 2022 total expenses growth to exceed total revenues growth and, as a result, our fiscal 2022 total operating margin as a percentage of total revenues to be modestly lower relative to fiscal 2021.

Supplemental Disclosure Related to Certain Charges

To supplement our consolidated financial information, we believe that the following information is helpful to an overall understanding of our past financial performance and prospects for the future.

Our operating results reported pursuant to GAAP included the following business combination accounting adjustments and expenses related to acquisitions and certain other expense and income items that affected our GAAP net income:

(in millions)	Year Ended May 31,	
	2021	2020
Cloud services and license support deferred revenues ⁽¹⁾	\$ 2	\$ 4
Amortization of intangible assets ⁽²⁾	1,379	1,586
Acquisition related and other ⁽³⁾	138	56
Restructuring ⁽⁴⁾	431	250
Stock-based compensation, operating segments ⁽⁵⁾	513	436
Stock-based compensation, R&D and G&A ⁽⁵⁾	1,324	1,154
Income tax effects ⁽⁶⁾	(3,408)	(939)
	<u>\$ 379</u>	<u>\$ 2,547</u>

(1) In connection with our acquisitions, we have estimated the fair values of the cloud services and license support contracts assumed. Due to our application of business combination accounting rules, we did not recognize the cloud services and license support revenue amounts as presented in the above table that would have otherwise been recorded by the acquired businesses as independent entities upon delivery of the contractual obligations. To the extent customers for which these contractual obligations pertain renew these contracts with us, we expect to recognize revenues for the full contracts' values over the respective contracts' renewal periods.

(2) Represents the amortization of intangible assets, substantially all of which were acquired in connection with our acquisitions. As of May 31, 2021, estimated future amortization related to intangible assets was as follows (in millions):

Fiscal 2022	\$	1,122
Fiscal 2023		698
Fiscal 2024		453
Fiscal 2025		123
Fiscal 2026		24
Thereafter		10
Total intangible assets, net	\$	2,430

(3) Acquisition related and other expenses primarily consist of personnel related costs for transitional and certain other employees, integration related professional services, certain business combination adjustments including certain adjustments after the measurement period has ended and certain other operating items, net.

(4) Restructuring expenses during fiscal 2021 and 2020 primarily related to employee severance in connection with our 2019 Restructuring Plan. Additional information regarding certain of our restructuring plans is provided in management's discussion below under "Restructuring Expenses" and in Note 8 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

(5) Stock-based compensation was included in the following operating expense line items of our consolidated statements of operations (in millions):

	Year Ended May 31,	
	2021	2020
Cloud services and license support	\$ 134	\$ 110
Hardware	11	11
Services	55	54
Sales and marketing	313	261
Stock-based compensation, operating segments	513	436
Research and development	1,188	1,035
General and administrative	136	119
Total stock-based compensation	\$ 1,837	\$ 1,590

(6) For fiscal 2021, the applicable jurisdictional tax rates applied to our income before provision for income taxes after excluding the tax effects of items within the table above such as for stock-based compensation, amortization of intangible assets, restructuring, and certain other acquisition related items, and after excluding a \$2.3 billion tax benefit arising from the increase of a deferred tax asset associated with a partial realignment of our legal entity structure and any related deferred tax expense (refer to Notes 1 and 14 in our consolidated financial statements included elsewhere in this Annual Report for additional information), resulted in an effective tax rate of 15.9%, instead of (5.7%), which represented our effective tax rate as derived per our consolidated statement of operations. For fiscal 2020, the applicable jurisdictional tax rates applied to our income before provision for income taxes after adjusting for the effects of items within the table above, such as for stock-based compensation, amortization of intangible assets, restructuring, and certain other acquisition related items, resulted in an effective tax rate of 18.4%, instead of 16.0%, which represented our effective tax rate as derived per our consolidated statement of operations.

Cloud and License Business

Our cloud and license business engages in the sale and marketing of our applications and infrastructure technologies that are delivered through various deployment models and include: Oracle license support offerings; Oracle cloud services offerings; and Oracle cloud license and on-premise license offerings. License support revenues are typically generated through the sale of license support contracts related to cloud licenses and on-premise licenses; are purchased by our customers at their option; and are generally recognized as revenues ratably over the contractual term, which is generally one year. Our cloud services deliver applications and infrastructure technologies on a subscription basis via cloud-based deployment models that we develop, provide unspecified updates and enhancements for, deploy, host, manage and support. Revenues for our cloud services are generally recognized over the contractual term, which is generally one to three years, or in the case of usage model contracts, as the cloud services are consumed. Cloud license and on-premise license revenues represent fees earned from granting customers licenses, generally on a perpetual basis, to use our database and middleware and our applications software products within cloud and on-premise IT environments and are generally recognized up front at the point in time when the software is made available to the customer to download and use. We continue

to place significant emphasis, both domestically and internationally, on direct sales through our own sales force. We also continue to market certain of our offerings through indirect channels. Costs associated with our cloud and license business are included in cloud services and license support expenses, and sales and marketing expenses. These costs are largely personnel and infrastructure related including the cost of providing our cloud services and license support offerings, salaries and commissions earned by our sales force for the sale of our cloud and license offerings, and marketing program costs.

	Year Ended May 31,			
		Percent Change		
(Dollars in millions)	2021	Actual	Constant	2020
Cloud and License Revenues:				
Americas(1)	\$ 18,783	3%	3%	\$ 18,314
EMEA	9,928	10%	4%	9,058
Asia Pacific	5,390	5%	1%	5,151
Total revenues(1)	34,101	5%	3%	32,523
Expenses:				
Cloud services and license support(2)	4,133	9%	7%	3,803
Sales and marketing(2)	6,799	-5%	-6%	7,159
Total expenses(2)	10,932	0%	-2%	10,962
Total Margin	\$ 23,169	7%	5%	\$ 21,561
Total Margin %	68%			66%
% Revenues by Geography:				
Americas	55%			56%
EMEA	29%			28%
Asia Pacific	16%			16%
Revenues by Offerings:				
Cloud services and license support(1)	\$ 28,702	5%	3%	\$ 27,396
Cloud license and on-premise license	5,399	5%	2%	5,127
Total revenues(1)	\$ 34,101	5%	3%	\$ 32,523
Cloud Services and License Support Revenues by Ecosystem:				
Applications cloud services and license support(1)	\$ 11,713	6%	5%	\$ 11,019
Infrastructure cloud services and license support(1)	16,989	4%	2%	16,377
Total cloud services and license support revenues(1)	\$ 28,702	5%	3%	\$ 27,396

(1) Includes cloud services and license support revenue adjustments related to certain cloud services and license support contracts that would have otherwise been recorded as revenues by the acquired businesses as independent entities but were not recognized in our GAAP-based consolidated statements of operations for the periods presented due to business combination accounting requirements. Such revenue adjustments were included in our operating segment results for purposes of reporting to and review by our CODMs. See "Presentation of Operating Segment Results and Other Financial Information" above for additional information.

(2) Excludes stock-based compensation and certain expense allocations. Also excludes amortization of intangible assets and certain other GAAP-based expenses, which were not allocated to our operating segment results for purposes of reporting to and review by our CODMs, as further described under "Presentation of Operating Segment Results and Other Financial Information" above.

Excluding the effects of foreign currency rate fluctuations, our cloud and license business' total revenues increased in fiscal 2021 relative to fiscal 2020 due to growth in our cloud services and license support revenues and cloud license and on-premise license revenues as customers purchased our applications and infrastructure technologies via cloud and license deployment models and renewed their related cloud contracts and license support contracts to continue to gain access to the latest versions of our technologies and to receive support for which we delivered such cloud and support services during fiscal 2021. The growth in our cloud and license business' revenues were adversely impacted during fiscal 2021 and 2020 due to the COVID-19 pandemic, and the impacts of COVID-19 for future periods are unknown. In constant currency, the Americas, EMEA and Asia Pacific regions contributed 57%, 38% and 5%, respectively, of the constant currency revenue growth for this business in fiscal 2021.

In constant currency, our total cloud and license business' expenses decreased in fiscal 2021 compared to fiscal 2020 due to lower sales and marketing expenses, which decreased primarily due to lower employee related expenses and our curtailment of variable expenditures, including lower employee travel expenses and lower

marketing expenses, primarily in response to COVID-19. These constant currency expense decreases were partially offset by higher cloud services and license support expenses during fiscal 2021, which were primarily attributable to higher technology infrastructure expenses to support the increase in our cloud and license business' revenues. Our cloud services and license support expenses have grown in recent periods and, in fiscal 2022, we expect this growth to accelerate as we increase our existing data center capacity and establish data centers in new geographic locations in order to meet current and expected customer demand.

Excluding the effects of foreign currency rate fluctuations, our cloud and license business' total margin and total margin as a percentage of revenues increased in fiscal 2021 compared to fiscal 2020 due to the fiscal 2021 increases in total revenues and the decreases in total expenses for this business.

Hardware Business

Our hardware business' revenues are generated from the sales of our Oracle Engineered Systems, server, storage, and industry-specific hardware offerings. The hardware product and related software, such as an operating system or firmware, are highly interdependent and interrelated and are accounted for as a combined performance obligation. The revenues for this combined performance obligation are generally recognized at the point in time that the hardware product is delivered to the customer and ownership is transferred to the customer. Our hardware business also earns revenues from the sale of hardware support contracts purchased by our customers at their option and that are generally recognized as revenues ratably as the hardware support services are delivered over the contractual term, which is generally one year. The majority of our hardware products are sold through indirect channels such as independent distributors and value-added resellers and we also market and sell our hardware products through our direct sales force. Operating expenses associated with our hardware business include the cost of hardware products, which consists of expenses for materials and labor used to produce these products by our internal manufacturing operations or by third-party manufacturers, warranty expenses and the impact of periodic changes in inventory valuation, including the impact of inventory determined to be excess and obsolete; the cost of materials used to repair customer products; the cost of labor and infrastructure to provide support services; and sales and marketing expenses, which are largely personnel related and include variable compensation earned by our sales force for the sales of our hardware offerings.

	Year Ended May 31,			
		Percent Change		
(Dollars in millions)	2021	Actual	Constant	2020
Hardware Revenues:				
Americas	\$ 1,650	-6%	-6%	\$ 1,758
EMEA	989	-1%	-4%	998
Asia Pacific	720	5%	1%	687
Total revenues	3,359	-2%	-4%	3,443
Expenses:				
Hardware products and support ⁽¹⁾	945	-13%	-14%	1,084
Sales and marketing ⁽¹⁾	388	-15%	-16%	456
Total expenses ⁽¹⁾	1,333	-13%	-14%	1,540
Total Margin	\$ 2,026	6%	5%	\$ 1,903
Total Margin %	60%			55%
% Revenues by Geography:				
Americas	49%			51%
EMEA	30%			29%
Asia Pacific	21%			20%

(1) Excludes stock-based compensation and certain expense allocations. Also excludes amortization of intangible assets and certain other GAAP-based expenses, which were not allocated to our operating segment results for purposes of reporting to and review by our CODMs, as further described under "Presentation of Operating Segments and Other Financial Information" above.

Our constant currency hardware revenues declined in fiscal 2021 relative to fiscal 2020 primarily due to our continued emphasis on the marketing and sale of our growing cloud-based infrastructure technologies and the de-

emphasis of our sales and marketing efforts for certain of our non-strategic hardware products and related support services, the net impact of which resulted in reduced sales volumes of certain of our hardware product lines and also impacted the volume of hardware support contracts sold in recent periods. Our hardware business' revenues were also adversely impacted during fiscal 2021 and 2020 by the unfavorable economic effects caused by COVID-19. Geographically, we experienced constant currency revenue declines in all regions during fiscal 2021, other than Asia Pacific.

Excluding the effects of currency rate fluctuations, total hardware expenses decreased in fiscal 2021 compared to fiscal 2020 primarily due to lower hardware product expenses, lower hardware support costs and lower sales and marketing costs, all of which aligned to lower hardware revenues.

In constant currency, our hardware business' total margin and total margin as a percentage of revenues increased in fiscal 2021 compared to fiscal 2020 primarily due to lower total expenses for this business.

Services Business

We offer services to customers and partners to help maximize the performance of their investments in Oracle applications and infrastructure technologies. Services revenues are generally recognized over time as the services are performed. The cost of providing our services consists primarily of personnel related expenses, technology infrastructure expenditures, facilities expenses and external contractor expenses.

	Year Ended May 31,			
		Percent Change		
(Dollars in millions)	2021	Actual	Constant	2020
Services Revenues:				
Americas	\$ 1,397	-7%	-6%	\$ 1,496
EMEA	977	0%	-5%	979
Asia Pacific	647	2%	-1%	631
Total revenues	3,021	-3%	-5%	3,106
Total Expenses ⁽¹⁾	2,393	-10%	-12%	2,656
Total Margin	\$ 628	39%	37%	\$ 450
Total Margin %	21%			14%
% Revenues by Geography:				
Americas	46%			48%
EMEA	32%			32%
Asia Pacific	22%			20%

(1) Excludes stock-based compensation and certain allocations. Also excludes certain other GAAP-based expenses, which were not allocated to our operating segment results for purposes of reporting to and review by our CODMs, as further described under "Presentation of Operating Segments and Other Financial Information" above.

Excluding the effects of currency rate fluctuations, our total services revenues decreased in fiscal 2021 relative to fiscal 2020 primarily due to a decline in our consulting revenues. Our services business revenues were also adversely impacted during fiscal 2021 and 2020 by the impacts of COVID-19, including the impacts of consulting project delays due to customer resource constraints and in-person meeting restrictions imposed by certain jurisdictions. In addition, we incurred lower billable travel expenses and lower billable sub-contractor expenses for which we would have been reimbursed by our customers, which reduced the amount of revenues and expenses we reported for our services business during fiscal 2021 and 2020. Geographically, we experienced constant currency revenue declines in all regions during fiscal 2021.

In constant currency, total services expenses decreased in fiscal 2021 compared to fiscal 2020 primarily due to lower employee related costs caused by lower headcount in addition to lower travel and sub-contractor expenses as described above.

In constant currency, total margin and total margin as a percentage of total services revenues increased during fiscal 2021 relative to fiscal 2020 due to lower total expenses for this business.

Research and Development Expenses: Research and development expenses consist primarily of personnel related expenditures. We intend to continue to invest significantly in our research and development efforts because, in our judgment, they are essential to maintaining our competitive position.

(Dollars in millions)	Year Ended May 31,			
	2021	Percent Change		2020
		Actual	Constant	
Research and development ⁽¹⁾	\$ 5,339	6%	6%	\$ 5,032
Stock-based compensation	1,188	15%	15%	1,035
Total expenses	\$ 6,527	8%	7%	\$ 6,067
% of Total Revenues	16%			15%

(1) Excluding stock-based compensation

On a constant currency basis, total research and development expenses increased in fiscal 2021 compared to fiscal 2020 primarily due to higher fiscal 2021 employee related expenses including higher salary expenses due to increased headcount, higher variable compensation expenses and higher stock-based compensation expenses. These constant currency expense increases were partially offset by lower travel expenses during fiscal 2021 primarily due to the impacts of COVID-19.

General and Administrative Expenses: General and administrative expenses primarily consist of personnel related expenditures for IT, finance, legal and human resources support functions.

(Dollars in millions)	Year Ended May 31,			
	2021	Percent Change		2020
		Actual	Constant	
General and administrative ⁽¹⁾	\$ 1,118	5%	5%	\$ 1,062
Stock-based compensation	136	15%	15%	119
Total expenses	\$ 1,254	6%	6%	\$ 1,181
% of Total Revenues	3%			3%

(1) Excluding stock-based compensation

Excluding the effects of foreign currency rate fluctuations, total general and administrative expenses increased in fiscal 2021 compared to fiscal 2020 primarily due to certain higher employee related expenses including higher variable compensation expenses and higher stock-based compensation expenses. These increases were partially offset by lower salary expenses due to lower headcount, and by lower travel expenses and certain other variable expense curtailments that we implemented during fiscal 2021 primarily due to the impacts of COVID-19. In addition, general and administrative expenses during fiscal 2021 were unfavorably affected in comparison to the prior year due to a \$29 million litigation related benefit that reduced our expenses during fiscal 2020.

Amortization of Intangible Assets: Substantially all of our intangible assets were acquired through our business combinations. We amortize our intangible assets over, and monitor the appropriateness of, the estimated useful lives of these assets. We also periodically review these intangible assets for potential impairment based upon relevant facts and circumstances. Note 6 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report has additional information regarding our intangible assets and related amortization.

(Dollars in millions)	Year Ended May 31,			
	2021	Percent Change		2020
		Actual	Constant	
Developed technology	\$ 621	-21%	-22%	\$ 789
Cloud services and license support agreements and related relationships	669	-1%	-2%	676
Other	89	-27%	-27%	121
Total amortization of intangible assets	\$ 1,379	-13%	-14%	\$ 1,586

Amortization of intangible assets decreased in fiscal 2021 due to a reduction in expenses associated with certain of our intangible assets that became fully amortized, partially offset by a smaller amount of additional amortization from intangible assets that we acquired in connection with our recent acquisitions.

Acquisition Related and Other Expenses: Acquisition related and other expenses primarily consist of personnel related costs for transitional and certain other employees, certain business combination adjustments, including adjustments after the measurement period has ended, and certain other operating items, net.

	Year Ended May 31,				
		Percent Change			
(Dollars in millions)	2021	Actual	Constant	2020	
Transitional and other employee related costs	\$ 5	-58%	-59%	\$ 12	
Business combination adjustments, net	4	*	*	(7)	
Other, net	129	153%	152%	51	
Total acquisition related and other expenses	\$ 138	147%	145%	\$ 56	

* Not meaningful

On a constant currency basis, acquisition related and other expenses increased during fiscal 2021 due to higher other expenses, net which primarily related to certain facilities-related right-of-use assets and certain other assets that were abandoned in connection with plans to improve our cost structure and operations during fiscal 2021.

Restructuring Expenses: Restructuring expenses resulted from the execution of management approved restructuring plans that were generally developed to improve our cost structure and/or operations, often in conjunction with our acquisition integration strategies and/or other strategic initiatives. Restructuring expenses consist of employee severance costs and other contract termination costs to improve our cost structure prospectively. For additional information regarding our restructuring plans, see Note 8 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

	Year Ended May 31,			
		Percent Change		
(Dollars in millions)	2021	Actual	Constant	2020
Restructuring expenses	\$ 431	73%	66%	\$ 250

Restructuring expenses in fiscal 2021 and 2020 primarily related to our 2019 Restructuring Plan, which is substantially complete. Our management approved, committed to and initiated the 2019 Restructuring Plan in order to restructure and further improve efficiencies in our operations. We may incur additional restructuring expenses in future periods due to the initiation of new restructuring plans or from changes in estimated costs associated with existing restructuring plans.

The majority of the initiatives undertaken by our 2019 Restructuring Plan were effected to implement our continued emphasis in developing, marketing and selling our cloud-based offerings. These initiatives impacted certain of our sales and marketing and research and development operations. Certain of the cost savings realized pursuant to our 2019 Restructuring Plan initiatives were offset by investments in resources and geographies that better address the

development, marketing, sale and delivery of our cloud-based offerings including investments in our second-generation cloud infrastructure.

Interest Expense:

	Year Ended May 31,			
		Percent Change		
(Dollars in millions)	2021	Actual	Constant	2020
Interest expense	\$ 2,496	25%	25%	\$ 1,995

Interest expense increased in fiscal 2021 compared to fiscal 2020 substantially due to higher average borrowings resulting from our issuance of \$15.0 billion of senior notes in March 2021 and \$20.0 billion of senior notes in March 2020.

Non-Operating Income, net: Non-operating income, net consists primarily of interest income, net foreign currency exchange losses, the noncontrolling interests in the net profits of our majority-owned subsidiaries (primarily Oracle Financial Services Software Limited and Oracle Corporation Japan) and net other income and expenses, including net realized gains and losses related to all of our investments, net unrealized gains and losses related to the small portion of our investment portfolio related to our deferred compensation plan, net unrealized gains and losses related to equity securities and non-service net periodic pension income and losses.

(Dollars in millions)	Year Ended May 31,			
	2021	Percent Change		2020
		Actual	Constant	
Interest income	\$ 101	-81%	-81%	\$ 527
Foreign currency losses, net	(112)	-40%	-45%	(185)
Noncontrolling interests in income	(180)	10%	10%	(164)
Other, net	473	*	*	(16)
Total non-operating income, net	\$ 282	74%	95%	\$ 162

* Not meaningful

Our non-operating income, net increased in fiscal 2021 compared to fiscal 2020 primarily due to higher other income, net that primarily resulted from a \$299 million unrealized investment gain for certain non-marketable securities due to an observable price change and a \$193 million unrealized investment gain associated with certain marketable equity securities that we held for certain employee benefit plans and classified as trading, and for which an equal and offsetting amount was recorded to our operating expenses during the same period. These increases in non-operating income, net were partially offset by lower interest income that we recognized in fiscal 2021, which was caused by lower average interest rates that were applicable to our cash, cash equivalent and marketable securities balances.

Benefit from (Provision for) Income Taxes: Our effective income tax rates for each of the periods presented were the result of the mix of income earned in various tax jurisdictions that apply a broad range of income tax rates. Refer to Note 14 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report for a discussion regarding the differences between the effective income tax rates as presented for the periods below and the U.S. federal statutory income tax rates that were in effect during these periods. Future effective tax rates could be adversely affected by an unfavorable shift of earnings weighted to jurisdictions with higher tax rates, by unfavorable changes in tax laws and regulations, by adverse rulings in tax related litigation, or by shortfalls in stock-based compensation realized by employees relative to stock-based compensation that was recorded for book purposes, among others.

(Dollars in millions)	Year Ended May 31,			
	2021	Percent Change		2020
		Actual	Constant	
Benefit from (provision for) income taxes	\$ 747	*	*	\$ (1,928)
<i>Effective tax (benefit) expense rate</i>	(5.7%)			16.0%

* Not meaningful

We recognized a benefit from income taxes in fiscal 2021 in comparison to income tax expense in fiscal 2020 primarily due to the favorable impact of a \$2.3 billion net tax benefit arising from an increase in a net deferred tax asset associated with a partial realignment of our legal entity structure that resulted in the intra-group transfer of certain intellectual property rights in fiscal 2021 and, to a lesser extent, a net change in unrecognized tax benefits due to settlements with tax authorities and an increase in excess tax benefits related to stock-based compensation expense, partially offset by an unfavorable jurisdictional mix of earnings and higher pre-tax income in fiscal 2021.

Liquidity and Capital Resources

(Dollars in millions)	As of May 31,		
	2021	Change	2020
Working capital	\$ 31,403	-10%	\$ 34,940
Cash, cash equivalents and marketable securities	\$ 46,554	8%	\$ 43,057

Working capital: The decrease in working capital as of May 31, 2021 in comparison to May 31, 2020 was primarily due to cash used for repurchases of our common stock, the reclassification of \$8.3 billion of long-term senior notes as current liabilities, cash used to pay dividends to our stockholders and cash used for capital expenditures during fiscal 2021. These unfavorable impacts were partially offset by our issuance of \$15.0 billion of long-term senior notes in March 2021 (refer to Recent Financing Activities below for additional information), the favorable impacts to our net current assets resulting from our net income during fiscal 2021 and cash proceeds from stock option exercises. Our working capital may be impacted by some or all of the aforementioned factors in future periods, the amounts and timing of which are variable.

Cash, cash equivalents and marketable securities: Cash and cash equivalents primarily consist of deposits held at major banks, money market funds, Tier-1 commercial paper and other securities with original maturities of 90 days or less. Marketable securities consist of corporate debt securities and certain other securities. The increase in cash, cash equivalents and marketable securities at May 31, 2021 in comparison to May 31, 2020 was primarily due to cash inflows generated by our issuance of \$15.0 billion of long-term senior notes in March 2021, cash inflows generated by our operations and cash inflows from stock option exercises during fiscal 2021. These cash inflows during fiscal 2021 were partially offset by certain cash outflows, primarily \$20.9 billion for settled repurchases of our common stock, payments of cash dividends to our stockholders, the repayment of \$2.6 billion related to our borrowings, and cash used for capital expenditures.

The amount of cash, cash equivalents and marketable securities that we report in U.S. Dollars for a significant portion of the cash, cash equivalents and marketable securities balances held by our foreign subsidiaries is subject to translation adjustments caused by changes in foreign currency exchange rates as of the end of each respective reporting period (the offset to which is substantially recorded to accumulated other comprehensive loss (AOCL) in our consolidated balance sheets and is also presented as a line item in our consolidated statements of comprehensive income included elsewhere in this Annual Report). As the U.S. Dollar generally weakened against certain major international currencies during fiscal 2021, the amount of cash, cash equivalents and marketable securities that we reported in U.S. Dollars for these subsidiaries increased on a net basis as of May 31, 2021 relative to what we would have reported using constant currency rates from the May 31, 2020 balance sheet date.

(Dollars in millions)	Year Ended May 31,		
	2021	Change	2020
Net cash provided by operating activities	\$ 15,887	21%	\$ 13,139
Net cash (used for) provided by investing activities	\$ (13,098)	*	\$ 9,843
Net cash used for financing activities	\$ (10,378)	69%	\$ (6,132)

* Not meaningful

Cash flows from operating activities: Our largest source of operating cash flows is cash collections from our customers following the purchase and renewal of their license support agreements. Payments from customers for these license support agreements are generally received near the beginning of the contracts' terms, which are generally one year in length. Over the course of a fiscal year, we also have historically generated cash from the

sales of new licenses, cloud services, hardware offerings and other services. Our primary uses of cash from operating activities are for employee related expenditures, material and manufacturing costs related to the production of our hardware products, taxes, interest payments and leased facilities.

Net cash provided by operating activities increased during fiscal 2021 compared to fiscal 2020 primarily due to higher net income, higher cash collections from customers, a portion of which were previously delayed due to the global economic effects that resulted from COVID-19, and certain other cash favorable working capital changes, in each case in fiscal 2021 relative to fiscal 2020.

Cash flows from investing activities: The changes in cash flows from investing activities primarily relate to the timing of our purchases, maturities and sales of our investments in marketable securities, and investments in capital and other assets, including certain intangible assets, to support our growth.

Net cash used for investing activities was \$13.1 billion during fiscal 2021 in comparison to net cash provided by investing activities of \$9.8 billion during fiscal 2020. Net cash used for investing activities during fiscal 2021 primarily resulted from an increase in cash used for the purchases of marketable securities and other investments and an increase in capital expenditures, partially offset by an increase in cash proceeds from sales and maturities of marketable securities and other investments, in each case during fiscal 2021 relative to fiscal 2020. In fiscal 2022, we expect our capital expenditures could nearly double relative to fiscal 2021, primarily to increase data center capacities and geographic locations to meet current and expected customer demand for our cloud services.

Cash flows from financing activities: The changes in cash flows from financing activities primarily relate to borrowings and repayments related to our debt instruments, stock repurchases, dividend payments and net proceeds related to employee stock programs.

Net cash used for financing activities during fiscal 2021 increased compared to fiscal 2020 primarily due to lower proceeds from the issuance of senior notes and higher stock repurchases, partially offset by lower debt repayments and higher cash proceeds from stock option exercises, in each case during fiscal 2021 in comparison to fiscal 2020.

Free cash flow: To supplement our statements of cash flows presented on a GAAP basis, we use non-GAAP measures of cash flows on a trailing 4-quarter basis to analyze cash flows generated from our operations. We believe that free cash flow is also useful as one of the bases for comparing our performance with our competitors. The presentation of non-GAAP free cash flow is not meant to be considered in isolation or as an alternative to net income as an indicator of our performance, or as an alternative to cash flows from operating activities as a measure of liquidity. We calculate free cash flow as follows:

(Dollars in millions)	Year Ended May 31,		
	2021	Change	2020
Net cash provided by operating activities	\$ 15,887	21%	\$ 13,139
Capital expenditures	(2,135)	37%	(1,564)
Free cash flow	\$ 13,752	19%	\$ 11,575
Net income	\$ 13,746		\$ 10,135
Free cash flow as percent of net income	100%		114%

Long-Term Customer Financing: We offer certain of our customers the option to acquire licenses, cloud services, hardware and other services offerings through separate long-term payment contracts. We generally sell these contracts that we have financed for our customers on a non-recourse basis to financial institutions within 90 days of the contracts' dates of execution. We generally record the transfers of amounts due from customers to financial institutions as sales of financing receivables because we are considered to have surrendered control of these financing receivables. We financed \$941 million in fiscal 2021 and \$1.0 billion in each of fiscal 2020 and 2019 of our cloud license and on-premise license revenues.

Recent Financing Activities:

Cash Dividends: In fiscal 2021, we declared and paid cash dividends of \$1.04 per share that totaled \$3.1 billion. In June 2021, our Board of Directors declared a quarterly cash dividend of \$0.32 per share of our outstanding common stock payable on July 29, 2021 to stockholders of record as of the close of business on July 15, 2021. Future declarations of dividends and the establishment of future record and payment dates are subject to the final determination of our Board of Directors.

Senior Notes: In March 2021, we issued \$15.0 billion of senior notes comprised of the following:

- \$2.75 billion of 1.65% senior notes due March 2026;
- \$2.00 billion of 2.30% senior notes due March 2028;
- \$3.25 billion of 2.875% senior notes due March 2031;
- \$2.25 billion of 3.65% senior notes due March 2041;
- \$3.25 billion of 3.95% senior notes due March 2051; and
- \$1.50 billion of 4.10% senior notes due March 2061.

We issued the senior notes for general corporate purposes, which may include stock repurchases, payment of cash dividends on our common stock, repayment of indebtedness and future acquisitions. Additionally, in fiscal 2021, we repaid \$1.0 billion and €1.25 billion of senior notes pursuant to their terms. Additional details regarding our senior notes are included in Note 7 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

Common Stock Repurchase Program: Our Board of Directors has approved a program for us to repurchase shares of our common stock. On March 10, 2021, we announced that our Board of Directors approved an expansion of our stock repurchase program by an additional \$20.0 billion. As of May 31, 2021, approximately \$15.6 billion remained available for stock repurchases pursuant to our stock repurchase program. We repurchased 329.2 million shares for \$21.0 billion, 361.0 million shares for \$19.2 billion, and 733.8 million shares for \$36.0 billion in fiscal 2021, 2020 and 2019, respectively. Our stock repurchase authorization does not have an expiration date and the pace of our repurchase activity will depend on factors such as our working capital needs, our cash requirements for acquisitions and dividend payments, our debt repayment obligations or repurchases of our debt, our stock price, and economic and market conditions. Our stock repurchases may be effected from time to time through open market purchases and pursuant to a Rule 10b5-1 plan. Our stock repurchase program may be accelerated, suspended, delayed or discontinued at any time.

Contractual Obligations: Our largest contractual obligations as of May 31, 2021 consisted of:

- principal payments related to our senior notes and other borrowings that are included in our consolidated balance sheet and the related periodic interest payments;
- routine tax payments including those that are payable pursuant to the transition tax under the U.S. Tax Cuts and Jobs Act of 2017 that are included in our consolidated balance sheet;
- operating lease liabilities that are included in our consolidated balance sheet; and
- other contractual commitments associated with agreements that are enforceable and legally binding.

In addition, as of May 31, 2021, we had \$8.5 billion of gross unrecognized income tax benefits, including related interest and penalties, recorded on our consolidated balance sheet, the nature of which is uncertain with respect to settlement or release with the relevant tax authorities, although we believe it is reasonably possible that certain of these liabilities could be settled or released during fiscal 2022. We are involved in claims and legal proceedings, which are inherently uncertain with respect to outcomes, estimates and assumptions that we make as of each reporting period, are inherently unpredictable, and many aspects are out of our control. Notes 7, 11, 14 and 17 of

Notes to Consolidated Financial Statements included elsewhere in this Annual Report include additional information regarding our contractual obligations and contingencies.

We believe that our current cash, cash equivalents and marketable securities and cash generated from operations will be sufficient to meet our working capital, capital expenditures and contractual obligation requirements. In addition, we believe that we could fund our future acquisitions, dividend payments and repurchases of common stock or debt with our internally available cash, cash equivalents and marketable securities, cash generated from operations, additional borrowings or from the issuance of additional securities.

Restricted Stock-Based Awards and Stock Options

Our stock-based compensation program is a key component of the compensation package we provide to attract and retain certain of our talented employees and align their interests with the interests of existing stockholders.

We recognize that restricted stock-based awards and stock options dilute existing stockholders and have sought to control the number of stock-based awards granted while providing competitive compensation packages. Consistent with these dual goals, our cumulative potential dilution since June 1, 2018 has been a weighted-average annualized rate of 1.0% per year. The potential dilution percentage is calculated as the average annualized new restricted stock-based awards and stock options granted and assumed, net of restricted stock-based awards and stock options forfeited by employees leaving the company, divided by the weighted-average outstanding shares during the calculation period. This maximum potential dilution will only result if all restricted stock-based awards vest and stock options are exercised. Of the outstanding stock options at May 31, 2021, which generally have a ten-year exercise period, all have exercise prices lower than the market price of our common stock on such date. In recent years, our stock repurchase program has more than offset the dilutive effect of our stock-based compensation program. However, we may modify the levels of our stock repurchases in the future depending on a number of factors, including the amount of cash we have available for acquisitions, to pay dividends, to repay or repurchase indebtedness or for other purposes. As of May 31, 2021, the maximum potential dilution from all outstanding restricted stock-based awards and unexercised stock options, regardless of when granted and regardless of whether vested or unvested, was 7.7%.

During fiscal 2021, the Compensation Committee of the Board of Directors reviewed and approved the annual organization-wide stock-based award grants to selected employees; all stock-based award grants to senior officers; and any individual grant of restricted stock units of 62,500 or greater. Each member of a separate executive officer committee, referred to as the Plan Committee, was allocated a fiscal 2021 equity budget that could be used throughout the fiscal year to grant equity within his or her organization, subject to certain limitations established by the Compensation Committee.

Restricted stock-based award and stock option activity from June 1, 2018 through May 31, 2021 is summarized as follows (shares in millions):

Restricted stock-based awards and stock options outstanding at May 31, 2018	393
Restricted stock-based awards and stock options granted	164
Restricted stock-based awards vested and issued and stock options exercised	(267)
Forfeitures, cancellations and other, net	(73)
Restricted stock-based awards and stock options outstanding at May 31, 2021	217
Weighted-average annualized restricted stock-based awards and stock options granted and assumed, net of forfeitures and cancellations	31
Weighted-average annualized stock repurchases	(475)
Shares outstanding at May 31, 2021	2,814
Basic weighted-average shares outstanding from June 1, 2018 through May 31, 2021	3,263
Restricted stock-based awards and stock options outstanding as a percent of shares outstanding at May 31, 2021	7.7%
Total restricted stock-based awards and in the money stock options outstanding (based on the closing price of our common stock on the last trading day of fiscal 2021) as a percent of shares outstanding at May 31, 2021	7.7%
Weighted-average annualized restricted stock-based awards and stock options granted and assumed, net of forfeitures and cancellations and before stock repurchases, as a percent of weighted-average shares outstanding from June 1, 2018 through May 31, 2021	1.0%
Weighted-average annualized restricted stock-based awards and stock options granted and assumed, net of forfeitures and cancellations and after stock repurchases, as a percent of weighted-average shares outstanding from June 1, 2018 through May 31, 2021	-13.6%

Recent Accounting Pronouncements

For information with respect to recent accounting pronouncements, if any, and the impact of these pronouncements on our consolidated financial statements, if any, see Note 1 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Cash, Cash Equivalents and Marketable Securities

Cash, cash equivalents and marketable securities were \$46.6 billion and \$43.1 billion as of May 31, 2021 and 2020, respectively. Our bank deposits are generally held with large, diverse financial institutions worldwide with high investment-grade credit ratings or financial institutions that meet investment-grade ratings criteria, which we believe mitigates credit risk and certain other risks. In addition, as of May 31, 2021, substantially all of our marketable securities were high quality, fixed-rate debt securities and had maturity dates within one year (a description of the types of marketable securities held as of May 31, 2021 and 2020 is included in Notes 3 and 4 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report and “Liquidity and Capital Resources” above). The market values of our fixed-rate marketable securities investments are adversely impacted as interest rates increase. Due in part to these factors, we may realize losses if we sell securities prior to their scheduled maturities that declined in market value due to changes in interest rates. However, because we classify substantially all of our investments in debt securities as available-for-sale and record changes in their fair values to AOCL on our consolidated balance sheets, no gains or losses are recognized in our earnings due to market changes in interest rates unless such securities are sold prior to their scheduled maturities or the declines in fair values are due to expected credit loss. We generally do not use our marketable debt securities investments for trading purposes.

Borrowings and Related Fair Value Hedges

Our total borrowings were \$84.2 billion as of May 31, 2021, consisting of \$84.1 billion of fixed-rate borrowings and \$113 million of other borrowings, compared to \$71.6 billion as of May 31, 2020, consisting of \$71.5 billion of fixed-rate borrowings and \$113 million of other borrowings. With the exception of those senior notes for which we have

corresponding fair value hedges that are recorded at their fair values as of each reporting period and discussed further below, we record all of our fixed-rate borrowings at amortized cost and therefore, any changes in interest rates do not impact the values that we report for these senior notes or our consolidated financial statements.

As of May 31, 2021, we held certain interest rate and cross-currency interest rate swap agreements that have the economic effect of modifying the fixed-interest rate obligations associated with certain of our senior notes to variable interest rate obligations based on LIBOR that we have designated as fair value hedges, among certain other effects. Consequently, these swap agreements are recorded at their fair values at each reporting period and incur gains and losses due to changes in market interest rates but are substantially offset by the corresponding losses and gains on the related senior notes for which the swap agreements pertained. By entering into these swap arrangements, we have assumed risks associated with variable interest rates based upon LIBOR. Changes in interest rates affected the interest expense that we recognized in our consolidated statements of operations and the values that we report for these instruments as of each reporting date. Additional details regarding our senior notes and related swap agreements are included in Notes 7 and 10 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report. We do not use these swap arrangements for trading purposes.

Currency Risk

Foreign Currency Translation Risk

As described under “Constant Currency Presentation” above, our international operations have provided and are expected to continue to provide a significant portion of our consolidated revenues and expenses that we report in U.S. Dollars. As a result, our consolidated revenues and expenses are affected and will continue to be affected by changes in the U.S. Dollar against major foreign currencies. Fluctuations in foreign currencies impact the amount of total assets, liabilities, earnings and cash flows that we report for our foreign subsidiaries upon the translation of these amounts into U.S. Dollars for, and as of the end of, each reporting period. In particular, the strengthening of the U.S. Dollar generally will reduce the reported amount of our foreign-denominated cash, cash equivalents, marketable securities, total revenues and total expense that we translate into U.S. Dollars and report in our consolidated financial statements for, and as of the end of, each reporting period.

Foreign Currency Transaction Risk

We transact business in various foreign currencies. Our principal currency exposures include the Euro, Japanese Yen, Saudi Arabian Riyal, Indian Rupee and British Pound. Our foreign currency exposures primarily arise from various intercompany transactions. We have established a program that primarily utilizes foreign currency forward contracts to offset the risks that arise from the aforementioned transactions. Under this program, our strategy is to enter into foreign currency forward contracts for major currencies in which we have an exposure so that increases or decreases in our foreign currency exposures are offset by gains or losses on the foreign currency forward contracts which mitigate the risks and volatility associated with our foreign currency transactions. We may suspend this program from time to time. Our foreign currency forward contracts are generally short-term in duration and we do not use them for trading purposes.

We realize gains or losses with respect to our foreign currency exposures, net of gains or losses from our foreign currency forward contracts, and we also incur costs to enter into these foreign currency forward contracts, substantially all of which are included in non-operating income, net in our consolidated financial statements. Our ultimate realized gain or loss with respect to foreign currency exposures will generally depend on the size and type of cross-currency transactions that we enter into, the currency exchange rates associated with these exposures and changes in those rates, the net realized gain or loss on our foreign currency forward contracts and other factors. Furthermore, as a large portion of our consolidated operations are international, we could experience additional foreign currency volatility in the future, in which the amounts and timing are unknown. Refer to Notes 1 and 10 of Notes to Consolidated Financial Statements included elsewhere in this Annual Report for additional details about our foreign currency forward contracts.

Sensitivity Analysis

The following table sets forth the hypothetical potential losses that we consider to be the most material to the fair values of our interest rate and currency influenced holdings, including associated derivatives, or future earnings resulting from hypothetical changes in relevant market rates as of or for the reporting periods below:

(in millions)	Hypothetical Change	Impact	Year Ended May 31,	
			2021	2020
Interest rate risk:				
Marketable securities	50 basis points increase in interest rates	Fair values	\$ (23)	\$ (15)
Interest rate swap and cross-currency interest rate swap agreements	100 basis points increase in interest rates	Fair values	\$ (37)	\$ (63)
Interest rate swap and cross-currency interest rate swap agreements	100 basis points increase in interest rates	Earnings	\$ (24)	\$ (24)
Foreign currency risk:				
Total revenues	10% decrease in foreign exchange rates	Earnings	\$ (2,061)	\$ (1,942)
Cash, cash equivalents and marketable securities	10% decrease in foreign exchange rates	Fair values	\$ (650)	\$ (491)

Item 8. Financial Statements and Supplementary Data

The response to this item is submitted as a separate section of this Annual Report. See Part IV, Item 15.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report on Form 10-K, we carried out an evaluation under the supervision and with the participation of our Disclosure Committee and our management, including our Principal Executive and Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(e) and 15d-15(e).

Based on our management's evaluation (with the participation of our Principal Executive and Financial Officer), as of the end of the period covered by this report, our Principal Executive and Financial Officer has concluded that our disclosure controls and procedures were effective as of May 31, 2021 to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to our management, including our Principal Executive and Financial Officer as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Principal Executive and Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of May 31, 2021 based on the guidelines established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission's 2013 framework. Our internal control over financial reporting includes policies and procedures that provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. GAAP.

Based on the results of our evaluation, our management concluded that our internal control over financial reporting was effective as of May 31, 2021. We reviewed the results of management's assessment with our Finance and Audit Committee.

The effectiveness of our internal control over financial reporting as of May 31, 2021 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included in Part IV, Item 15 of this Annual Report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Principal Executive and Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Pursuant to General Instruction G(3) of Form 10-K, the information required by this item relating to our executive officers is included under the caption “Executive Officers of the Registrant” in Part I of this Annual Report.

The other information required by this Item 10 is incorporated herein by reference from the information contained in our Proxy Statement to be filed with the U.S. Securities and Exchange Commission in connection with the solicitation of proxies for our 2021 Annual Meeting of Stockholders (2021 Proxy Statement) under the sections entitled “Board of Directors—Nominees for Directors,” “Board of Directors—Committees, Membership and Meetings,” “Board of Directors—Committees, Membership and Meetings—The Finance and Audit Committee,” “Corporate Governance—Employee Matters—Code of Conduct,” and “Delinquent Section 16(a) Reports.”

Item 11. Executive Compensation

The information required by this Item 11 is incorporated herein by reference from the information to be contained in our 2021 Proxy Statement under the sections entitled “Board of Directors—Director Compensation,” and “Executive Compensation.”

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item 12 is incorporated herein by reference from the information to be contained in our 2021 Proxy Statement under the sections entitled “Security Ownership of Certain Beneficial Owners and Management” and “Executive Compensation—Equity Compensation Plan Information.”

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is incorporated herein by reference from the information to be contained in our 2021 Proxy Statement under the sections entitled “Corporate Governance—Board of Directors and Director Independence” and “Transactions with Related Persons.”

Item 14. Principal Accountant Fees and Services

The information required by this Item 14 is incorporated herein by reference from the information to be contained in our 2021 Proxy Statement under the section entitled “Ratification of Selection of Independent Registered Public Accounting Firm.”

PART IV

Item 15.Exhibits and Financial Statement Schedules

(a) 1. Financial Statements

The following financial statements are filed as a part of this report:

Reports of Independent Registered Public Accounting Firm	<u>Page</u> 63
Consolidated Financial Statements:	
Balance Sheets as of May 31, 2021 and 2020	66
Statements of Operations for the years ended May 31, 2021, 2020 and 2019	67
Statements of Comprehensive Income for the years ended May 31, 2021, 2020 and 2019	68
Statements of Equity for the years ended May 31, 2021, 2020 and 2019	69
Statements of Cash Flows for the years ended May 31, 2021, 2020 and 2019	70
Notes to Consolidated Financial Statements	71

2. Financial Statement Schedules

The following financial statement schedule is filed as a part of this report:

Schedule II. Valuation and Qualifying Accounts	<u>Page</u> 111
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All other schedules are omitted because they are not required or the required information is shown in the financial statements or notes thereto.

(b) Exhibits

The information required by this Item is set forth in the Index of Exhibits that is after Item 16 of this Annual Report.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Oracle Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Oracle Corporation (the Company) as of May 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended May 31, 2021, the related notes and the financial statement schedule listed in the Index at Item 15(a) 2 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at May 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended May 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of May 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated June 21, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Legal Contingencies

Description of the matter

As discussed in Note 17 of the financial statements, the Company is involved in various claims and legal proceedings. The Company accrues a liability for an estimated loss if the potential loss from any claim or legal proceeding is considered probable, and the amount can be reasonably estimated. For purposes of disclosure, the Company also performs an assessment of the materiality of legal contingencies where a loss is either reasonably possible or it is reasonably possible that an exposure to loss exists in excess of the amount accrued.

The audit of the Company's accounting for and disclosure of legal contingencies was highly subjective and required significant judgment in assessing the Company's evaluation of the probability of a loss, and the estimated amount or range of loss. These judgments were impacted by uncertainties related to the ultimate outcome of the legal contingencies, the status of the litigation or the appeals processes, and the status of any settlement discussions associated with the legal contingencies.

How we addressed the matter in our audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls over the identification and evaluation of these matters, including controls over management's assessment of the probability of incurrence of a loss and whether the loss or range of loss was reasonably estimable.

Our substantive audit procedures, among others, included gaining an understanding of the status of ongoing lawsuits, reviewing letters addressing the matters from internal and external legal counsel, meetings with internal legal counsel to discuss the allegations, and obtaining a representation letter from management on these matters. We also evaluated the Company's disclosures in relation to these matters.

Income Tax – Uncertain tax positions

Description of the matter

As discussed in Note 14 of the financial statements, the Company recognizes uncertain tax positions and measures unrecognized tax benefits related to various domestic and foreign matters. As of May 31, 2021, the total amount of unrecognized tax benefits was \$6.9 billion, of which \$4.4 billion, if recognized would impact the Company's effective tax rate. The Company uses significant judgment in the accounting for uncertain tax positions including the interpretation and application of tax laws and legal rulings in various jurisdictions.

Auditing management's evaluation of whether an uncertain tax position is more likely than not to be sustained and the measurement of the benefit of various tax positions was complex, involved significant judgment, and was based on interpretations of tax laws and legal rulings.

How we addressed the matter in our audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls over management's process for interpretation of tax laws and legal rulings, as well as development of the assumptions and estimates used in the measurement of uncertain tax positions.

To test management's assessment of which uncertain tax positions are more likely than not to be sustained, we performed audit procedures that included, among others reading and evaluating management's assumptions and analysis, including any communications with taxing authorities that detailed the basis and technical merits of the uncertain tax positions. We involved our tax subject matter professionals in assessing the technical merits of certain tax positions based on our knowledge of relevant tax laws and experience with related taxing authorities.

In addition, we also evaluated the Company's disclosures in relation to these matters included in Note 14 of the financial statements.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

San Jose, California

June 21, 2021

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Oracle Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Oracle Corporation's internal control over financial reporting as of May 31, 2021, based on criteria established in Internal Control— Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Oracle Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of May 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Oracle Corporation as of May 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended May 31, 2021, the related notes, and the financial statement schedule listed in the Index at Item 15(a) 2 and our report dated June 21, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Jose, California

June 21, 2021

ORACLE CORPORATION
CONSOLIDATED BALANCE SHEETS
As of May 31, 2021 and 2020

(in millions, except per share data)	May 31,	
	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 30,098	\$ 37,239
Marketable securities	16,456	5,818
Trade receivables, net of allowances for doubtful accounts of \$373 and \$409 as of May 31, 2021 and May 31, 2020, respectively	5,409	5,551
Prepaid expenses and other current assets	3,604	3,532
Total current assets	55,567	52,140
Non-current assets:		
Property, plant and equipment, net	7,049	6,244
Intangible assets, net	2,430	3,738
Goodwill, net	43,935	43,769
Deferred tax assets	13,636	3,252
Other non-current assets	8,490	6,295
Total non-current assets	75,540	63,298
Total assets	\$ 131,107	\$ 115,438
LIABILITIES AND EQUITY		
Current liabilities:		
Notes payable, current	\$ 8,250	\$ 2,371
Accounts payable	745	637
Accrued compensation and related benefits	2,017	1,453
Deferred revenues	8,775	8,002
Other current liabilities	4,377	4,737
Total current liabilities	24,164	17,200
Non-current liabilities:		
Notes payable and other borrowings, non-current	75,995	69,226
Income taxes payable	12,345	12,463
Deferred tax liabilities	7,864	41
Other non-current liabilities	4,787	3,791
Total non-current liabilities	100,991	85,521
Commitments and contingencies		
Oracle Corporation stockholders' equity:		
Preferred stock, \$0.01 par value—authorized: 1.0 shares; outstanding: none	—	—
Common stock, \$0.01 par value and additional paid in capital—authorized: 11,000 shares; outstanding: 2,814 shares and 3,067 shares as of May 31, 2021 and 2020, respectively	26,533	26,486
Accumulated deficit	(20,120)	(12,696)
Accumulated other comprehensive loss	(1,175)	(1,716)
Total Oracle Corporation stockholders' equity	5,238	12,074
Noncontrolling interests	714	643
Total equity	5,952	12,717
Total liabilities and equity	\$ 131,107	\$ 115,438

See notes to consolidated financial statements.

ORACLE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended May 31, 2021, 2020 and 2019

(in millions, except per share data)	Year Ended May 31,		
	2021	2020	2019
Revenues:			
Cloud services and license support	\$ 28,700	\$ 27,392	\$ 26,707
Cloud license and on-premise license	5,399	5,127	5,855
Hardware	3,359	3,443	3,704
Services	3,021	3,106	3,240
Total revenues	40,479	39,068	39,506
Operating expenses:			
Cloud services and license support(1)	4,353	4,006	3,782
Hardware(1)	972	1,116	1,360
Services	2,530	2,816	2,853
Sales and marketing(1)	7,682	8,094	8,509
Research and development	6,527	6,067	6,026
General and administrative	1,254	1,181	1,265
Amortization of intangible assets	1,379	1,586	1,689
Acquisition related and other	138	56	44
Restructuring	431	250	443
Total operating expenses	25,266	25,172	25,971
Operating income	15,213	13,896	13,535
Interest expense	(2,496)	(1,995)	(2,082)
Non-operating income, net	282	162	815
Income before benefit from (provision for) income taxes	12,999	12,063	12,268
Benefit from (provision for) income taxes	747	(1,928)	(1,185)
Net income	\$ 13,746	\$ 10,135	\$ 11,083
Earnings per share:			
Basic	\$ 4.67	\$ 3.16	\$ 3.05
Diluted	\$ 4.55	\$ 3.08	\$ 2.97
Weighted average common shares outstanding:			
Basic	2,945	3,211	3,634
Diluted	3,022	3,294	3,732

(1) Exclusive of amortization of intangible assets, which is shown separately.

See notes to consolidated financial statements.

ORACLE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended May 31, 2021, 2020 and 2019

(in millions)	Year Ended May 31,		
	2021	2020	2019
Net income	\$ 13,746	\$ 10,135	\$ 11,083
Other comprehensive income (loss), net of tax:			
Net foreign currency translation gains (losses)	479	(78)	(149)
Net unrealized gains (losses) on defined benefit plans	71	(79)	(70)
Net unrealized (losses) gains on marketable securities	(1)	91	332
Net unrealized losses on cash flow hedges	(8)	(22)	(52)
Total other comprehensive income (loss), net	541	(88)	61
Comprehensive income	<u>\$ 14,287</u>	<u>\$ 10,047</u>	<u>\$ 11,144</u>

See notes to consolidated financial statements.

ORACLE CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY
For the Years Ended May 31, 2021, 2020 and 2019

(in millions, except per share data)	Common Stock and Additional Paid in Capital		Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Oracle Corporation Stockholders' Equity	Noncontrolling Interests	Total Equity
	Number of Shares	Amount					
Balances as of May 31, 2018	3,997	\$ 28,950	\$ 19,111	\$ (1,689)	\$ 46,372	\$ 501	\$ 46,873
Cumulative-effect of accounting change	—	—	(110)	—	(110)	—	(110)
Common stock issued under stock-based compensation plans	103	2,033	—	—	2,033	—	2,033
Common stock issued under stock purchase plans	2	122	—	—	122	—	122
Assumption of stock-based compensation plan awards in connection with acquisitions	—	8	—	—	8	—	8
Stock-based compensation	—	1,653	—	—	1,653	—	1,653
Repurchases of common stock	(734)	(5,354)	(30,646)	—	(36,000)	—	(36,000)
Shares repurchased for tax withholdings upon vesting of restricted stock-based awards	(9)	(503)	—	—	(503)	—	(503)
Cash dividends declared (\$0.81 per share)	—	—	(2,932)	—	(2,932)	—	(2,932)
Other, net	—	—	(2)	—	(2)	(69)	(71)
Other comprehensive income (loss), net	—	—	—	61	61	(6)	55
Net income	—	—	11,083	—	11,083	152	11,235
Balances as of May 31, 2019	3,359	26,909	(3,496)	(1,628)	21,785	578	22,363
Common stock issued under stock-based compensation plans	78	1,470	—	—	1,470	—	1,470
Common stock issued under stock purchase plans	2	118	—	—	118	—	118
Stock-based compensation	—	1,590	—	—	1,590	—	1,590
Repurchases of common stock	(361)	(2,932)	(16,268)	—	(19,200)	—	(19,200)
Shares repurchased for tax withholdings upon vesting of restricted stock-based awards	(11)	(665)	—	—	(665)	—	(665)
Cash dividends declared (\$0.96 per share)	—	—	(3,070)	—	(3,070)	—	(3,070)
Other, net	—	(4)	3	—	(1)	(94)	(95)
Other comprehensive loss, net	—	—	—	(88)	(88)	(5)	(93)
Net income	—	—	10,135	—	10,135	164	10,299
Balances as of May 31, 2020	3,067	26,486	(12,696)	(1,716)	12,074	643	12,717
Common stock issued under stock-based compensation plans	86	1,658	—	—	1,658	—	1,658
Common stock issued under stock purchase plans	2	128	—	—	128	—	128
Stock-based compensation	—	1,837	—	—	1,837	—	1,837
Repurchases of common stock	(329)	(2,893)	(18,107)	—	(21,000)	—	(21,000)
Shares repurchased for tax withholdings upon vesting of restricted stock-based awards	(12)	(666)	—	—	(666)	—	(666)
Cash dividends declared (\$1.04 per share)	—	—	(3,063)	—	(3,063)	—	(3,063)
Other, net	—	(17)	—	—	(17)	(111)	(128)
Other comprehensive income, net	—	—	—	541	541	2	543
Net income	—	—	13,746	—	13,746	180	13,926
Balances as of May 31, 2021	2,814	\$ 26,533	\$ (20,120)	\$ (1,175)	\$ 5,238	\$ 714	\$ 5,952

See notes to consolidated financial statements.

ORACLE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2021, 2020 and 2019

(in millions)	Year Ended May 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net income	\$ 13,746	\$ 10,135	\$ 11,083
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,537	1,382	1,230
Amortization of intangible assets	1,379	1,586	1,689
Allowances for doubtful accounts receivable	192	245	190
Deferred income taxes	(2,425)	(851)	(1,191)
Stock-based compensation	1,837	1,590	1,653
Other, net	(39)	239	157
Changes in operating assets and liabilities, net of effects from acquisitions:			
Decrease (increase) in trade receivables, net	141	(690)	(272)
Decrease in prepaid expenses and other assets	622	665	261
Decrease in accounts payable and other liabilities	(23)	(496)	(102)
Decrease in income taxes payable	(1,485)	(444)	(453)
Increase (decrease) in deferred revenues	405	(222)	306
Net cash provided by operating activities	<u>15,887</u>	<u>13,139</u>	<u>14,551</u>
Cash flows from investing activities:			
Purchases of marketable securities and other investments	(37,982)	(5,731)	(1,400)
Proceeds from maturities of marketable securities	26,024	4,687	12,681
Proceeds from sales of marketable securities and other investments	1,036	12,575	17,299
Acquisitions, net of cash acquired	(41)	(124)	(363)
Capital expenditures	(2,135)	(1,564)	(1,660)
Net cash (used for) provided by investing activities	<u>(13,098)</u>	<u>9,843</u>	<u>26,557</u>
Cash flows from financing activities:			
Payments for repurchases of common stock	(20,934)	(19,240)	(36,140)
Proceeds from issuances of common stock	1,786	1,588	2,155
Shares repurchased for tax withholdings upon vesting of restricted stock-based awards	(666)	(665)	(503)
Payments of dividends to stockholders	(3,063)	(3,070)	(2,932)
Proceeds from borrowings, net of issuance costs	14,934	19,888	—
Repayments of borrowings	(2,631)	(4,500)	(4,500)
Other, net	196	(133)	(136)
Net cash used for financing activities	<u>(10,378)</u>	<u>(6,132)</u>	<u>(42,056)</u>
Effect of exchange rate changes on cash and cash equivalents	448	(125)	(158)
Net (decrease) increase in cash and cash equivalents	(7,141)	16,725	(1,106)
Cash and cash equivalents at beginning of period	37,239	20,514	21,620
Cash and cash equivalents at end of period	<u>\$ 30,098</u>	<u>\$ 37,239</u>	<u>\$ 20,514</u>
Non-cash investing and financing activities:			
Fair values of stock awards assumed in connection with acquisitions	\$ —	\$ —	\$ 8
Change in unsettled repurchases of common stock	\$ 66	\$ (40)	\$ (140)
Supplemental schedule of cash flow data:			
Cash paid for income taxes	\$ 3,189	\$ 3,218	\$ 2,901
Cash paid for interest	\$ 2,408	\$ 1,972	\$ 2,059

See notes to consolidated financial statements.

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
May 31, 2021

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Oracle Corporation provides products and services that substantially address all aspects of enterprise information technology (IT) environments, including applications and infrastructure technologies. We deliver our products and services to customers worldwide through a variety of flexible and interoperable IT deployment models, including cloud-based, Cloud@Customer (an instance of Oracle Cloud in the customer's own data center), on premise and hybrid models. Oracle Cloud Software-as-a-Service and Infrastructure-as-a-Service (SaaS and IaaS, respectively, and collectively, Oracle Cloud Services) offerings provide a comprehensive and integrated stack of applications and infrastructure services delivered via cloud-based deployment models that Oracle develops, deploys, hosts, upgrades, supports and manages for the customer. Customers may also elect to purchase Oracle software licenses and hardware products and related services to manage their own cloud-based or on-premise IT environments. Customers that purchase our software licenses may elect to purchase license support contracts, which provide our customers with rights to unspecified license upgrades and maintenance releases issued during the support period as well as technical support assistance. Customers that purchase our hardware products may elect to purchase hardware support contracts, which provide customers with software updates and can include product repairs, maintenance services, and technical support services. We also offer customers a broad set of services offerings that are designed to improve customer utilization of their investments in Oracle applications and infrastructure technologies.

Oracle Corporation conducts business globally and was incorporated in 2005 as a Delaware corporation and is the successor to operations originally begun in June 1977.

Basis of Financial Statements

The consolidated financial statements included our accounts and the accounts of our wholly- and majority-owned subsidiaries. Noncontrolling interest positions of certain of our consolidated entities are reported as a separate component of consolidated equity from the equity attributable to Oracle's stockholders for all periods presented. The noncontrolling interests in our net income were not significant to our consolidated results for the periods presented and therefore have not been presented separately and instead are included as a component of non-operating income, net in our consolidated statements of operations. Intercompany transactions and balances have been eliminated. Certain prior year balances have been reclassified to conform to the current year presentation. Such reclassifications did not affect total revenues, operating income or net income.

The comparability of our operating results during fiscal 2021 compared to the corresponding prior year periods, and of our consolidated balance sheets as of May 31, 2021 and 2020, was impacted by the income tax related effects of a partial realignment of our legal entity structure that resulted in the intra-group transfer of certain intellectual property rights. During fiscal 2021, we recognized a benefit from income taxes primarily due to the result of a total net tax benefit of \$2.3 billion that was recorded as a deferred tax asset of \$11.3 billion and a non-current deferred tax liability of \$9.1 billion. The deferred tax asset was recognized as a result of the book and tax basis difference on the intra-group transfer of certain intellectual property and the realignment of certain legal entities, partially offset by a Global Intangible Low-Taxed Income (GILTI) non-current deferred tax liability. The tax amortization related to the intellectual property deferred tax asset will be recognized in future periods and any unused amortization in a particular year will carry forward indefinitely. The \$11.3 billion deferred tax asset was measured based on the tax rate at which it is expected to reverse in the future. We expect to realize the net deferred tax asset recorded as a result of the intangible property transfer and will periodically assess the realizability of the net deferred tax asset. Refer to Note 14 below for additional information regarding our income taxes.

In fiscal 2021, we adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* and subsequent amendments to the initial guidance; and ASU 2020-01, *Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint*

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2021

Ventures (Topic 323), and Derivatives and Hedging (Topic 815); neither of which had a material impact to our consolidated financial statements for the year ended May 31, 2021.

Use of Estimates

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as set forth in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC), and we consider the various staff accounting bulletins and other applicable guidance issued by the SEC. These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. To the extent that there are differences between these estimates, judgments or assumptions and actual results, our consolidated financial statements will be affected. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting among available alternatives would not produce a materially different result.

Revenue Recognition

Our sources of revenues include:

- cloud and license revenues, which include the sale of: cloud services and license support; and cloud licenses and on-premise licenses, which typically represent perpetual software licenses purchased by customers for use in both cloud and on-premise IT environments;
- hardware revenues, which include the sale of hardware products, including Oracle Engineered Systems, servers, and storage products, and industry-specific hardware; and hardware support revenues; and
- services revenues, which are earned from providing cloud-, license- and hardware-related services including consulting and advanced customer services.

License support revenues are typically generated through the sale of license support contracts related to cloud license and on-premise licenses purchased by our customers at their option. License support contracts provide customers with rights to unspecified software product upgrades, maintenance releases and patches released during the term of the support period and include internet access to technical content, as well as internet and telephone access to technical support personnel. License support contracts are generally priced as a percentage of the net cloud license and on-premise license fees. Substantially all of our customers elect to purchase and renew their license support contracts annually.

Cloud services revenues include revenues from Oracle Cloud Services offerings, which deliver applications and infrastructure technologies via cloud-based deployment models that we develop functionality for, provide unspecified updates and enhancements for, deploy, host, manage, upgrade and support and that customers access by entering into a subscription agreement with us for a stated period.

Cloud license and on-premise license revenues primarily represent amounts earned from granting customers perpetual licenses to use our database, middleware, application and industry-specific software products, which our customers use for cloud-based, on-premise and other IT environments. The vast majority of our cloud license and on-premise license arrangements include license support contracts, which are entered into at the customer's option.

Revenues from the sale of hardware products represent amounts earned primarily from the sale of our Oracle Engineered Systems, computer servers, storage, and industry-specific hardware. Our hardware support offerings

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2021

generally provide customers with software updates for the software components that are essential to the functionality of the hardware products purchased and can also include product repairs, maintenance services and technical support services. Hardware support contracts are generally priced as a percentage of the net hardware products fees.

Our services are offered to customers as standalone arrangements or as a part of arrangements to customers buying other products and services. Our consulting services are designed to help our customers to, among others, deploy, architect, integrate, upgrade and secure their investments in Oracle applications and infrastructure technologies. Our advanced customer services are designed to provide supplemental support services, performance and higher availability for Oracle products and services.

We apply the provisions of ASC 606, *Revenue From Contracts with Customers* (ASC 606) as a single standard for revenue recognition that applies to all of our cloud, license, hardware and services arrangements and generally require revenues to be recognized upon the transfer of control of promised goods or services provided to our customers, reflecting the amount of consideration we expect to receive for those goods or services. Pursuant to ASC 606, revenues are recognized upon the application of the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenues when, or as, the contractual performance obligations are satisfied.

Our customers that contract with us for the provision of cloud services, software, hardware or other services include businesses of many sizes, government agencies, educational institutions and our channel partners, which include resellers and system integrators.

The timing of revenue recognition may differ from the timing of invoicing to our customers. We record an unbilled receivable, which is included within accounts receivable on our consolidated balance sheets, when revenue is recognized prior to invoicing. We record deferred revenues on our consolidated balance sheets when revenues are to be recognized subsequent to cash collection for an invoice. Our standard payment terms are generally net 30 days but may vary. Invoices for cloud license and on-premise licenses and hardware products are generally issued when the license is made available for customer use or upon delivery to the customer of the hardware product. Invoices for license support and hardware support contracts are generally invoiced annually in advance. Cloud SaaS and IaaS contracts are generally invoiced annually, quarterly or monthly in advance. Services are generally invoiced in advance or as the services are performed. Most contracts that contain a financing component are contracts financed through our Oracle financing division. The transaction price for a contract that is financed through our Oracle financing division is adjusted to reflect the time value of money and interest revenue is recorded as a component of non-operating income, net within our consolidated statements of operations based on market rates in the country in which the transaction is being financed.

Our revenue arrangements generally include standard warranty or service level provisions that our arrangements will perform and operate in all material respects as defined in the respective agreements, the financial impacts of which have historically been and are expected to continue to be insignificant. Our arrangements generally do not include a general right of return relative to the delivered products or services. We recognize revenues net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2021

Revenue Recognition for Cloud Services

Revenues from cloud services provided on a subscription basis are generally recognized ratably over the contractual period that the cloud services are delivered, beginning on the date our service is made available to a customer. We recognize revenue ratably because the customer receives and consumes the benefits of the cloud services throughout the contract period. Revenues from cloud services that are provided on a consumption basis, such as metered services, are generally recognized based on the utilization of the services by the customer.

Revenue Recognition for License Support and Hardware Support

Oracle's primary performance obligations with respect to license support contracts and hardware support contracts are to provide customers with technical support as needed and unspecified software product upgrades, maintenance releases and patches during the term of the support period, if and when they are available, and hardware product repairs, as applicable. Oracle is obligated to make the license and hardware support services available continuously throughout the contract period. Therefore, revenues for license support contracts and hardware support contracts are generally recognized ratably over the contractual periods that the support services are provided.

Revenue Recognition for Cloud Licenses and On-Premise Licenses

Revenues from distinct cloud license and on-premise license performance obligations are generally recognized upfront at the point in time when the software is made available to the customer to download and use. Revenues from usage-based royalty arrangements for distinct cloud licenses and on-premise licenses are recognized at the point in time when the software end user usage occurs. For usage-based royalty arrangements with a fixed minimum guarantee amount, the minimum amount is generally recognized upfront when the software is made available to the royalty customer.

Revenue Recognition for Hardware Products

The hardware product and related software, such as an operating system or firmware, are highly interdependent and interrelated and are accounted for as a combined performance obligation. The revenues for this combined performance obligation are generally recognized at the point in time that the hardware product is delivered and ownership is transferred to the customer.

Revenue Recognition for Services

Services revenues are generally recognized over time as the services are performed. Revenues for fixed price services are generally recognized over time applying input methods to estimate progress to completion. Revenues for consumption-based services are generally recognized as the services are performed.

Allocation of the Transaction Price for Contracts that have Multiple Performance Obligations

Many of our contracts include multiple performance obligations. Judgment is required in determining whether each performance obligation is distinct. Oracle products and services generally do not require a significant amount of integration or interdependency; therefore, our products and services are generally not combined. We allocate the transaction price for each contract to each performance obligation based on the relative standalone selling price (SSP) for each performance obligation within each contract.

We use judgment in determining the SSP for products and services. For substantially all performance obligations except cloud licenses and on-premise licenses, we are able to establish the SSP based on the observable prices of products or services sold separately in comparable circumstances to similar customers. We typically establish an SSP range for our products and services which is reassessed on a periodic basis or when facts and circumstances change. Our cloud licenses and on-premise licenses have not historically been sold on a standalone basis, as the

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2021

vast majority of all customers elect to purchase license support contracts at the time of a cloud license and on-premise license purchase. License support contracts are generally priced as a percentage of the net fees paid by the customer to access the license. We are unable to establish the SSP for our cloud licenses and on-premise licenses based on observable prices given the same products are sold for a broad range of amounts (that is, the selling price is highly variable) and a representative SSP is not discernible from past transactions or other observable evidence. As a result, the SSP for a cloud license and an on-premise license included in a contract with multiple performance obligations is generally determined by applying a residual approach whereby all other performance obligations within a contract are first allocated a portion of the transaction price based upon their respective SSPs, with any residual amount of transaction price allocated to cloud license and on-premise license revenues.

Remaining Performance Obligations from Customer Contracts

Trade receivables, net of allowance for doubtful accounts, and deferred revenues are reported net of related uncollected deferred revenues in our consolidated balance sheets as of May 31, 2021 and 2020. The amount of revenues recognized during the year ended May 31, 2021 and 2020, respectively, that were included in the opening deferred revenues balance as of May 31, 2020 and 2019, respectively, was approximately \$8.0 billion and \$8.4 billion, respectively. Revenues recognized from performance obligations satisfied in prior periods and impairment losses recognized on our receivables were immaterial during each year ended May 31, 2021, 2020 and 2019.

Remaining performance obligations represent contracted revenues that had not yet been recognized, and include deferred revenues; invoices that have been issued to customers but were uncollected and have not been recognized as revenues; and amounts that will be invoiced and recognized as revenues in future periods. The volumes and amounts of customer contracts that we book and total revenues that we recognize are impacted by a variety of seasonal factors. In each fiscal year, the amounts and volumes of contracting activity and our total revenues are typically highest in our fourth fiscal quarter and lowest in our first fiscal quarter. These seasonal impacts influence how our remaining performance obligations change over time and, combined with foreign exchange rate fluctuations and other factors, influence the amount of remaining performance obligations that we report at a point in time. As of May 31, 2021, our remaining performance obligations were \$41.3 billion, approximately 60% of which we expect to recognize as revenues over the next twelve months, 29% over the subsequent month 13 to month 36 and the remainder thereafter.

Sales of Financing Receivables

We offer certain of our customers the option to acquire certain of our cloud and license, hardware and services offerings through separate long-term payment contracts. We generally sell these contracts that we have financed for our customers on a non-recourse basis to financial institutions within 90 days of the contracts' dates of execution. We record the transfers of amounts due from customers to financial institutions as sales of financing receivables because we are considered to have surrendered control of these financing receivables. During fiscal 2021, 2020 and 2019, \$1.7 billion, \$1.5 billion and \$1.8 billion, respectively, of our financing receivables were sold to financial institutions.

Business Combinations

We apply the provisions of ASC 805, *Business Combinations* (ASC 805), in accounting for our acquisitions. ASC 805 requires that we evaluate whether a transaction pertains to an acquisition of assets, or to an acquisition of a business. A business is defined as an integrated set of assets and activities that is capable of being conducted and managed for the purpose of providing a return to investors. Asset acquisitions are accounted for by allocating the cost of the acquisition to the individual assets and liabilities assumed on a relative fair value basis; whereas the acquisition of a business requires us to recognize separately from goodwill the assets acquired and the liabilities

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2021

assumed at the acquisition date fair values. Goodwill as of the business acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the business acquisition date as well as any contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the business acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of a business acquisition's measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations. Costs to exit or restructure certain activities of an acquired company or our internal operations are accounted for as termination and exit costs pursuant to ASC 420, *Exit or Disposal Cost Obligations* (ASC 420), and are accounted for separately from the business combination. A liability for costs associated with an exit or disposal activity is recognized and measured at its fair value in our consolidated statement of operations in the period in which the liability is incurred. Prior to June 1, 2019, we accounted for operating lease abandonment pursuant to the provisions of ASC 420. Effective June 1, 2019, abandoned operating leases related to an acquired company or our internal operations are accounted for as Right-of-Use (ROU) asset impairment charges pursuant to ASC 842, *Leases* (ASC 842) and are accounted for separately from the business combination. In all periods presented, when estimating the asset impairment charges, assumptions were applied regarding estimated sub-lease payments to be received, which can differ from actual results. This may require us to revise our initial estimates which may affect our results of operations and financial position in the period the revision is made.

For a given business acquisition, we may identify certain pre-acquisition contingencies as of the acquisition date and may extend our review and evaluation of these pre-acquisition contingencies throughout the measurement period in order to obtain sufficient information to assess whether we include these contingencies as a part of the fair value estimates of assets acquired and liabilities assumed and, if so, to determine their estimated amounts. If we cannot reasonably determine the fair value of a non-income tax related pre-acquisition contingency by the end of the measurement period, which is generally the case given the nature of such matters, we will recognize an asset or a liability for such pre-acquisition contingency if: (1) it is probable that an asset existed or a liability had been incurred at the business acquisition date and (2) the amount of the asset or liability can be reasonably estimated. Subsequent to the measurement period or final determination of the net asset values for the business combination, whichever comes first, changes in our estimates of such contingencies will affect earnings and could have a material effect on our results of operations and financial position.

In addition, uncertain tax positions and tax related valuation allowances assumed in a business combination are initially estimated as of the acquisition date. We reevaluate these items quarterly based upon facts and circumstances that existed as of the business acquisition date with any adjustments to our preliminary estimates being recorded to goodwill if identified within the measurement period. Subsequent to the measurement period or our final determination of the tax allowance's or contingency's estimated value, whichever comes first, changes to these uncertain tax positions and tax related valuation allowances will affect our provision for income taxes in our consolidated statement of operations and could have a material impact on our results of operations and financial position.

Marketable and Non-Marketable Securities

In accordance with ASC 320, *Investments—Debt Securities*, and based on our intentions regarding these instruments, we classify substantially all of our marketable debt securities as available-for-sale. We carry these securities at fair value, and report the unrealized gains and losses, net of taxes, as a component of stockholders' equity, except for any unrealized losses determined to be related to credit losses, which we record within non-operating income, net in the accompanying consolidated statements of operations. We periodically evaluate our investments to determine if impairment charges are required. Substantially all of our marketable debt securities

ORACLE CORPORATION
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investments are classified as current based on the nature of the investments and their availability for use in current operations.

Investments in equity securities, other than any equity method investments, are generally recorded at their fair values, if the fair values are readily determinable. Non-marketable equity securities where we do not have control of, nor significant influence in, the investee are recorded at cost, less any impairment, adjusted for observable price changes from orderly transactions for identical or similar investments of the same issuer with any gains or losses recorded as a component of non-operating income, net as of and for each reporting period. For investments through which we have significant influence in, but not control of, the investee, we account for such investments pursuant to the equity method of accounting whereby we record our proportionate share of the investee's earnings or losses, amortization of differences between our investment basis and the proportional book equity of the investee, and impairment, if any, as a component of non-operating income, net for each reporting period. Our non-marketable equity securities and related instruments totaled \$971 million and \$219 million as of May 31, 2021 and 2020, respectively, and are included either in other current assets or in other non-current assets in the accompanying consolidated balance sheets and are subject to periodic impairment reviews and adjustments for observable price changes from orderly transactions. Certain of the non-marketable equity securities held as of May 31, 2021 and 2020 were with a related party entity for which we follow the equity method of accounting. We are also a counterparty to certain options to acquire additional equity interests in that entity at various times through December 2023 and we could obtain control of that entity should such options be exercised.

Fair Values of Financial Instruments

We apply the provisions of ASC 820, *Fair Value Measurement* (ASC 820), to our assets and liabilities that we are required to measure at fair value pursuant to other accounting standards, including our investments in marketable debt and equity securities and our derivative financial instruments.

The additional disclosures regarding our fair value measurements are included in Note 4.

Allowances for Doubtful Accounts

We record allowances for doubtful accounts based upon a specific review of all significant outstanding invoices. For those invoices not specifically reviewed, provisions are provided at differing rates, based upon the age of the receivable, the collection history associated with the geographic region that the receivable was recorded in and current and expected future economic conditions. We write-off a receivable and charge it against its recorded allowance when we have exhausted our collection efforts without success.

Concentrations of Credit Risk

Financial instruments that are potentially subject to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, derivatives and trade receivables. Our cash and cash equivalents are generally held with large, diverse financial institutions worldwide to reduce the amount of exposure to any single financial institution. Investment policies have been implemented that limit purchases of marketable debt securities to investment-grade securities. Our derivative contracts are transacted with various financial institutions with high credit standings and any exposure to counterparty credit-related losses in these contracts is largely mitigated with collateral security agreements that provide for collateral to be received or posted when the net fair values of these contracts fluctuate from contractually established thresholds. We generally do not require collateral to secure accounts receivable. The risk with respect to trade receivables is mitigated by credit evaluations we perform on our customers, the short duration of our payment terms for the significant majority of our customer contracts and by the diversification of our customer base. No single customer accounted for 10% or more of our total revenues in fiscal 2021, 2020 or 2019.

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We outsource the manufacturing, assembly and delivery of the substantial majority of our hardware products to a variety of companies, many of which are located outside the U.S. Further, we have simplified our supply chain processes by reducing the number of third-party manufacturing partners and the number of locations where these third-party manufacturers build our hardware products. Any inability of these third-party manufacturing partners to deliver the contracted services for our hardware products could adversely impact future operating results of our cloud and license and hardware businesses.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is computed using standard cost, which approximates actual cost, on a first-in, first-out basis. We evaluate our ending inventories for estimated excess quantities and obsolescence. This evaluation includes analysis of sales levels by product and projections of future demand within specific time horizons (generally six to nine months). Inventories in excess of future demand are written down and charged to hardware expenses. In addition, we assess the impact of changing technology to our inventories and we write down inventories that are considered obsolete. At the point of loss recognition, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis. Inventories are included in prepaid expenses and other current assets in our consolidated balance sheets and totaled \$142 million and \$211 million at May 31, 2021 and 2020, respectively.

Other Receivables

Other receivables represent value-added tax and sales tax receivables associated with the sale of our products and services to third parties. Other receivables are included in prepaid expenses and other current assets in our consolidated balance sheets and totaled \$798 million and \$778 million at May 31, 2021 and 2020, respectively.

Deferred Sales Commissions

We defer sales commissions earned by our sales force that are considered to be incremental and recoverable costs of obtaining a cloud, license support and hardware support contract. Initial sales commissions for the majority of these aforementioned contracts are generally deferred and amortized on a straight-line basis over a period of benefit that we estimate to be four years. We determine the period of benefit by taking into consideration the historical and expected durations of our customer contracts, the expected useful lives of our technologies, and other factors. Sales commissions for renewal contracts relating to certain of our cloud-based arrangements are generally deferred and then amortized on a straight-line basis over the related contractual renewal period, which is generally one to three years. Amortization of deferred sales commissions is included as a component of sales and marketing expenses in our consolidated statements of operations and asset balances for deferred sales commissions are included in other current assets and other non-current assets in our consolidated balance sheets.

Property, Plant and Equipment

Property, plant and equipment are stated at the lower of cost or realizable value, net of accumulated depreciation. Depreciation is computed using the straight-line method based on estimated useful lives of the assets, which range from one to 40 years. Leasehold improvements are amortized over the lesser of the estimated useful lives of the improvements or the lease terms, as appropriate. Property, plant and equipment are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We did not recognize any significant property impairment charges in fiscal 2021, 2020 or 2019.

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Goodwill, Intangible Assets and Impairment Assessments

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Intangible assets that are not considered to have an indefinite useful life are amortized over their useful lives, which generally range from one to 10 years. Each period we evaluate the estimated remaining useful lives of purchased intangible assets and whether events or changes in circumstances warrant a revision to the remaining periods of amortization.

The carrying amounts of our goodwill and intangible assets are periodically reviewed for impairment (at least annually for goodwill and indefinite lived intangible assets) and whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. When goodwill is assessed for impairment, we have the option to perform an assessment of qualitative factors of impairment (optional assessment) prior to necessitating a quantitative impairment test. Should the optional assessment be used for any given fiscal year, qualitative factors to consider for a reporting unit include: cost factors; financial performance; legal, regulatory, contractual, political, business, or other factors; entity specific factors; industry and market considerations; macroeconomic conditions; and other relevant events and factors affecting the reporting unit. If we determine in the qualitative assessment that it is more likely than not that the fair value of the reporting unit is less than its carrying value, a quantitative test is then performed. Otherwise, no further testing is required. For those reporting units tested using a quantitative approach, we compare the fair value of each reporting unit with the carrying amount of the reporting unit, including goodwill. To determine the fair value of each reporting unit we utilize estimates, judgments and assumptions including estimated future cash flows the reporting unit is expected to generate on a discounted basis; the discount rate used as a part of the discounted cash flow analysis; future economic and market conditions; and market comparables of peer companies, among others. If, as per the quantitative test, the estimated fair value of the reporting unit is less than the carrying amount of the reporting unit, impairment is recognized for the difference, limited to the amount of goodwill recognized for the reporting unit. Our most recent goodwill impairment analysis was performed on March 1, 2021 and did not result in a goodwill impairment charge. We did not recognize impairment charges in fiscal 2020 or 2019.

Recoverability of finite lived intangible assets is measured by comparison of the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. Recoverability of indefinite lived intangible assets is measured by comparison of the carrying amount of the asset to its fair value. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. We did not recognize any intangible asset impairment charges in fiscal 2021, 2020 or 2019. At least annually, we assess the useful lives of our finite lived intangible assets and may adjust the period over which these assets are amortized whenever events or changes in circumstances indicate that a shorter amortization period is more reflective of the period in which these assets contribute to our cash flows.

Derivative Financial Instruments

During fiscal 2021, 2020 and 2019, we used derivative financial instruments to manage foreign currency and interest rate risks (see Note 10 below for additional information). We do not use derivative financial instruments for trading purposes. We account for these instruments in accordance with ASC 815, *Derivatives and Hedging* (ASC 815), which requires that every derivative instrument be recorded on the balance sheet as either an asset or liability measured at its fair value as of each reporting date. ASC 815 also requires that changes in our derivatives' fair values be recognized in earnings, unless specific hedge accounting and documentation criteria are met (i.e., the instruments are accounted for as hedges).

The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. For a derivative instrument designated as a fair value hedge, loss or gain attributable to the risk being hedged is recognized in earnings in the period of change with a corresponding earnings offset recorded to the item for which the risk is being hedged.

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For a derivative instrument designated as a cash flow hedge, each reporting period we record the change in fair value of the derivative to AOCL in our consolidated balance sheets, and the change is reclassified to earnings in the period the hedged item affects earnings.

Leases

Our accounting policy for leases pursuant to ASC 842, Leases, was prospectively effective for us as of June 1, 2019. We determine if an arrangement is a lease at its inception. Operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. We generally use our incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments, because the implicit rate of the lease is generally not known. ROU assets related to our operating lease liabilities are measured at lease inception based on the initial measurement of the lease liability, plus any prepaid lease payments and less any lease incentives. Our lease terms that are used in determining our operating lease liabilities at lease inception may include options to extend or terminate the leases when it is reasonably certain that we will exercise such options. We amortize our ROU assets as operating lease expense generally on a straight-line basis over the lease term and classify both the lease amortization and imputed interest as operating expenses. We have lease agreements with lease and non-lease components, and in such cases, we generally account for the components as a single lease component. We do not recognize lease assets and lease liabilities for any lease with an original lease term of less than one year.

ROU assets related to our operating leases are included in other non-current assets, short-term operating lease liabilities are included in other current liabilities, and long-term operating lease liabilities are included in other non-current liabilities in our consolidated balance sheets. Cash flow movements related to our lease activities are included in prepaid expenses and other assets and accounts payable and other liabilities as presented in net cash provided by operating activities in our consolidated statements of cash flows for the years ended May 31, 2021 and 2020. Note 11 below provides additional information regarding our leases.

Legal and Other Contingencies

We are currently involved in various claims and legal proceedings. Quarterly, we review the status of each significant matter and assess our potential financial exposure. Descriptions of our accounting policies associated with contingencies assumed as a part of a business combination are provided under “Business Combinations” above. For legal and other contingencies that are not a part of a business combination or related to income taxes, we accrue a liability for an estimated loss if the potential loss from any claim or legal proceeding is considered probable, and the amount can be reasonably estimated. Note 17 below provides additional information regarding certain of our legal contingencies.

Foreign Currency

We transact business in various foreign currencies. In general, the functional currency of a foreign operation is the local country’s currency. Consequently, revenues and expenses of operations outside the U.S. are translated into U.S. Dollars using weighted-average exchange rates while assets and liabilities of operations outside the U.S. are translated into U.S. Dollars using exchange rates at the balance sheet dates. The effects of foreign currency translation adjustments are substantially included in stockholders’ equity as a component of Accumulated Other Comprehensive Loss (AOCL) in the accompanying consolidated balance sheets and related periodic movements are summarized as a line item in our consolidated statements of comprehensive income. Net foreign exchange transaction losses included in non-operating income, net in the accompanying consolidated statements of operations were \$112 million, \$185 million and \$111 million in fiscal 2021, 2020 and 2019, respectively.

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Stock-Based Compensation

We account for share-based payments to employees, including grants of service-based restricted stock unit awards, service-based employee stock options, performance-based stock options (PSOs), and purchases under employee stock purchase plans in accordance with ASC 718, *Compensation—Stock Compensation*, which requires that share-based payments (to the extent they are compensatory) be recognized in our consolidated statements of operations based on their fair values. We account for forfeitures of stock-based awards as they occur.

For our service-based stock awards, we recognize stock-based compensation expense on a straight-line basis over the service period of the award, which is generally four years.

For our PSOs, we recognize stock-based compensation expense on a straight-line basis over the longer of the derived, explicit or implicit service period (which is the period of time expected for the performance condition to be satisfied). During our interim and annual reporting periods, stock-based compensation expense is recorded based on expected attainment of performance targets. Changes in our estimates of the expected attainment of performance targets that result in a change in the number of shares that are expected to vest, or changes in our estimates of implicit service periods, may cause the amount of stock-based compensation expense that we record for each interim reporting period to vary. Any changes in estimates that impact our expectation of the number of shares that are expected to vest are reflected in the amount of stock-based compensation expense that we recognize for each PSO tranche on a cumulative catch up basis during each interim reporting period in which such estimates are altered. Changes in estimates of the implicit service periods are recognized prospectively.

We record deferred tax assets for stock-based compensation awards that result in deductions on certain of our income tax returns based on the amount of stock-based compensation recognized in each reporting period and the fair values attributable to the vested portion of stock awards assumed in connection with a business combination at the statutory tax rates in the jurisdictions that we are able to recognize such tax deductions. The impacts of the actual tax deductions for stock-based awards that are realized in these jurisdictions are generally recognized in the reporting period that a restricted stock-based award vests or a stock option is exercised with any shortfall/windfall relative to the deferred tax asset established recorded as a discrete detriment/benefit to our provision for income taxes in such period. Note 13 below provides additional information regarding our stock-based compensation plans.

Advertising

Substantially all advertising costs are expensed as incurred. Advertising expenses, which were included within sales and marketing expenses, were \$202 million, \$178 million and \$169 million in fiscal 2021, 2020 and 2019, respectively.

Research and Development Costs and Software Development Costs

All research and development costs are expensed as incurred in accordance with ASC 730, *Research and Development*. Software development costs required to be capitalized under ASC 985-20, *Costs of Software to be Sold, Leased or Marketed*, and under ASC 350-40, *Internal-Use Software*, were not material to our consolidated financial statements in fiscal 2021, 2020 and 2019.

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Acquisition Related and Other Expenses

Acquisition related and other expenses primarily consist of personnel related costs for transitional and certain other employees, certain business combination adjustments including adjustments after the measurement period has ended, and certain other operating items, net.

(in millions)	Year Ended May 31,		
	2021	2020	2019
Transitional and other employee related costs	\$ 5	\$ 12	\$ 49
Business combination adjustments, net	4	(7)	(21)
Other, net	129	51	16
Total acquisition related and other expenses	<u>\$ 138</u>	<u>\$ 56</u>	<u>\$ 44</u>

Non-Operating Income, net

Non-operating income, net consists primarily of interest income, net foreign currency exchange losses, the noncontrolling interests in the net profits of our majority-owned subsidiaries (primarily Oracle Financial Services Software Limited and Oracle Corporation Japan) and net other income and expenses, including net realized gains and losses related to all of our investments, net unrealized gains and losses related to the small portion of our investment portfolio related to our deferred compensation plan, net unrealized gains and losses related to equity securities and non-service net periodic pension income and losses.

(in millions)	Year Ended May 31,		
	2021	2020	2019
Interest income	\$ 101	\$ 527	\$ 1,092
Foreign currency losses, net	(112)	(185)	(111)
Noncontrolling interests in income	(180)	(164)	(152)
Other, net	473	(16)	(14)
Total non-operating income, net	<u>\$ 282</u>	<u>\$ 162</u>	<u>\$ 815</u>

Non operating income net in fiscal 2021 included a \$299 million unrealized investment gain for certain non marketable securities due to an observable price change and a \$193 million unrealized investment gain associated with certain marketable equity securities that we held for certain employee benefit plans and classified as trading, and for which an equal and offsetting amount was recorded to our operating expenses during the same period.

Income Taxes

We account for income taxes in accordance with ASC 740, *Income Taxes* (ASC 740). Deferred income taxes are recorded for the expected tax consequences of temporary differences between the tax bases of assets and liabilities for financial reporting purposes and amounts recognized for income tax purposes. We record a valuation allowance to reduce our deferred tax assets to the amount of future tax benefit that is more likely than not to be realized.

A two-step approach is applied pursuant to ASC 740 in the recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained in an audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. We recognize interest and penalties related to uncertain tax positions in our provision for income taxes line of our consolidated statements of operations.

A description of our accounting policies associated with tax related contingencies and valuation allowances assumed as a part of a business combination is provided under “Business Combinations” above.

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Recent Accounting Pronouncements

Financial Instruments: In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* (ASU 2020-04) and also issued subsequent amendments to the initial guidance (collectively, Topic 848). Topic 848 provides optional guidance for contract modifications and certain hedging relationships associated with the transition from reference rates that are expected to be discontinued. We will adopt Topic 848 when our relevant contracts are modified upon transition to alternative reference rates. We do not expect our adoption of Topic 848 will have a material impact on our consolidated financial statements.

Income Taxes: In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* (ASU 2019-12), which is intended to simplify various areas related to the accounting for income taxes and improve consistent application of Topic 740. ASU 2019-12 is effective for us beginning in fiscal 2022, and earlier adoption is permitted. We do not expect our adoption of ASU 2019-12 will have a material impact on our consolidated financial statements.

2. ACQUISITIONS

Fiscal 2021, 2020 and 2019 Acquisitions

During fiscal 2021, 2020 and 2019, we acquired certain companies and purchased certain technology and development assets primarily to expand our products and services offerings. These acquisitions were not significant individually or in the aggregate to our consolidated financial statements.

3. CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES

Cash and cash equivalents primarily consist of deposits held at major banks, Tier-1 commercial paper debt securities, money market funds and other securities with original maturities of 90 days or less. Marketable securities consist of Tier-1 commercial paper debt securities, corporate debt securities and certain other securities.

The amortized principal amounts of our cash, cash equivalents and marketable securities approximated their fair values at May 31, 2021 and 2020. We use the specific identification method to determine any realized gains or losses from the sale of our marketable securities classified as available-for-sale. Such realized gains and losses were insignificant for fiscal 2021, 2020 and 2019. The following table summarizes the components of our cash equivalents and marketable securities held, substantially all of which were classified as available-for-sale:

(in millions)	May 31,	
	2021	2020
Money market funds	\$ 12,263	\$ 18,587
Corporate debt securities and other	9,470	6,625
Commercial paper debt securities	11,712	5,640
Total investments	\$ 33,445	\$ 30,852
Investments classified as cash equivalents	\$ 16,989	\$ 25,034
Investments classified as marketable securities	\$ 16,456	\$ 5,818

As of May 31, 2021 and 2020, substantially all of our marketable securities investments mature within one year. Our investment portfolio is subject to market risk due to changes in interest rates. As described above, we limit purchases of marketable debt securities to investment-grade securities, which have high credit ratings and also limit the amount of credit exposure to any one issuer. As stated in our investment policy, we are averse to principal loss and seek to preserve our invested funds by limiting default risk and market risk.

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Restricted cash that was included within cash and cash equivalents as presented within our consolidated balance sheets as of May 31, 2021 and 2020 and our consolidated statements of cash flows for the years ended May 31, 2021, 2020 and 2019 was nominal.

4. FAIR VALUE MEASUREMENTS

We perform fair value measurements in accordance with ASC 820. ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at their fair values, we consider the principal or most advantageous market in which we would transact and consider assumptions that market participants would use when pricing the assets or liabilities, such as inherent risk, transfer restrictions and risk of nonperformance.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. An asset's or a liability's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 establishes three levels of inputs that may be used to measure fair value:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets or liabilities.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Our assets and liabilities measured at fair value on a recurring basis consisted of the following (Level 1 and Level 2 inputs are defined above):

(in millions)	May 31, 2021			May 31, 2020		
	Fair Value Measurements Using Input Types			Fair Value Measurements Using Input Types		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets:						
Money market funds	\$ 12,263	\$ —	\$ 12,263	\$ 18,587	\$ —	\$ 18,587
Corporate debt securities and other	1,250	8,220	9,470	4,036	2,589	6,625
Commercial paper debt securities	—	11,712	11,712	—	5,640	5,640
Derivative financial instruments	—	73	73	—	29	29
Total assets	<u>\$ 13,513</u>	<u>\$ 20,005</u>	<u>\$ 33,518</u>	<u>\$ 22,623</u>	<u>\$ 8,258</u>	<u>\$ 30,881</u>
Liabilities:						
Derivative financial instruments	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 268</u>	<u>\$ 268</u>

Our marketable securities investments consist of money market funds, Tier 1 commercial paper debt securities, corporate debt securities and certain other securities. Marketable securities as presented per our consolidated balance sheets included securities with original maturities at the time of purchase greater than three months and the remainder of the securities were included in cash and cash equivalents. Our valuation techniques used to measure the fair values of our instruments that were classified as Level 1 in the table above were derived from quoted market prices and active markets for these instruments that exist. Our valuation techniques used to measure the fair values of Level 2 instruments listed in the table above were derived from the following: non-

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binding market consensus prices that were corroborated by observable market data, quoted market prices for similar instruments, or pricing models, such as discounted cash flow techniques, with all significant inputs derived from or corroborated by observable market data including LIBOR-based yield curves, among others.

Based on the trading prices of the \$84.2 billion and \$71.6 billion of senior notes and the related fair value hedges (refer to Notes 7 and 10 for additional information) that we had outstanding as of May 31, 2021 and 2020, respectively, the estimated fair values of the senior notes and the related fair value hedges using Level 2 inputs at May 31, 2021 and 2020 were \$89.6 billion and \$80.9 billion, respectively.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consisted of the following:

(Dollars in millions)	Estimated Useful Life	May 31,	
		2021	2020
Computer, network, machinery and equipment	1-5 years	\$ 9,508	\$ 7,757
Buildings and improvements	1-40 years	4,734	4,394
Furniture, fixtures and other	5-15 years	454	509
Land	—	871	885
Construction in progress	—	233	280
Total property, plant and equipment	1-40 years	15,800	13,825
Accumulated depreciation		(8,751)	(7,581)
Total property, plant and equipment, net		\$ 7,049	\$ 6,244

6. INTANGIBLE ASSETS AND GOODWILL

The changes in intangible assets for fiscal 2021 and the net book value of intangible assets as of May 31, 2021 and 2020 were as follows:

(Dollars in millions)	Intangible Assets, Gross				Accumulated Amortization			Intangible Assets, Net			Weighted Average Useful Life(2)
	May 31, 2020	Additions & Adjustments, net(1)	Retirements	May 31, 2021	May 31, 2020	Expense	Retirements	May 31, 2021	May 31, 2020	May 31, 2021	
Developed technology	\$ 4,471	\$ 56	\$ (290)	\$ 4,237	\$ (3,290)	\$ (621)	\$ 290	\$ (3,621)	\$ 1,181	\$ 616	3
Cloud services and license support agreements and related relationships	5,589	14	(106)	5,497	(3,271)	(669)	106	(3,834)	2,318	1,663	N.A.
Other	1,341	1	(73)	1,269	(1,102)	(89)	73	(1,118)	239	151	N.A.
Total intangible assets, net	\$ 11,401	\$ 71	\$ (469)	\$ 11,003	\$ (7,663)	\$ (1,379)	\$ 469	\$ (8,573)	\$ 3,738	\$ 2,430	

(1) Amounts also include any net changes in intangible asset balances for the periods presented that resulted from foreign currency translations.

(2) Represents weighted-average useful lives (in years) of intangible assets acquired during fiscal 2021.

As of May 31, 2021, estimated future amortization expenses related to intangible assets were as follows (in millions):

Fiscal 2022	\$ 1,122
Fiscal 2023	698
Fiscal 2024	453
Fiscal 2025	123
Fiscal 2026	24
Thereafter	10
Total intangible assets, net	\$ 2,430

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The changes in the carrying amounts of goodwill, net, which is generally not deductible for tax purposes, for our operating segments for fiscal 2021 and 2020 were as follows:

(in millions)	Cloud and License	Hardware	Services	Total Goodwill, net
Balances as of May 31, 2019	\$ 39,633	\$ 2,367	\$ 1,779	\$ 43,779
Goodwill from acquisitions	74	—	—	74
Goodwill adjustments, net ⁽¹⁾	(70)	—	(14)	(84)
Balances as of May 31, 2020	39,637	2,367	1,765	43,769
Goodwill adjustments, net ⁽¹⁾	149	—	17	166
Balances as of May 31, 2021	\$ 39,786	\$ 2,367	\$ 1,782	\$ 43,935

(1) Pursuant to our business combinations accounting policy, we recorded goodwill adjustments for the effects on goodwill of changes to net assets acquired during the period that such a change is identified, provided that any such change is within the measurement period (up to one year from the date of the acquisition). Amounts also include any changes in goodwill balances for the period presented that resulted from foreign currency translations.

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7. NOTES PAYABLE AND OTHER BORROWINGS

Notes payable and other borrowings consisted of the following:

(Dollars in millions)	Date of Issuance	May 31,			
		2021		2020	
		Amount	Effective Interest Rate	Amount	Effective Interest Rate
Fixed-rate senior notes:					
\$1,000, 3.875%, due July 2020	July 2010	\$ —	N.A.	\$ 1,000	3.93%
€1,250, 2.25%, due January 2021(1)(2)	July 2013	\$ —	N.A.	\$ 1,371	2.33%
\$1,500, 2.80%, due July 2021(3)	July 2014	\$ 1,500	2.82%	\$ 1,500	2.82%
\$4,250, 1.90%, due September 2021	July 2016	\$ 4,250	1.94%	\$ 4,250	1.94%
\$2,500, 2.50%, due May 2022	May 2015	\$ 2,500	2.56%	\$ 2,500	2.56%
\$2,500, 2.50%, due October 2022	October 2012	\$ 2,500	2.51%	\$ 2,500	2.51%
\$1,250, 2.625%, due February 2023	November 2017	\$ 1,250	2.64%	\$ 1,250	2.64%
\$1,000, 3.625%, due July 2023	July 2013	\$ 1,000	3.73%	\$ 1,000	3.73%
\$2,500, 2.40%, due September 2023	July 2016	\$ 2,500	2.40%	\$ 2,500	2.40%
\$2,000, 3.40%, due July 2024	July 2014	\$ 2,000	3.43%	\$ 2,000	3.43%
\$2,000, 2.95%, due November 2024	November 2017	\$ 2,000	2.98%	\$ 2,000	2.98%
\$3,500, 2.50%, due April 2025	April 2020	\$ 3,500	2.51%	\$ 3,500	2.51%
\$2,500, 2.95%, due May 2025	May 2015	\$ 2,500	3.00%	\$ 2,500	3.00%
€750, 3.125%, due July 2025(1)(4)	July 2013	\$ 916	3.17%	\$ 823	3.17%
\$2,750, 1.65%, due March 2026(5)	March 2021	\$ 2,750	1.66%	\$ —	N.A.
\$3,000, 2.65%, due July 2026	July 2016	\$ 3,000	2.69%	\$ 3,000	2.69%
\$2,250, 2.80%, due April 2027	April 2020	\$ 2,250	2.83%	\$ 2,250	2.83%
\$2,750, 3.25%, due November 2027	November 2017	\$ 2,750	3.26%	\$ 2,750	3.26%
\$2,000, 2.30%, due March 2028(5)	March 2021	\$ 2,000	2.34%	\$ —	N.A.
\$3,250, 2.95%, due April 2030	April 2020	\$ 3,250	2.96%	\$ 3,250	2.96%
\$500, 3.25%, due May 2030	May 2015	\$ 500	3.30%	\$ 500	3.30%
\$3,250, 2.875%, due March 2031(5)	March 2021	\$ 3,250	2.89%	\$ —	N.A.
\$1,750, 4.30%, due July 2034	July 2014	\$ 1,750	4.30%	\$ 1,750	4.30%
\$1,250, 3.90%, due May 2035	May 2015	\$ 1,250	3.95%	\$ 1,250	3.95%
\$1,250, 3.85%, due July 2036	July 2016	\$ 1,250	3.85%	\$ 1,250	3.85%
\$1,750, 3.80%, due November 2037	November 2017	\$ 1,750	3.83%	\$ 1,750	3.83%
\$1,250, 6.50%, due April 2038	April 2008	\$ 1,250	6.52%	\$ 1,250	6.52%
\$1,250, 6.125%, due July 2039	July 2009	\$ 1,250	6.19%	\$ 1,250	6.19%
\$3,000, 3.60%, due April 2040	April 2020	\$ 3,000	3.62%	\$ 3,000	3.62%
\$2,250, 5.375%, due July 2040	July 2010	\$ 2,250	5.45%	\$ 2,250	5.45%
\$2,250, 3.65%, due March 2041(5)	March 2021	\$ 2,250	3.70%	\$ —	N.A.
\$1,000, 4.50%, due July 2044	July 2014	\$ 1,000	4.50%	\$ 1,000	4.50%
\$2,000, 4.125%, due May 2045	May 2015	\$ 2,000	4.15%	\$ 2,000	4.15%
\$3,000, 4.00%, due July 2046	July 2016	\$ 3,000	4.00%	\$ 3,000	4.00%
\$2,250, 4.00%, due November 2047	November 2017	\$ 2,250	4.03%	\$ 2,250	4.03%
\$4,500, 3.60%, due April 2050	April 2020	\$ 4,500	3.62%	\$ 4,500	3.62%
\$3,250, 3.95%, due March 2051(5)	March 2021	\$ 3,250	3.96%	\$ —	N.A.
\$1,250, 4.375%, due May 2055	May 2015	\$ 1,250	4.40%	\$ 1,250	4.40%
\$3,500, 3.85%, due April 2060	April 2020	\$ 3,500	3.87%	\$ 3,500	3.87%
\$1,500, 4.10%, due March 2061(5)	March 2021	\$ 1,500	4.11%	\$ —	N.A.
Other borrowings:					
Other borrowings due August 2025	November 2016	\$ 113	3.53%	\$ 113	3.53%
Total senior notes and other borrowings		\$ 84,529		\$ 71,807	
Unamortized discount/issuance costs		\$ (315)		\$ (285)	
Hedge accounting fair value adjustments(3)(4)		\$ 31		\$ 75	
Total notes payable and other borrowings		\$ 84,245		\$ 71,597	
Notes payable, current		\$ 8,250		\$ 2,371	
Notes payable and other borrowings, non-current		\$ 75,995		\$ 69,226	

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- (1) In July 2013, we issued €2.0 billion of fixed-rate senior notes comprised of €1.25 billion of 2.25% senior notes that were due and were settled in January 2021 (January 2021 Notes) and €750 million of 3.125% senior notes due July 2025 (July 2025 Notes, and together with the January 2021 Notes, the Euro Notes). Principal and unamortized discount/issuance costs for the Euro Notes in the table above were calculated using foreign currency exchange rates, as applicable, as of May 31, 2021 and May 31, 2020, respectively. The July 2025 Notes are registered and trade on the New York Stock Exchange.
- (2) In connection with the issuance of the January 2021 Notes, we entered into certain cross-currency swap agreements, all of which were cash settled upon their maturity during fiscal 2021 (see Note 10 for additional information).
- (3) We entered into certain interest rate swap agreements that have the economic effects of modifying the fixed-interest obligations associated with the 2.80% senior notes due July 2021 (July 2021 Notes) so that the interest payable on these notes effectively became variable based on LIBOR. The effective interest rates after consideration of these fixed to variable interest rate swap agreements were 0.87% and 1.99%, respectively, for the July 2021 Notes as of May 31, 2021 and 2020, respectively. Refer to Notes 1 and 10 for a description of our accounting for fair value hedges associated with our July 2021 Notes.
- (4) In fiscal 2018 we entered into certain cross-currency interest rate swap agreements that have the economic effect of converting our fixed-rate, Euro-denominated debt, including annual interest payments and the payment of principal at maturity, to a variable-rate, U.S. Dollar-denominated debt of \$871 million based on LIBOR. The effective interest rates as of May 31, 2021 and 2020 after consideration of the cross-currency interest rate swap agreements were 3.15% and 4.46%, respectively, for the July 2025 Notes. Refer to Notes 1 and 10 for a description of our accounting for fair value hedges.
- (5) In March 2021, we issued \$15.0 billion of senior notes for general corporate purposes, which may include stock repurchases, payment of cash dividends on our common stock and repayment of indebtedness and future acquisitions. The interest is payable semi-annually. We may redeem some or all of the senior notes of each series prior to their maturity, subject to certain restrictions, and the payment of an applicable make-whole premium in certain instances.

Future principal payments (adjusted for the effects of the cross-currency interest rate swap agreements associated with the July 2025 Notes) for all of our borrowings at May 31, 2021 were as follows (in millions):

Fiscal 2022	\$ 8,250
Fiscal 2023	3,750
Fiscal 2024	3,500
Fiscal 2025	10,000
Fiscal 2026	3,734
Thereafter	55,250
Total	<u>\$ 84,484</u>

Senior Notes

Interest is payable semi-annually for the senior notes listed in the above table except for the Euro Notes for which interest is payable annually. We may redeem some or all of the senior notes of each series prior to their maturity, subject to certain restrictions, and the payment of an applicable make-whole premium in certain instances.

The senior notes rank pari passu with any other notes we may issue in the future pursuant to our commercial paper program (see additional discussion regarding our commercial paper program below) and all existing and future unsecured senior indebtedness of Oracle Corporation. All existing and future liabilities of the subsidiaries of Oracle Corporation are or will be effectively senior to the senior notes and any future issuances of commercial paper notes. We were in compliance with all debt-related covenants at May 31, 2021.

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Commercial Paper Program and Commercial Paper Notes

Our existing \$3.0 billion commercial paper program allows us to issue and sell unsecured short-term promissory notes pursuant to a private placement exemption from the registration requirements under federal and state securities laws pursuant to dealer agreements with various banks and an Issuing and Paying Agency Agreement with Deutsche Bank Trust Company Americas. As of May 31, 2021 and 2020, we did not have any outstanding commercial paper notes.

8. RESTRUCTURING ACTIVITIES

Fiscal 2019 Oracle Restructuring Plan

During fiscal 2019, our management approved, committed to and initiated plans to restructure and further improve efficiencies in our operations due to our acquisitions and certain other operational activities (2019 Restructuring Plan). In fiscal 2021, our management supplemented the 2019 Restructuring Plan to reflect additional actions that we expected to take. Restructuring costs associated with the 2019 Restructuring Plan were recorded to the restructuring expense line item within our consolidated statements of operations as they were incurred. We recorded \$430 million and \$261 million of restructuring expenses in connection with the 2019 Restructuring Plan in fiscal 2021 and 2020, respectively. The total costs recorded to date in our consolidated statements of operations in connection with the 2019 Restructuring Plan were \$1.2 billion. Actions pursuant to the 2019 Restructuring Plan were substantially complete as of May 31, 2021.

Summary of All Plans

Fiscal 2021 Activity

(in millions)	Accrued May 31, 2020(2)	Year Ended May 31, 2021				Accrued May 31, 2021(2)
		Initial Costs(3)	Adj. to Cost(4)	Cash Payments	Others(5)	
Fiscal 2019 Oracle Restructuring Plan(1)						
Cloud and license	\$ 75	\$ 225	\$ (22)	\$ (171)	\$ 12	\$ 119
Hardware	14	39	(2)	(34)	(1)	16
Services	27	54	(4)	(56)	3	24
Other(6)	22	137	3	(110)	5	57
Total Fiscal 2019 Oracle Restructuring Plan	\$ 138	\$ 455	\$ (25)	\$ (371)	\$ 19	\$ 216
Total other restructuring plans(7)	\$ 13	\$ 2	\$ (1)	\$ (5)	\$ —	\$ 9
Total restructuring plans	\$ 151	\$ 457	\$ (26)	\$ (376)	\$ 19	\$ 225

Fiscal 2020 Activity

(in millions)	Accrued May 31, 2019	Year Ended May 31, 2020				Accrued May 31, 2020(2)
		Initial Costs(3)	Adj. to Cost(4)	Cash Payments	Others(5)	
Fiscal 2019 Oracle Restructuring Plan(1)						
Cloud and license	\$ 72	\$ 140	\$ (24)	\$ (112)	\$ (1)	\$ 75
Hardware	18	28	(1)	(31)	—	14
Services	15	51	(2)	(37)	—	27
Other(6)	108	59	10	(111)	(44)	22
Total Fiscal 2019 Oracle Restructuring Plan	\$ 213	\$ 278	\$ (17)	\$ (291)	\$ (45)	\$ 138
Total other restructuring plans(7)	\$ 49	\$ —	\$ (11)	\$ (8)	\$ (17)	\$ 13
Total restructuring plans	\$ 262	\$ 278	\$ (28)	\$ (299)	\$ (62)	\$ 151

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Fiscal 2019 Activity

	Accrued May 31, 2018	Year Ended May 31, 2019				Accrued May 31, 2019
(in millions)		Initial Costs(3)	Adj. to Cost(4)	Cash Payments	Others(5)	
Fiscal 2019 Oracle Restructuring Plan(1)						
Cloud and license	\$ —	\$ 191	\$ (4)	\$ (113)	\$ (2)	\$ 72
Hardware	—	53	—	(35)	—	18
Services	—	41	1	(27)	—	15
Other(6)	—	190	4	(87)	1	108
Total Fiscal 2019 Oracle Restructuring Plan	\$ —	\$ 475	\$ 1	\$ (262)	\$ (1)	\$ 213
Total other restructuring plans(7)	\$ 282	\$ 5	\$ (58)	\$ (181)	\$ 1	\$ 49
Total restructuring plans	\$ 282	\$ 480	\$ (57)	\$ (443)	\$ —	\$ 262

(1) Restructuring costs recorded for individual line items primarily related to employee severance costs.

(2) As of May 31, 2021 and 2020, substantially all restructuring liabilities have been recorded in other current liabilities within our consolidated balance sheets.

(3) Costs recorded for the respective restructuring plans during the current period presented.

(4) All plan adjustments were changes in estimates whereby increases and decreases in costs were generally recorded to operating expenses in the period of adjustments.

(5) Represents foreign currency translation and certain other adjustments.

(6) Represents employee related severance costs for functions that are not included within our operating segments and certain other restructuring costs.

(7) Other restructuring plans presented in the tables above included condensed information for certain Oracle-based plans and other plans associated with certain of our acquisitions whereby we continued to make cash outlays to settle obligations under these plans during the periods presented but for which the periodic impact to our condensed consolidated statements of operations was not significant.

9. DEFERRED REVENUES

Deferred revenues consisted of the following:

(in millions)	May 31,	
	2021	2020
Cloud services and license support	\$ 7,728	\$ 6,996
Hardware	618	613
Services	399	365
Cloud license and on-premise license	30	28
Deferred revenues, current	8,775	8,002
Deferred revenues, non-current (in other non-current liabilities)	679	597
Total deferred revenues	\$ 9,454	\$ 8,599

Deferred cloud services and license support revenues and deferred hardware revenues substantially represent customer payments made in advance for cloud or support contracts that are typically billed in advance with corresponding revenues generally being recognized ratably over the contractual periods. Deferred services revenues include prepayments for our services business and revenues for these services are generally recognized as the services are performed. Deferred cloud license and on-premise license revenues typically resulted from customer payments that related to undelivered products and services or specified enhancements.

10. DERIVATIVE FINANCIAL INSTRUMENTS
Fair Value Hedges—Interest Rate Swap Agreements and Cross-Currency Interest Rate Swap Agreements

In May 2018, we entered into certain cross-currency interest rate swap agreements to manage the foreign currency exchange rate risk associated with our July 2025 Notes by effectively converting the fixed-rate, Euro denominated 2025 Notes, including the annual interest payments and the payment of principal at maturity, to variable-rate, U.S. Dollar denominated debt based on LIBOR. In July 2014, we entered into certain interest rate

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swap agreements that have the economic effect of modifying the fixed-interest obligations associated with our July 2021 Notes so that the interest payable on these senior notes effectively became variable based on LIBOR. The critical terms of the swap agreements match the critical terms of the July 2025 Notes and July 2021 Notes that the swap agreements pertain to, including the notional amounts and maturity dates.

We have designated the aforementioned swap agreements as qualifying hedging instruments and are accounting for them as fair value hedges pursuant to ASC 815. The changes in fair values of the cross-currency interest rate swap agreements associated with our July 2025 Notes are recognized as interest expense and non-operating income, net in our consolidated statements of operations with the corresponding amounts included in non-current assets or non-current liabilities in our consolidated balance sheets.

The changes in fair values of our interest rate swap agreements associated with our July 2021 Notes are recognized as interest expense in our consolidated statements of operations with the corresponding amounts included in other current assets or other current liabilities in our consolidated balance sheets. The amount of net gain (loss) attributable to the interest rate risk being hedged is recognized as interest expense and amount of net gain (loss) attributable to the foreign exchange risk being hedged, as applicable, is recognized as non-operating income, net in our consolidated statements of operations with the corresponding amount included in notes payable, current or notes payable, non-current. We exclude the portion of the change in fair value of cross-currency interest rate swap agreements attributable to the related cross-currency basis spread in our assessment of hedge effectiveness. The change in fair value of these cross-currency interest rate swap agreements attributable to the cross-currency basis spread is included in AOCL. The periodic interest settlements for the swap agreements for the July 2025 Notes and July 2021 Notes are recorded as interest expense and are included as a part of cash flows from operating activities and cash flows that pertain to the principal balance are classified as financing activities.

Cash Flow Hedges—Cross-Currency Swap Agreements

In connection with the issuance of the January 2021 Notes, we entered into certain cross-currency swap agreements to manage the related foreign currency exchange risk by effectively converting the fixed-rate, Euro-denominated January 2021 Notes, including the annual interest payments and the payment of principal at maturity, to a fixed-rate of 3.53% and U.S. Dollar-denominated principal amount of \$1.6 billion. We had designated these cross-currency swap agreements as qualifying hedging instruments and accounted for these as cash flow hedges pursuant to ASC 815. In fiscal 2021, the cross-currency swap agreements and the January 2021 Notes matured and were settled in cash. The cash flows related to the cross-currency swap agreements that pertained to the periodic interest settlements were classified as operating activities and the cash flows that pertained to the principal balance were classified as financing activities.

Foreign Currency Forward Contracts Not Designated as Hedges

We transact business in various foreign currencies and have established a program that primarily utilizes foreign currency forward contracts to offset the risks associated with the effects of certain foreign currency exposures. Under this program, our strategy is to enter into foreign currency forward contracts so that increases or decreases in our foreign currency exposures are offset by gains or losses on the foreign currency forward contracts in order to mitigate the risks and volatility associated with our foreign currency transactions. We may suspend this program from time to time. Our foreign currency exposures typically arise from intercompany sublicense fees, intercompany loans and other intercompany transactions that are generally expected to be cash settled in the near term. Our foreign currency forward contracts are generally short-term in duration. Our ultimate realized gain or loss with respect to currency fluctuations will generally depend on the size and type of cross-currency exposures that we enter into, the currency exchange rates associated with these exposures and changes in those rates, the net realized and unrealized gains or losses on foreign currency forward contracts to offset these exposures and other factors.

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We do not designate these forward contracts as hedging instruments pursuant to ASC 815. Accordingly, we recorded the fair values of these contracts as of the end of each reporting period to our consolidated balance sheets with changes in fair values recorded to our consolidated statements of operations. The balance sheet classification for the fair values of these forward contracts is other current assets for forward contracts in an unrealized gain position and other current liabilities for forward contracts in an unrealized loss position. The statement of operations classification for changes in fair values of these forward contracts is non-operating income, net for both realized and unrealized gains and losses.

As of May 31, 2021 and 2020, the notional amounts of the forward contracts we held to purchase U.S. Dollars in exchange for other major international currencies were \$4.3 billion and \$4.2 billion, respectively, and the notional amounts of forward contracts we held to sell U.S. Dollars in exchange for other major international currencies were \$4.5 billion and \$3.9 billion, respectively. The fair values of our outstanding foreign currency forward contracts were nominal at May 31, 2021 and 2020. The cash flows related to these foreign currency contracts are classified as operating activities.

The effects of derivative instruments designated as hedges on certain of our consolidated financial statements were as follows as of or for each of the respective periods presented below (amounts presented exclude any income tax effects):

Fair Values of Derivative Instruments Designated as Hedges in Consolidated Balance Sheets

(in millions)	Balance Sheet Location	May 31,	
		2021	2020
Derivative assets:			
Interest rate swap agreements designated as fair value hedges	Other current assets	\$ 3	\$ —
Interest rate swap agreements designated as fair value hedges	Other non-current assets	—	29
Cross-currency interest rate swap agreements designated as fair value hedges	Other non-current assets	70	—
Total derivative assets		<u>\$ 73</u>	<u>\$ 29</u>
Derivative liabilities:			
Cross-currency swap agreements designated as cash flow hedges	Other current liabilities	\$ —	\$ 251
Cross-currency interest rate swap agreements designated as fair value hedges	Other non-current liabilities	—	17
Total derivative liabilities		<u>\$ —</u>	<u>\$ 268</u>

Effects of Fair Value Hedging Relationships on Hedged Items in Consolidated Balance Sheets

(in millions)	May 31,	
	2021	2020
Notes payable, current:		
Carrying amount of hedged item	\$ 1,503	\$ —
Cumulative hedging adjustment included in the carrying amount	\$ 3	\$ —
Notes payable and other borrowings, non-current:		
Carrying amounts of hedged items	\$ 2,229	\$ 3,680
Cumulative hedging adjustments included in the carrying amount	\$ 118	\$ 75

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Effects of Derivative Instruments Designated as Hedges on Income

(in millions)	Year Ended May 31,					
	2021		2020		2019	
	Non-operating income, net	Interest expense	Non-operating income, net	Interest expense	Non-operating income, net	Interest expense
Consolidated statements of operations line amounts in which the hedge effects were recorded	\$ 282	\$ (2,496)	\$ 162	\$ (1,995)	\$ 815	\$ (2,082)
Gain (loss) on hedges recognized in income:						
Interest rate swap agreements designated as fair value hedges:						
Derivative instruments	\$ —	\$ (26)	\$ —	\$ 29	\$ —	\$ 31
Hedged items	—	26	—	(29)	—	(31)
Cross-currency interest rate swap agreements designated as fair value hedges:						
Derivative instruments	101	(6)	(7)	7	(38)	27
Hedged items	(85)	6	3	(7)	38	(27)
Cross-currency swap agreements designated as cash flow hedges:						
Amount of gain (loss) reclassified from accumulated OCI or OCL	137	—	(21)	—	(53)	—
Total gain (loss) on hedges recognized in income	\$ 153	\$ —	\$ (25)	\$ —	\$ (53)	\$ —

Gain (Loss) on Derivative Instruments Designated as Hedges included in Other Comprehensive Income (OCI) or Loss (OCL)

(in millions)	Year Ended May 31,		
	2021	2020	2019
Cross-currency swap agreements designated as cash flow hedges	\$ 129	\$ (43)	\$ (105)

11. LEASES, OTHER COMMITMENTS AND CERTAIN CONTINGENCIES
Leases

We have operating leases that primarily relate to certain of our facilities, data centers and vehicles. As of May 31, 2021, our operating leases substantially have remaining terms of one year to eleven years, some of which include options to extend and/or terminate the leases.

Operating lease expenses totaled \$654 million, net of sublease income of \$13 million in fiscal 2021 and \$599 million, net of sublease income of \$16 million in fiscal 2020. At May 31, 2021, ROU assets, current lease liabilities and non-current lease liabilities for our operating leases were \$2.6 billion, \$664 million and \$2.1 billion, respectively. We recorded ROU assets of \$1.7 billion in exchange for operating lease obligations during the year ended May 31, 2021. Cash paid for amounts included in the measurement of operating lease liabilities was \$696 million for year ended May 31, 2021. As of May 31, 2021, the weighted average remaining lease term for operating leases was approximately seven years and the weighted average discount rate used for calculating operating lease obligations was 2.8%. As of May 31, 2021, we have \$653 million of additional operating lease commitments, primarily for data centers, that commence in fiscal 2022 for terms of one to eleven years that were not reflected on our consolidated balance sheet as of May 31, 2021 or in the maturities table below.

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Maturities of operating lease liabilities were as follows as of May 31, 2021 (in millions):

Fiscal 2022	\$	694
Fiscal 2023		544
Fiscal 2024		427
Fiscal 2025		367
Fiscal 2026		320
Thereafter		710
Total operating lease payments		<u>3,062</u>
Less: imputed interest		<u>(280)</u>
Total operating lease liability	\$	<u>2,782</u>

Unconditional Obligations

In the ordinary course of business, we enter into certain unconditional purchase obligations with our suppliers, which are agreements that are enforceable and legally binding and specify terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the payment. We utilize several external manufacturers to manufacture sub-assemblies, perform final assemblies and perform testing of our hardware products. We also obtain individual components for our hardware products from a variety of individual suppliers based on projected demand information. Such purchase commitments are based on our forecasted component and manufacturing requirements and typically provide for fulfillment within agreed upon lead-times and/or commercially standard lead-times for the particular part or product and have been included in the amounts disclosed below. Certain routine arrangements for other materials and goods that are not related to our external manufacturers and certain other suppliers and that are entered into in the ordinary course of business are not included in the amounts below, as they are generally entered into in order to secure pricing or other negotiated terms and are difficult to quantify in a meaningful way.

As of May 31, 2021, our unconditional purchase and certain other obligations were as follows (in millions):

Fiscal 2022	\$	1,484
Fiscal 2023		143
Fiscal 2024		89
Fiscal 2025		61
Fiscal 2026		28
Thereafter		212
Total	\$	<u>2,017</u>

As described in Notes 7 and 10 above, as of May 31, 2021 we have senior notes and other borrowings that mature at various future dates and derivative financial instruments outstanding that we leverage to manage certain risks and exposures.

Guarantees

Our cloud, license and hardware sales agreements generally include certain provisions for indemnifying customers against liabilities if our products infringe a third party's intellectual property rights. To date, we have not incurred any material costs as a result of such indemnifications and have not accrued any material liabilities related to such obligations in our consolidated financial statements. Certain of our sales agreements also include provisions indemnifying customers against liabilities in the event we breach confidentiality or service level requirements. It is not possible to determine the maximum potential amount under these indemnification agreements due to our

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limited and infrequent history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement.

Our Oracle Cloud Services agreements generally include a warranty that the cloud services will be performed in all material respects as defined in the agreement during the service period. Our license and hardware agreements also generally include a warranty that our products will substantially operate as described in the applicable program documentation for a period of one year after delivery. We also warrant that services we perform will be provided in a manner consistent with industry standards for a period of 90 days from performance of the services.

We occasionally are required, for various reasons, to enter into financial guarantees with third parties in the ordinary course of our business including, among others, guarantees related to taxes, import licenses and letters of credit on behalf of parties with whom we conduct business. Such agreements have not had a material effect on our results of operations, financial position or cash flows.

In connection with certain litigation, we posted certain court-mandated surety bonds with a court and entered into related indemnification agreements with each of the surety bond issuing companies. Additional information is provided in Note 17 below.

12. STOCKHOLDERS' EQUITY

Common Stock Repurchases

Our Board of Directors has approved a program for us to repurchase shares of our common stock. On March 10, 2021, we announced that our Board of Directors approved an expansion of our stock repurchase program by an additional \$20.0 billion. As of May 31, 2021, approximately \$15.6 billion remained available for stock repurchases pursuant to our stock repurchase program. We repurchased 329.2 million shares for \$21.0 billion (including 0.8 million shares for \$66 million that were repurchased but not settled), 361.0 million shares for \$19.2 billion, and 733.8 million shares for \$36.0 billion in fiscal 2021, 2020 and 2019, respectively, under the stock repurchase program.

Our stock repurchase authorization does not have an expiration date and the pace of our repurchase activity will depend on factors such as our working capital needs, our cash requirements for acquisitions and dividend payments, our debt repayment obligations or repurchases of our debt, our stock price, and economic and market conditions. Our stock repurchases may be effected from time to time through open market purchases or pursuant to a Rule 10b5-1 plan. Our stock repurchase program may be accelerated, suspended, delayed or discontinued at any time.

Dividends on Common Stock

During fiscal 2021, 2020 and 2019, our Board of Directors declared cash dividends of \$1.04, \$0.96 and \$0.81 per share of our outstanding common stock, respectively, which we paid during the same period.

In June 2021, our Board of Directors declared a quarterly cash dividend of \$0.32 per share of our outstanding common stock. The dividend is payable on July 29, 2021 to stockholders of record as of the close of business on July 15, 2021. Future declarations of dividends and the establishment of future record and payment dates are subject to the final determination of our Board of Directors.

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Accumulated Other Comprehensive Loss

The following table summarizes, as of each balance sheet date, the components of our AOCL, net of income taxes:

(in millions)	May 31,	
	2021	2020
Foreign currency translation losses	\$ (775)	\$ (1,254)
Unrealized losses on defined benefit plans, net	(400)	(471)
Unrealized gains on marketable securities, net	—	1
Unrealized gains on cash flow hedges, net	—	8
Total accumulated other comprehensive loss	<u>\$ (1,175)</u>	<u>\$ (1,716)</u>

13. EMPLOYEE BENEFIT PLANS

Stock-Based Compensation Plans

Stock Plans

In fiscal 2021, we adopted the 2020 Equity Incentive Plan (the 2020 Plan) to replace the Amended and Restated 2000 Long-Term Equity Incentive Plan (the 2000 Plan and, together with the 2020 Plan, the Plans) which provides for the issuance of long-term performance awards, including restricted stock-based awards, non-qualified stock options and incentive stock options, as well as stock purchase rights and stock appreciation rights, to our eligible employees, officers and directors who are also employees or consultants, independent consultants and advisers.

The total number of shares authorized under the 2020 Plan is (i) 90 million shares, plus (ii) the number of shares that remained unissued and were available for grant under the 2000 Plan as of the date of adoption of the 2020 Plan, plus (iii) the number of shares granted and outstanding as of the date of adoption of the 2020 Plan which would have been available again for issuance under the terms of the 2000 Plan had the 2020 Plan not been adopted. Under the Plans, for each share granted as a full value award in the form of a restricted stock unit (RSU) or a performance-based restricted stock award (PSU), an equivalent of 2.5 shares is deducted from our pool of shares available for grant.

As of May 31, 2021, 107 million unvested restricted stock units (RSUs), 36 million performance-based stock options (PSOs), and service-based stock options (SOs) to purchase 69 million shares of common stock, of which 66 million shares were vested, were outstanding under the Plans. Approximately 210 million shares of common stock were available for future awards under the 2020 Plan as of May 31, 2021. To date, we have not issued any stock options under the 2020 Plan or any stock purchase rights or stock appreciation rights under either of the Plans.

The vesting schedule for all awards granted under the Plans is established by the Compensation Committee of the Board of Directors. RSUs generally require service-based vesting of 25% annually over four years. SOs were previously granted under the 2000 Plan at not less than fair market value, become exercisable generally 25% annually over four years of service, and generally expire 10 years from the date of grant.

PSOs granted under the 2000 Plan to our Chief Executive Officer and Chief Technology Officer in fiscal 2018 consisted of seven numerically equivalent vesting tranches that potentially may vest. One tranche vests solely on the attainment of a market-based metric. The remaining six tranches require the attainment of both a performance metric and a market capitalization metric. In each case, the market-based metric, performance metrics and market capitalization metrics for the PSOs may be achieved at any time during the required performance period, assuming continued employment and service through the date the Compensation Committee of the Board of Directors certifies that performance has been achieved. The PSOs have contractual lives of eight years in comparison to the typical ten year contractual lives for SOs. For the six tranches of the PSOs with both performance and market conditions, stock-based compensation expense is to be recognized starting at the time each vesting tranche becomes probable of achievement over the longer of the estimated implicit service period or derived service period. Stock-based compensation associated with a vesting tranche where vesting is no longer

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determined to be probable is reversed on a cumulative basis and is no longer prospectively recognized in the period when such a determination is made. Stock-based compensation for the market-based tranche was recognized using the derived service period for the market-based metric achievement, which we estimated to be approximately three years.

In connection with certain of our acquisitions, we assumed certain outstanding restricted stock-based awards and stock options under each acquired company's respective stock plans, or we substituted substantially similar awards under the Plans. These restricted stock-based awards and stock options assumed or substituted generally retained all of the rights, terms and conditions of the respective plans under which they were originally granted. As of May 31, 2021, stock options to purchase approximately 1 million shares of common stock were outstanding under acquired company stock plans that Oracle assumed.

In fiscal 1993, the Board adopted the 1993 Directors' Stock Plan (the Directors' Plan), which provides for the issuance of RSUs and other stock-based awards, including non-qualified stock options, to non-employee directors. The Directors' Plan has from time to time been amended and restated. Under the terms of the Directors' Plan, 10 million shares of common stock are reserved for issuance (including a fiscal 2013 amendment to increase the number of shares of our common stock reserved for issuance by 2 million shares). In prior years, we granted stock options at not less than fair market value, that vest over four years, and expire no more than 10 years from the date of grant. Currently, we only grant RSUs that vest fully on the one-year anniversary of the date of grant. The Directors' Plan was most recently amended on April 29, 2016 and permits the Compensation Committee of the Board to determine the amount and form of automatic grants of stock awards, if any, to each non-employee director upon first becoming a director and thereafter on an annual basis, as well as automatic grants for chairing certain Board committees, subject to certain stockholder approved limitations set forth in the Directors' Plan. In April 2020, the Compensation Committee reduced the maximum value of the annual automatic RSU grants to each non-employee director from \$400,000 to \$350,000 and eliminated all equity grants for chairing board committees. As of May 31, 2021, approximately 49,000 unvested RSUs and stock options to purchase approximately 1 million shares of common stock (all of which were vested) were outstanding under the Directors' Plan. As of May 31, 2021, approximately 1 million shares were available for future stock awards under this plan.

The following table summarizes restricted stock-based award activity granted pursuant to Oracle-based stock plans and stock plans assumed from our acquisitions for our last three fiscal years ended May 31, 2021:

(in millions, except fair value)	Restricted Stock-Based Awards Outstanding	
	Number of Shares	Weighted-Average Grant Date Fair Value
Balance, May 31, 2018	89	\$ 42.93
Granted	53	\$ 42.47
Vested and Issued	(31)	\$ 41.85
Canceled	(12)	\$ 42.97
Balance, May 31, 2019	99	\$ 43.01
Granted	50	\$ 53.38
Vested and Issued	(34)	\$ 42.67
Canceled	(14)	\$ 46.81
Balance, May 31, 2020	101	\$ 48.36
Granted	54	\$ 54.95
Vested and Issued	(34)	\$ 46.88
Canceled	(11)	\$ 50.40
Balance, May 31, 2021	110	\$ 51.87

The total grant date fair values of restricted stock-based awards that were vested and issued in fiscal 2021, 2020 and 2019 were \$1.6 billion, \$1.5 billion and \$1.3 billion, respectively. As of May 31, 2021, total unrecognized stock-

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based compensation expense related to non-vested restricted stock-based awards was \$3.7 billion and is expected to be recognized over the remaining weighted-average vesting period of 2.76 years.

The following table summarizes stock option activity, including SOs and PSOs, and includes awards granted pursuant to the Plans and stock plans assumed from our acquisitions for our last three fiscal years ended May 31, 2021:

(in millions, except exercise price)	Options Outstanding	
	Shares Under Stock Option	Weighted-Average Exercise Price
Balance, May 31, 2018	304	\$ 36.11
Granted	7	\$ 43.47
Exercised	(72)	\$ 28.32
Canceled	(17)	\$ 49.28
Balance, May 31, 2019	222	\$ 37.78
Granted	—	\$ —
Exercised	(44)	\$ 33.18
Canceled	(2)	\$ 44.76
Balance, May 31, 2020	176	\$ 38.86
Granted	—	\$ —
Exercised	(52)	\$ 32.05
Canceled	(17)	\$ 51.02
Balance, May 31, 2021	107	\$ 40.14

Stock options outstanding that have vested and that are expected to vest as of May 31, 2021 were as follows:

	Outstanding Stock Options (in millions)	Weighted-Average Exercise Price	Weighted-Average Remaining Contract Term (in years)	Aggregate Intrinsic Value ⁽¹⁾ (in millions)
Vested	67	\$ 34.05	2.54	\$ 3,000
Expected to vest ⁽²⁾	9	\$ 48.70	5.76	266
Total	76	\$ 35.76	2.91	\$ 3,266

(1) The aggregate intrinsic value was calculated based on the gross difference between our closing stock price on the last trading day of fiscal 2021 of \$78.74 and the exercise prices for all “in-the-money” options outstanding, excluding tax effects.

(2) The unrecognized compensation expense calculated under the fair value method for shares expected to vest (unvested shares net of expected forfeitures) as of May 31, 2021 was approximately \$17 million and is expected to be recognized over a weighted-average period of 1.44 years. Approximately 31 million shares outstanding as of May 31, 2021 were not expected to vest.

Stock-Based Compensation Expense and Valuations of Stock Awards

We estimated the fair values of our restricted stock-based awards that are solely subject to service-based vesting requirements based upon their market values as of the grant dates, discounted for the present values of expected dividends.

Stock-based compensation expense was included in the following operating expense line items in our consolidated statements of operations:

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(in millions)	Year Ended May 31,		
	2021	2020	2019
Cloud services and license support	\$ 134	\$ 110	\$ 99
Hardware	11	11	10
Services	55	54	49
Sales and marketing	313	261	360
Research and development	1,188	1,035	963
General and administrative	136	119	172
Total stock-based compensation	1,837	1,590	1,653
Estimated income tax benefit included in provision for income taxes	(413)	(343)	(358)
Total stock-based compensation, net of estimated income tax benefit	<u>\$ 1,424</u>	<u>\$ 1,247</u>	<u>\$ 1,295</u>

Tax Benefits from Exercises of Stock Options and Vesting of Restricted Stock-Based Awards

Total cash received as a result of stock option exercises was approximately \$1.7 billion, \$1.5 billion and \$2.0 billion for fiscal 2021, 2020 and 2019, respectively. The total aggregate intrinsic value of restricted stock-based awards that vested and were issued and stock options that were exercised was \$3.7 billion, \$2.9 billion and \$3.1 billion for fiscal 2021, 2020 and 2019, respectively. In connection with the vesting and issuance of restricted stock-based awards and stock options that were exercised, the tax benefits realized by us were \$842 million, \$638 million and \$692 million for fiscal 2021, 2020 and 2019, respectively.

Employee Stock Purchase Plan

We have an Employee Stock Purchase Plan (Purchase Plan) that allows employees to purchase shares of common stock at a price per share that is 95% of the fair market value of Oracle stock as of the end of the semi-annual option period. As of May 31, 2021, 42 million shares were reserved for future issuances under the Purchase Plan. We issued 2 million shares in each of fiscal 2021, 2020 and 2019, respectively, under the Purchase Plan.

Defined Contribution and Other Postretirement Plans

We offer various defined contribution plans for our U.S. and non-U.S. employees. Total defined contribution plan expense was \$380 million, \$376 million and \$380 million for fiscal 2021, 2020 and 2019, respectively.

In the U.S., regular employees can participate in the Oracle Corporation 401(k) Savings and Investment Plan (Oracle 401(k) Plan). Participants can generally contribute up to 40% of their eligible compensation on a per-pay-period basis as defined by the Oracle 401(k) Plan document or by the section 402(g) limit as defined by the U.S. Internal Revenue Service (IRS). We match a portion of employee contributions, currently 50% up to 6% of compensation each pay period, subject to maximum aggregate matching amounts. Our contributions to the Oracle 401(k) Plan, net of forfeitures, were \$150 million, \$152 million and \$154 million in fiscal 2021, 2020 and 2019, respectively.

We also offer non-qualified deferred compensation plans to certain employees whereby they may defer a portion of their annual base and/or variable compensation until retirement or a date specified by the employee in accordance with the plans. Deferred compensation plan assets and liabilities were each approximately \$813 million and approximately \$636 million as of May 31, 2021 and 2020, respectively, and were presented in other non-current assets and other non-current liabilities in the accompanying consolidated balance sheets.

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We sponsor certain defined benefit pension plans that are offered primarily by certain of our foreign subsidiaries. Many of these plans were assumed through our acquisitions or are required by local regulatory requirements. We may deposit funds for these plans with insurance companies, third-party trustees, or into government-managed accounts consistent with local regulatory requirements, as applicable. Our total defined benefit plan pension expenses were \$105 million, \$97 million and \$90 million for fiscal 2021, 2020 and 2019, respectively. The aggregate projected benefit obligation and aggregate net liability (funded status) of our defined benefit plans as of May 31, 2021 were \$1.4 billion and \$889 million, respectively, and as of May 31, 2020 were \$1.3 billion and \$884 million, respectively.

14. INCOME TAXES

Our effective tax rates for each of the periods presented are the result of the mix of income earned in various tax jurisdictions that apply a broad range of income tax rates. Our provision for income taxes for fiscal 2021 varied from the tax computed at the U.S. federal statutory income tax rate primarily due to a net deferred tax benefit that totaled \$2.3 billion that we recognized as a result of a partial realignment of our legal entity structure that resulted in the intra-group transfer of certain intellectual property (IP) rights, earnings in foreign operations, state taxes, the U.S. research and development tax credit, settlements with tax authorities, the tax effects of stock-based compensation, the Foreign Derived Intangible Income deduction and the tax effect of GILTI. Our provision for income taxes for fiscal 2020 varied from the tax computed at the U.S. federal statutory income tax rate primarily due to earnings in foreign operations, state taxes, the U.S. research and development tax credit, settlements with tax authorities, the tax effects of stock-based compensation, the Foreign Derived Intangible Income deduction and the tax effect of GILTI. Our provision for income taxes for fiscal 2019 varied from the 21% U.S. statutory rate imposed by the U.S. Tax Cuts and Jobs Act of 2017 (the Tax Act) primarily due to earnings in foreign operations, state taxes, the U.S. research and development tax credit, settlements with tax authorities, the tax effects of stock-based compensation, the Foreign Derived Intangible Income deduction, GILTI, and a \$389 million net reduction to our transition tax recorded in connection with the Tax Act pursuant to SEC Staff Accounting Bulletin No. 118.

The following is a geographical breakdown of income before benefit from (provision for) income taxes:

(in millions)	Year Ended May 31,		
	2021	2020	2019
Domestic	\$ 4,375	\$ 3,890	\$ 3,774
Foreign	8,624	8,173	8,494
Income before benefit from (provision for) income taxes	<u>\$ 12,999</u>	<u>\$ 12,063</u>	<u>\$ 12,268</u>

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The benefit from (provision for) income taxes consisted of the following:

(Dollars in millions)	Year Ended May 31,		
	2021	2020	2019
Current provision:			
Federal	\$ (516)	\$ (1,616)	\$ (979)
State	(233)	(19)	(300)
Foreign	(929)	(1,144)	(1,097)
Total current provision	<u>\$ (1,678)</u>	<u>\$ (2,779)</u>	<u>\$ (2,376)</u>
Deferred benefit:			
Federal	\$ (8,631)	\$ 983	\$ (483)
State	77	(50)	28
Foreign	10,979	(82)	1,646
Total deferred benefit	<u>\$ 2,425</u>	<u>\$ 851</u>	<u>\$ 1,191</u>
Total benefit from (provision for) income taxes	<u>\$ 747</u>	<u>\$ (1,928)</u>	<u>\$ (1,185)</u>
Effective income tax (benefit) expense rate	(5.7%)	16.0%	9.7%

The benefit from (provision for) income taxes differed from the amount computed by applying the federal statutory rate to our income before benefit from (provision for) income taxes as follows (certain prior year amounts have been reclassified to conform to the current year's presentation):

(Dollars in millions)	Year Ended May 31,		
	2021	2020	2019
U.S. federal statutory tax rate	21.0%	21.0%	21.0%
Tax provision at statutory rate	\$ (2,730)	\$ (2,533)	\$ (2,576)
Impact of the Tax Act of 2017:			
One-time transition tax	—	—	529
Deferred tax effects	—	—	(140)
Foreign earnings at other than United States rates	580	496	1,053
Net impact of intra-entity IP transfer	2,266	—	—
State tax expense, net of federal benefit	(206)	(172)	(163)
Settlements and releases from judicial decisions and statute expirations, net	582	137	132
Tax contingency interest accrual, net	(55)	(163)	(245)
Domestic tax contingency, net	(282)	(58)	(183)
Federal research and development credit	169	151	159
Stock-based compensation	300	166	201
Other, net	123	48	48
Total benefit from (provision for) income taxes	<u>\$ 747</u>	<u>\$ (1,928)</u>	<u>\$ (1,185)</u>

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The components of our deferred tax assets and liabilities were as follows:

(in millions)	May 31,	
	2021	2020
Deferred tax assets:		
Accruals and allowances	\$ 452	\$ 469
Employee compensation and benefits	755	638
Differences in timing of revenue recognition	547	524
Lease liabilities	524	253
Basis of property, plant and equipment and intangible assets	12,161	1,115
Tax credit and net operating loss carryforwards	3,934	3,871
Total deferred tax assets	18,373	6,870
Valuation allowance	(1,526)	(1,359)
Total deferred tax assets, net	16,847	5,511
Deferred tax liabilities:		
Unrealized gain on stock	(78)	(78)
Acquired intangible assets	(266)	(561)
GILTI deferred	(9,883)	(1,108)
ROU assets	(488)	(241)
Withholding taxes on foreign earnings	(195)	(171)
Other	(165)	(141)
Total deferred tax liabilities	(11,075)	(2,300)
Net deferred tax assets	\$ 5,772	\$ 3,211
Recorded as:		
Non-current deferred tax assets	\$ 13,636	\$ 3,252
Non-current deferred tax liabilities	(7,864)	(41)
Net deferred tax assets	\$ 5,772	\$ 3,211

We provide for United States income taxes on the undistributed earnings and the other outside basis temporary differences of foreign subsidiaries unless they are considered indefinitely reinvested outside the United States. At May 31, 2021, the amount of temporary differences related to undistributed earnings and other outside basis temporary differences of investments in foreign subsidiaries upon which U.S. income taxes have not been provided was approximately \$7.9 billion. If the undistributed earnings and other outside basis differences were recognized in a taxable transaction, they would generate foreign tax credits that would reduce the federal tax liability associated with the foreign dividend or the otherwise taxable transaction. At May 31, 2021, assuming a full utilization of the foreign tax credits, the potential net deferred tax liability associated with these other outside basis temporary differences would be approximately \$1.4 billion.

Our net deferred tax assets were \$5.8 billion and \$3.2 billion as of May 31, 2021 and 2020, respectively. We believe that it is more likely than not that the net deferred tax assets will be realized in the foreseeable future. Realization of our net deferred tax assets is dependent upon our generation of sufficient taxable income in future years in appropriate tax jurisdictions to obtain benefit from the reversal of temporary differences, net operating loss carryforwards and tax credit carryforwards. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

The valuation allowance was \$1.5 billion and \$1.4 billion as of May 31, 2021 and 2020, respectively. A majority of the valuation allowances as of May 31, 2021 and 2020 related to tax assets established in purchase accounting and other tax credits. Any subsequent reduction of that portion of the valuation allowance and the recognition of the associated tax benefits associated with our acquisitions will be recorded to our provision for income taxes

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subsequent to our final determination of the valuation allowance or the conclusion of the measurement period (as defined above), whichever comes first.

At May 31, 2021, we had federal net operating loss carryforwards of approximately \$502 million, which are subject to limitation on their utilization. Approximately \$447 million of these federal net operating losses expire in various years between fiscal 2022 and fiscal 2038. Approximately \$55 million of these federal net operating losses are not currently subject to expiration dates. We had state net operating loss carryforwards of approximately \$2.0 billion at May 31, 2021, which expire between fiscal 2022 and fiscal 2040 and are subject to limitations on their utilization. We had total foreign net operating loss carryforwards of approximately \$1.8 billion at May 31, 2021, which are subject to limitations on their utilization. Approximately \$1.7 billion of these foreign net operating losses are not currently subject to expiration dates. The remainder of the foreign net operating losses, approximately \$86 million, expire between fiscal 2022 and fiscal 2041. At May 31, 2021, we had federal capital loss carryforwards of approximately \$501 million, which expire in fiscal 2026. We had state capital loss carryforwards of approximately \$661 million, which expire between fiscal 2025 and fiscal 2026. We had tax credit carryforwards of approximately \$1.1 billion at May 31, 2021, which are subject to limitations on their utilization. Approximately \$765 million of these tax credit carryforwards are not currently subject to expiration dates. The remainder of the tax credit carryforwards, approximately \$378 million, expire in various years between fiscal 2022 and fiscal 2041.

We classify our unrecognized tax benefits as either current or non-current income taxes payable in the accompanying consolidated balance sheets. The aggregate changes in the balance of our gross unrecognized tax benefits, including acquisitions, were as follows:

(in millions)	Year Ended May 31,		
	2021	2020	2019
Gross unrecognized tax benefits as of June 1	\$ 6,972	\$ 6,348	\$ 5,592
Increases related to tax positions from prior fiscal years	225	624	772
Decreases related to tax positions from prior fiscal years	(836)	(298)	(135)
Increases related to tax positions taken during current fiscal year	531	628	540
Settlements with tax authorities	(51)	(177)	(153)
Lapses of statutes of limitation	(66)	(116)	(202)
Cumulative translation adjustments and other, net	137	(37)	(66)
Total gross unrecognized tax benefits as of May 31	<u>\$ 6,912</u>	<u>\$ 6,972</u>	<u>\$ 6,348</u>

As of May 31, 2021, 2020 and 2019, \$4.4 billion, \$4.3 billion and \$4.2 billion, respectively, of unrecognized tax benefits would affect our effective tax rate if recognized. We recognized interest and penalties related to uncertain tax positions in our provision for income taxes line of our consolidated statements of operations of \$166 million, \$202 million and \$312 million during fiscal 2021, 2020 and 2019, respectively. Interest and penalties accrued as of May 31, 2021 and 2020 were \$1.6 billion and \$1.4 billion, respectively.

Domestically, U.S. federal and state taxing authorities are currently examining income tax returns of Oracle and various acquired entities for years through fiscal 2019. Many issues are at an advanced stage in the examination process, the most significant of which include transfer pricing, domestic production activity, foreign tax credits, research and development credits, state economic nexus, and qualification as a state manufacturer. With all of these domestic audit issues considered in the aggregate, we believe that it was reasonably possible that, as of May 31, 2021, the gross unrecognized tax benefits related to these audits could decrease (whether by payment, release, or a combination of both) in the next 12 months by as much as \$798 million (\$671 million net of offsetting tax benefits). Our U.S. federal income tax returns have been examined for all years prior to fiscal 2010 and, with some exceptions, we are no longer subject to audit for those periods. Our U.S. state income tax returns, with some exceptions, have been examined for all years prior to fiscal 2007, and we are no longer subject to audit for those periods.

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Internationally, tax authorities for numerous non-U.S. jurisdictions are also examining returns affecting our unrecognized tax benefits. We believe that it was reasonably possible that, as of May 31, 2021, the gross unrecognized tax benefits could decrease (whether by payment, release, or a combination of both) by as much as \$197 million (\$89 million net of offsetting tax benefits) in the next 12 months related primarily to transfer pricing. With some exceptions, we are generally no longer subject to tax examinations in non-U.S. jurisdictions for years prior to fiscal 2001.

We are under audit by the IRS and various other domestic and foreign tax authorities with regards to income tax and indirect tax matters and are involved in various challenges and litigation in a number of countries, including, in particular, Australia, Brazil, Canada, India, Indonesia, Israel, Mexico, New Zealand, Pakistan, Saudi Arabia, South Korea and Spain, where the amounts under controversy are significant. In some, although not all, cases, we have reserved for potential adjustments to our provision for income taxes and accrual of indirect taxes that may result from examinations by, or any negotiated agreements with, these tax authorities or final outcomes in judicial proceedings, and we believe that the final outcome of these examinations, agreements or judicial proceedings will not have a material effect on our results of operations. If events occur which indicate payment of these amounts is unnecessary, the reversal of the liabilities would result in the recognition of benefits in the period we determine the liabilities are no longer necessary. If our estimates of the federal, state, and foreign income tax liabilities and indirect tax liabilities are less than the ultimate assessment, it could result in a further charge to expense.

We believe that we have adequately provided under GAAP for outcomes related to our tax audits. However, there can be no assurances as to the possible outcomes or any related financial statement effect thereof.

15. SEGMENT INFORMATION

ASC 280, *Segment Reporting*, establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. Our chief operating decision makers (CODMs) are our Chief Executive Officer and Chief Technology Officer. We are organized by line of business and geographically. While our CODMs evaluate results in a number of different ways, the line of business management structure is the primary basis for which the allocation of resources and financial results are assessed. The tabular information below presents the financial information provided to our CODMs for their review and assists our CODMs with evaluating the company's performance and allocating company resources.

We have three businesses—cloud and license, hardware and services—each of which is comprised of a single operating segment. All three of our businesses market and sell our offerings globally to businesses of many sizes, government agencies, educational institutions and resellers with a worldwide sales force positioned to offer the combinations that best meet customer needs.

Our cloud and license business engages in the sale, marketing and delivery of our enterprise applications and infrastructure technologies through cloud and on-premise deployment models including our cloud services and license support offerings; and our cloud license and on-premise license offerings. Cloud services and license support revenues are generated from offerings that are typically contracted with customers directly, billed to customers in advance, delivered to customers over time with our revenue recognition occurring over the contractual terms, and renewed by customers upon completion of the contractual terms. Cloud services and license support contracts provide customers with access to the latest updates to the applications and infrastructure technologies as they become available and for which the customer contracted and also include related technical support services over the contractual term. Cloud license and on-premise license revenues represent fees earned from granting customers licenses, generally on a perpetual basis, to use our database and middleware and our applications software products within cloud and on-premise IT environments. We generally recognize revenues at the point in time the software is made available to the customer to download and use, which typically is immediate upon signature of the license contract. In each fiscal year, our cloud and license

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business' contractual activities are typically highest in our fourth fiscal quarter and the related cash flows are typically highest in the following quarter (i.e., in the first fiscal quarter of the next fiscal year) as we receive payments from these contracts.

Our hardware business provides Oracle Engineered Systems, servers, storage, industry-specific hardware, operating systems, virtualization, management and other hardware-related software to support diverse IT environments. Our hardware business also offers hardware support, which provides customers with software updates for the software components that are essential to the functionality of their hardware products, such as Oracle So aris and certain other software, and can also include product repairs, maintenance services and technical support services.

Our services business provides services to customers and partners to help maximize the performance of their investments in Oracle applications and infrastructure technologies.

We do not track our assets for each business. Consequently, it is not practical to show assets by operating segment.

The following table presents summary results for each of our three businesses for each of fiscal 2021, 2020 and 2019:

(in millions)	Year Ended May 31,		
	2021	2020	2019
Cloud and license:			
Revenues(1)	\$ 34,101	\$ 32,523	\$ 32,582
Cloud services and license support expenses	4,133	3,803	3,597
Sales and marketing expenses	6,799	7,159	7,398
Margin(2)	\$ 23,169	\$ 21,561	\$ 21,587
Hardware:			
Revenues	\$ 3,359	\$ 3,443	\$ 3,704
Hardware products and support expenses	945	1,084	1,327
Sales and marketing expenses	388	456	520
Margin(2)	\$ 2,026	\$ 1,903	\$ 1,857
Services:			
Revenues	\$ 3,021	\$ 3,106	\$ 3,240
Services expenses	2,393	2,656	2,703
Margin(2)	\$ 628	\$ 450	\$ 537
Totals:			
Revenues(1)	\$ 40,481	\$ 39,072	\$ 39,526
Expenses	14,658	15,158	15,545
Margin(2)	\$ 25,823	\$ 23,914	\$ 23,981

(1) Cloud and license revenues presented for management reporting included revenues related to cloud and license obligations that would have otherwise been recorded by the acquired businesses as independent entities but were not recognized in our consolidated statements of operations for the periods presented due to business combination accounting requirements. The table below provides a reconciliation of our total operating segment revenues to our total consolidated revenues as reported in our consolidated statements of operations.

(2) The margins reported reflect only the direct controllable costs of each line of business and do not include allocations of product development, general and administrative and certain other allocable expenses, net. Additionally, the margins reported above do not reflect amortization of intangible assets, acquisition related and other expenses, restructuring expenses, stock-based compensation, interest expense or non-operating income, net. Refer to the table below for a reconciliation of our total margin for operating segments to our income before provision for income taxes as reported per our consolidated statements of operations.

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The following table reconciles total operating segment revenues to total revenues as well as total operating segment margin to income before benefit from (provision for) income taxes:

(in millions)	Year Ended May 31,		
	2021	2020	2019
Total revenues for operating segments	\$ 40,481	\$ 39,072	\$ 39,526
Cloud and license revenues(1)	(2)	(4)	(20)
Total revenues	<u>\$ 40,479</u>	<u>\$ 39,068</u>	<u>\$ 39,506</u>
Total margin for operating segments	\$ 25,823	\$ 23,914	\$ 23,981
Cloud and license revenues(1)	(2)	(4)	(20)
Research and development	(6,527)	(6,067)	(6,026)
General and administrative	(1,254)	(1,181)	(1,265)
Amortization of intangible assets	(1,379)	(1,586)	(1,689)
Acquisition related and other	(138)	(56)	(44)
Restructuring	(431)	(250)	(443)
Stock-based compensation for operating segments	(513)	(436)	(518)
Expense allocations and other, net	(366)	(438)	(441)
Interest expense	(2,496)	(1,995)	(2,082)
Non-operating income, net	282	162	815
Income before benefit from (provision for) income taxes	<u>\$ 12,999</u>	<u>\$ 12,063</u>	<u>\$ 12,268</u>

(1) Cloud and license revenues presented for management reporting included revenues related to cloud and license obligations that would have otherwise been recorded by the acquired businesses as independent entities but were not recognized in our consolidated statements of operations for the periods presented due to business combination accounting requirements. This table provides a reconciliation of our total operating segment revenues to our total revenues as reported in our consolidated statements of operations.

Disaggregation of Revenues

We have considered information that is regularly reviewed by our CODMs in evaluating financial performance, and disclosures presented outside of our financial statements in our earnings releases and used in investor presentations to disaggregate revenues to depict how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors. The principal category we use to disaggregate revenues is the nature of our products and services as presented in our consolidated statements of operations, the total of which is reconciled to revenues from our reportable segments as per the preceding tables of this footnote.

The following table is a summary of our total revenues by geographic region. The relative proportion of our total revenues between each geographic region as presented in the table below was materially consistent across each of our operating segments' revenues for each of fiscal 2021, 2020 and 2019:

(in millions)	Year Ended May 31,		
	2021	2020	2019
Americas	\$ 21,828	\$ 21,563	\$ 21,856
EMEA(1)	11,894	11,035	11,270
Asia Pacific	6,757	6,470	6,380
Total revenues	<u>\$ 40,479</u>	<u>\$ 39,068</u>	<u>\$ 39,506</u>

(1) Comprised of Europe, the Middle East and Africa

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2021

The following table presents our cloud services and license support revenues by applications and infrastructure ecosystems.

(in millions)	Year Ended May 31,		
	2021	2020	2019
Applications cloud services and license support	\$ 11,712	\$ 11,015	\$ 10,553
Infrastructure cloud services and license support	16,988	16,377	16,154
Total cloud services and license support revenues	<u>\$ 28,700</u>	<u>\$ 27,392</u>	<u>\$ 26,707</u>

Geographic Information

Disclosed in the table below is geographic information for each country that comprised greater than three percent of our total revenues for any of fiscal 2021, 2020 or 2019.

(in millions)	As of and for the Year Ended May 31,					
	2021		2020		2019	
	Revenues	Long-Lived Assets ⁽¹⁾	Revenues	Long-Lived Assets ⁽¹⁾	Revenues	Long-Lived Assets ⁽¹⁾
United States	\$ 18,734	\$ 6,826	\$ 18,428	\$ 6,012	\$ 18,596	\$ 5,318
United Kingdom	2,110	685	1,904	472	2,054	423
Japan	1,988	650	1,977	655	1,848	422
Germany	1,744	561	1,510	418	1,583	263
Canada	1,281	199	1,162	169	1,166	87
Other countries	14,622	2,464	14,087	1,977	14,259	1,356
Total	<u>\$ 40,479</u>	<u>\$ 11,385</u>	<u>\$ 39,068</u>	<u>\$ 9,703</u>	<u>\$ 39,506</u>	<u>\$ 7,869</u>

(1) Long-lived assets include goodwill, intangible assets, equity investments and deferred taxes which are not allocated to specific geographic locations as this is impracticable to do so.

16. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income for the period by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income for the period by the weighted-average number of common shares outstanding during the period, plus the dilutive effect of outstanding restricted stock-based awards, stock options, and shares issuable under the employee stock purchase plan as applicable pursuant to the treasury stock method. The following table sets forth the computation of basic and diluted earnings per share:

(in millions, except per share data)	Year Ended May 31,		
	2021	2020	2019
Net income	\$ 13,746	\$ 10,135	\$ 11,083
Weighted average common shares outstanding	2,945	3,211	3,634
Dilutive effect of employee stock plans	77	83	98
Dilutive weighted average common shares outstanding	<u>3,022</u>	<u>3,294</u>	<u>3,732</u>
Basic earnings per share	\$ 4.67	\$ 3.16	\$ 3.05
Diluted earnings per share	\$ 4.55	\$ 3.08	\$ 2.97
Shares subject to anti-dilutive restricted stock-based awards and stock options excluded from calculation ⁽¹⁾	36	56	71

(1) These weighted shares relate to anti-dilutive restricted stock-based awards and stock options, both of which were service-based, as calculated using the treasury stock method and contingently issuable shares, substantially all of which were related to PSO agreements. Such shares could be dilutive in the future. See Note 13 for information regarding the exercise prices of our outstanding, unexercised stock options.

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2021

17. LEGAL PROCEEDINGS

Hewlett-Packard Company Litigation

On June 15, 2011, Hewlett-Packard Company, now Hewlett Packard Enterprise Company (HP), filed a complaint in the California Superior Court, County of Santa Clara against Oracle Corporation alleging numerous causes of action including breach of contract, breach of the covenant of good faith and fair dealing, defamation, intentional interference with prospective economic advantage, and violation of the California Unfair Business Practices Act. The complaint alleged that when Oracle announced on March 22 and 23, 2011 that it would no longer develop future versions of its software to run on HP's Itanium-based servers, it breached a settlement agreement signed on September 20, 2010 (the HP Settlement Agreement), resolving litigation between HP and one of Oracle's former CEOs who had previously acted as HP's chief executive officer and chairman of HP's board of directors. HP sought a judicial declaration of the parties' rights and obligations under the HP Settlement Agreement and other equitable and monetary relief. Oracle answered the complaint and filed cross-claims.

After a bench trial on the meaning of the HP Settlement Agreement, the court found that the HP Settlement Agreement required Oracle to continue to develop certain of its software products for use on HP's Itanium-based servers at no cost to HP. The case proceeded to a jury trial in May 2016. On June 30, 2016, the jury returned a verdict in favor of HP on its claims for breach of contract and breach of the implied covenant of good faith and fair dealing and against Oracle on its cross-claims. The jury awarded HP \$3.0 billion in damages. Under the court's rulings, HP is entitled to post-judgment interest, but not pre-judgment interest, on this award.

After the trial court denied Oracle's motion for a new trial, Oracle filed a notice of appeal on January 17, 2017. On February 2, 2017, HP filed a notice of appeal of the trial court's denial of pre-judgment interest. Oral argument was held on May 27, 2021. On June 14, 2021, the Court of Appeal affirmed both the judgment against Oracle noted above, and the denial of pre-judgment interest. Oracle has posted a mandated surety bond with the trial court for the amounts owing. No amounts have been paid or recorded to our results of operations. If the Court of Appeal's judgment is ultimately affirmed, we would be liable for the amount of the jury award that is described above plus post-judgment interest.

We continue to believe that we have meritorious defenses against HP's claims and intend to vigorously defend against them including our intention to petition for review by the California Supreme Court.

We cannot currently estimate a reasonably possible range of loss for this action due to the complexities and uncertainty surrounding this process and the nature of the claims. Litigation is inherently unpredictable, and the outcome of the process related to this action is uncertain. It is possible that the resolution of this action could have a material impact on our future cash flows and results of operations.

Derivative Litigation Concerning Oracle's NetSuite Acquisition

On May 3 and July 18, 2017, two alleged stockholders filed separate derivative lawsuits in the Court of Chancery of the State of Delaware, purportedly on Oracle's behalf. Thereafter, the court consolidated the two derivative cases and designated the July 18, 2017 complaint as the operative complaint. The consolidated lawsuit was brought against all the then-current members and one former member of our Board of Directors, and Oracle as a nominal defendant. Plaintiff alleged that the defendants breached their fiduciary duties by causing Oracle to agree to purchase NetSuite Inc. (NetSuite) at an excessive price. The complaint sought (and the operative complaint continues to seek) declaratory relief, unspecified monetary damages (including interest), and attorneys' fees and costs. The defendants filed a motion to dismiss, which the court denied on March 19, 2018.

On May 4, 2018, our Board of Directors established a Special Litigation Committee (the SLC) to investigate the allegations in this derivative action. Three non-employee directors served on the SLC. On August 15, 2019, the SLC filed a letter with the court, stating that the SLC believed that plaintiff should be allowed to proceed with the derivative litigation on behalf of Oracle. After the SLC advised the Board that it had fulfilled its duties and

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2021

obligations, the Board withdrew the SLC's authority, except that the SLC maintained certain authority to respond to discovery requests in the litigation.

After plaintiff filed the July 18, 2017 complaint, an additional plaintiff joined the case. Plaintiffs filed several amended complaints, and filed their most recent amended complaint on December 11, 2020. The operative complaint asserts claims for breach of fiduciary duty against our Chief Executive Officer, our Chief Technology Officer, the estate of Mark Hurd (our former Chief Executive Officer who passed away on October 18, 2019), and two other members of our Board of Directors. Oracle is named as a nominal defendant. On December 11, 2020, the estate of Mark Hurd and the two other members of our Board of Directors moved to dismiss this complaint, and a hearing on this motion was held on February 16, 2021. The court has not yet ruled on this motion. On December 28, 2020, our Chief Executive Officer, our Chief Technology Officer, and Oracle as a nominal defendant filed answers to the operative complaint.

The parties are conducting discovery. Trial is scheduled to commence on July 18, 2022.

While Oracle continues to evaluate these claims, we do not believe this litigation will have a material impact on our financial position or results of operations.

Securities Class Action and Derivative Litigation Concerning Oracle's Cloud Business

On August 10, 2018, a putative class action, brought by an alleged stockholder of Oracle, was filed in the U.S. District Court for the Northern District of California against us, our Chief Technology Officer, our then-two Chief Executive Officers, two other Oracle executives, and one former Oracle executive. As noted above, Mr. Hurd, one of our then-two Chief Executive Officers, passed away on October 18, 2019. On March 8, 2019, plaintiff filed an amended complaint. Plaintiff alleges that the defendants made or are responsible for false and misleading statements regarding Oracle's cloud business. Plaintiff further alleges that the former Oracle executive engaged in insider trading. Plaintiff seeks a ruling that this case may proceed as a class action, and seeks damages, attorneys' fees and costs, and unspecified declaratory/injunctive relief. On April 19, 2019, defendants moved to dismiss plaintiff's amended complaint. On December 17, 2019, the court granted this motion, giving plaintiffs an opportunity to file an amended complaint, which plaintiff filed on February 17, 2020. On April 23, 2020, defendants filed a motion to dismiss, and the court held a hearing on this motion on September 24, 2020. On March 22, 2021, the court granted in part and denied in part this motion. The court dismissed the action as to one Oracle executive and the former Oracle executive. The court permitted plaintiff to proceed with only a narrow omissions theory against the remaining defendants. On April 21, 2021, defendants filed an answer to the complaint. Trial is scheduled to commence on November 6, 2023. We believe that we have meritorious defenses against this action, and we will continue to vigorously defend it.

On February 12 and May 8, 2019, two stockholder derivative lawsuits were filed in the United States District Court for the Northern District of California. The cases were consolidated, and on July 8, 2019, a single plaintiff filed a consolidated complaint. The consolidated complaint brought various claims relating to the 10b-5 class action described immediately above. The parties agreed to stay the derivative case pending resolution of defendants' motion to dismiss the securities case, which the court granted in part and denied in part on March 22, 2021.

Plaintiff filed an amended complaint on June 4, 2021. The derivative suit is brought by an alleged stockholder of Oracle, purportedly on Oracle's behalf, against our Chief Technology Officer, our Chief Executive Officer, and the estate of Mark Hurd. Plaintiff claims that the alleged actions described in the class action discussed above caused harm to Oracle, and that defendants violated their fiduciary duties of candor, good faith, loyalty, and due care by failing to prevent this alleged harm. Plaintiff also brings derivative claims for violations of federal securities laws. Plaintiffs seek a ruling that this case may proceed as a derivative action, a finding that defendants are liable for breaching their fiduciary duties, damages, an order directing defendants to enact corporate reforms, attorneys' fees and costs, and unspecified relief. On June 14, 2021, the court "so ordered" a stipulation from the parties, staying this case pending resolution of the 10b-5 action.

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2021

While Oracle continues to evaluate these claims, we do not believe this litigation will have a material impact on our financial position or results of operations.

Derivative Litigation Concerning Oracle’s Board Composition and Hiring Practices

On July 2 and 10, 2020, two alleged stockholders filed derivative lawsuits in the U.S. District Court for the Northern District of California, purportedly on Oracle’s behalf, and thereafter, filed a consolidated complaint on August 21, 2020. On July 30, 2020, a third alleged stockholder filed a derivative lawsuit in the same court. On October 16, 2020, defendants moved to consolidate all these actions, and the court granted this motion on November 30, 2020.

On December 7, 2020, plaintiffs filed a consolidated derivative complaint against all members of our Board of Directors, and Oracle as a nominal defendant, seeking declaratory and injunctive relief, monetary damages, interest, corporate governance changes, disgorgement, restitution, punitive damages, and an award of attorneys’ fees, expert fees, and costs. Plaintiffs allege that: (a) defendants breached their fiduciary duties by permitting Oracle to violate anti-discrimination laws and Oracle’s own policies, failing to ensure sufficient diversity on the board, failing to ensure an independent board chairman, rehiring Ernst & Young LLP as Oracle’s auditors, and by breaching the HP Settlement Agreement (discussed above); (b) defendants made false and misleading statements in Oracle’s proxy statements; (c) defendants received unjust compensation and were unjustly enriched; (d) defendants aided and abetted this conduct; and (e) our Chief Technology Officer and our Chief Executive Officer are liable for abuse of control. On January 6, 2021, defendants moved to dismiss the complaint. On May 24, 2021, the court granted defendants’ motion. Regarding the claims concerning Oracle’s proxy statements, the court granted plaintiffs leave to file an amended complaint within 30 days. Regarding the remaining claims, the court granted plaintiffs leave to re-file those claims in Delaware Chancery Court.

While Oracle continues to evaluate these claims, we do not believe this litigation will have a material impact on our financial position or results of operations.

Other Litigation

We are party to various other legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business, including proceedings and claims that relate to acquisitions we have completed or to companies we have acquired or are attempting to acquire. While the outcome of these matters cannot be predicted with certainty, we do not believe that the outcome of any of these matters, individually or in the aggregate, will result in losses that are materially in excess of amounts already recognized, if any.

SCHEDULE II

ORACLE CORPORATION
VALUATION AND QUALIFYING ACCOUNTS

(in millions)	Beginning Balance	Additions Charged to Operations or Other Accounts	Write-offs	Translation Adjustments and Other	Ending Balance
Allowances for Doubtful Trade Receivables					
Year Ended:					
May 31, 2019	\$ 370	\$ 190	\$ (188)	\$ (1)	\$ 371
May 31, 2020	\$ 371	\$ 245	\$ (195)	\$ (12)	\$ 409
May 31, 2021	\$ 409	\$ 192	\$ (243)	\$ 15	\$ 373

Item 16. Form 10-K Summary

None.

ORACLE CORPORATION
INDEX OF EXHIBITS

The following exhibits are filed or furnished herewith or are incorporated by reference to exhibits previously filed with the U.S. Securities and Exchange Commission.

Exhibit No.	Exhibit Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed By
3.01	Amended and Restated Certificate of Incorporation of Oracle Corporation and Certificate of Amendment of Amended and Restated Certificate of Incorporation of Oracle Corporation	8-K 12G3	000-51788	3.01	2/6/06	Oracle Corporation
3.02	Amended and Restated Bylaws of Oracle Corporation	8-K	001-35992	3.02	6/16/16	Oracle Corporation
4.01	Specimen Certificate of Oracle Corporation's Common Stock	S-3 ASR	333-166643	4.04	5/7/10	Oracle Corporation
4.02	Indenture dated January 13, 2006, among Ozark Holding Inc., Oracle Corporation and Citibank, N.A.	8-K	000-14376	10.34	1/20/06	Oracle Systems Corporation
4.03	First Supplemental Indenture dated May 9, 2007 among Oracle Corporation, Citibank, N.A. and The Bank of New York Trust Company, N.A.	S-3 ASR	333-142796	4.3	5/10/07	Oracle Corporation
4.04	Form of 6.50% Note due 2038, together with Officers' Certificate issued April 9, 2008 setting forth the terms of the Note	8-K	000-51788	4.09	4/8/08	Oracle Corporation
4.05	Form of 6.125% Note due 2039, together with Officers' Certificate issued July 8, 2009 setting forth the terms of the Note	8-K	000-51788	4.08	7/8/09	Oracle Corporation
4.06	Form of 2040 Note, together with Officers' Certificate issued July 19, 2010 setting forth the terms of the Note	10-Q	000-51788	4.08	9/20/10	Oracle Corporation
4.07	Form of New 2040 Note	S-4	333-176405	4.5	8/19/11	Oracle Corporation
4.08	Form of 2.50% Note due 2022, together with Officers' Certificate issued October 25, 2012 setting forth the terms of the Note	8-K	000-51788	4.10	10/25/12	Oracle Corporation
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Exhibit No.	Exhibit Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed By
4.09	Form of 3.125% Note due 2025, together with Officers' Certificate issued July 10, 2013 setting forth the terms of the Note	8-K	001-35992	4.11	7/10/13	Oracle Corporation
4.10	Form of 3.625% Note due 2023, together with Officers' Certificate issued July 16, 2013 setting forth the terms of the Note	8-K	001-35992	4.12	7/16/13	Oracle Corporation
4.11	Forms of 2.80% Note due 2021, 3.40% Note due 2024, 4.30% Note due 2034 and 4.50% Note due 2044, together with Officers' Certificate issued July 8, 2014 setting forth the terms of the Notes	8-K	001-35992	4.13	7/8/14	Oracle Corporation
4.12	Forms of 2.50% Notes due 2022, 2.95% Notes due 2025, 3.25% Notes due 2030, 3.90% Notes due 2035, 4.125% Notes due 2045 and 4.375% Notes due 2055, together with Officers' Certificate issued May 5, 2015 setting forth the terms of the Notes	8-K	001-35992	4.13	5/5/15	Oracle Corporation
4.13	Forms of 1.90% Notes due 2021, 2.40% Notes due 2023, 2.65% Notes due 2026, 3.85% Notes due 2036 and 4.00% Notes due 2046, together with Officers' Certificate issued July 7, 2016 setting forth the terms of the Notes	8-K	001-35992	4.1	7/7/16	Oracle Corporation
4.14	Forms of 2.625% Notes due 2023, 2.950% Notes due 2024, 3.250% Notes due 2027, 3.800% Notes due 2037 and 4.000% Notes due 2047, together with Officers' Certificate issued November 9, 2017 setting forth the terms of the Notes	8-K	001-35992	4.1	11/9/17	Oracle Corporation
4.15	Forms of 2.500% Notes due 2025, 2.800% Notes due 2027, 2.950% Notes due 2030, 3.600% Notes due 2040, 3.600% Notes due 2050 and 3.850% Notes due 2060, together with Officers' Certificate issued April 1, 2020 setting forth the terms of the Notes	8-K	001-35992	4.1	4/1/20	Oracle Corporation

Exhibit No.	Exhibit Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed By
4.16	Forms of 1.650% Notes due 2026, 2.300% Notes due 2028, 2.875% Notes due 2031, 3.650% Notes due 2041, 3.950% Notes due 2051 and 4.100% Notes due 2061, together with Officers' Certificate issued March 24, 2021 setting forth the terms of the Notes	8-K	001-35992	4.1	3/24/21	Oracle Corporation
4.17	Description of Oracle Corporation's Securities Registered Under Section 12 of the Exchange Act	10-K	001-35992	4.15	6/21/19	Oracle Corporation
10.01*	Oracle Corporation Deferred Compensation Plan, as amended and restated as of July 1, 2015	10-Q	001-35992	10.01	9/18/15	Oracle Corporation
10.02*	Oracle Corporation Employee Stock Purchase Plan (1992), as amended and restated as of October 1, 2009	10-K	000-51788	10.02	7/1/10	Oracle Corporation
10.03*	Oracle Corporation Amended and Restated 1993 Directors' Stock Plan, as amended and restated on April 29, 2016	10-K	001-35992	10.03	6/22/16	Oracle Corporation
10.04*	Amended and Restated 2000 Long-Term Equity Incentive Plan, as approved on November 15, 2017	8-K	001-35992	10.04	11/17/17	Oracle Corporation
10.05*	Form of Stock Option Agreement under the Amended and Restated 2000 Long-Term Equity Incentive Plan for U.S. Executive Vice Presidents and Section 16 Officers	10-Q	001-35992	10.05	9/18/17	Oracle Corporation
10.06*	Form of Stock Option Agreement under the Oracle Corporation Amended and Restated 1993 Directors' Stock Plan	10-K	001-35992	10.06	6/25/15	Oracle Corporation
10.07*	Form of Indemnity Agreement for Directors and Executive Officers	10-Q	000-51788	10.07	12/23/11	Oracle Corporation
10.08*	Oracle Corporation Amended and Restated Executive Bonus Plan, as amended and restated as of February 12, 2019	10-Q	001-35992	10.09	3/18/19	Oracle Corporation

Exhibit No.	Exhibit Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed By
10.09*	Oracle Corporation Stock Unit Award Deferred Compensation Plan, as amended and restated as of July 1, 2015	10-Q	001-35992	10.15	9/18/15	Oracle Corporation
10.10*	Form of Restricted Stock Unit Award Agreement under the Oracle Corporation Amended and Restated 1993 Directors' Stock Plan	10-K	001-35992	10.17	6/25/15	Oracle Corporation
10.11*	Form of Performance-Based Stock Option Agreement under the Amended and Restated 2000 Long-Term Equity Incentive Plan for Named Executive Officers	10-Q	001-35992	10.16	9/18/17	Oracle Corporation
10.12*	Form of Stock Unit Award Agreement under the Amended and Restated 2000 Long-Term Equity Incentive Plan for U.S. Employees (Including Section 16 Officers)	10-Q	001-35992	10.17	9/18/17	Oracle Corporation
10.13*	Oracle Corporation 2020 Equity Incentive Plan	S-8	333-249880	99.1	11/5/20	Oracle Corporation
10.14*	Form of Restricted Stock Unit Agreement under the 2020 Equity Incentive Plan for U.S. Employees	10-Q	001-35992	10.16	12/11/20	Oracle Corporation
21.01†	Subsidiaries of the Registrant					
23.01†	Consent of Independent Registered Public Accounting Firm					
31.01†	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive and Financial Officer					
32.01†	Section 1350 Certification of Principal Executive Financial Officer					

Exhibit No.	Exhibit Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed By
101‡	Interactive Data Files Pursuant to Rule 405 of Regulation S-T, formatted in Inline XBRL: (1) Consolidated Balance Sheets as of May 31, 2021 and 2020, (2) Consolidated Statements of Operations for the years ended May 31, 2021, 2020 and 2019, (3) Consolidated Statements of Comprehensive Income for the years ended May 31, 2021, 2020 and 2019, (4) Consolidated Statements of Equity for the years ended May 31, 2021, 2020 and 2019, (5) Consolidated Statements of Cash Flows for the years ended May 31, 2021, 2020 and 2019, (6) Notes to Consolidated Financial Statements and (7) Financial Statement Schedule II					
104‡	The cover page from the Company's Annual Report on Form 10-K for the year ended May 31, 2021, formatted in Inline XBRL and contained in Exhibit 101					

* Indicates management contract or compensatory plan or arrangement.

‡ Filed herewith.

† Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ORACLE CORPORATION

Date: June 21, 2021

By: /s/ SAFRA A. CATZ

Safra A. Catz
Chief Executive Officer and Director
(Principal Executive and Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ SAFRA A. CATZ</u> Safra A. Catz	Chief Executive Officer and Director (Principal Executive and Financial Officer)	June 21, 2021
<u>/s/ WILLIAM COREY WEST</u> William Corey West	Executive Vice President, Chief Accounting Officer (Principal Accounting Officer)	June 21, 2021
<u>/s/ LAWRENCE J. ELLISON</u> Lawrence J. Ellison	Chairman of the Board of Directors and Chief Technology Officer	June 21, 2021
<u>/s/ JEFFREY O. HENLEY</u> Jeffrey O. Henley	Vice Chairman of the Board of Directors	June 21, 2021
<u>/s/ JEFFREY S. BERG</u> Jeffrey S. Berg	Director	June 21, 2021
<u>/s/ MICHAEL J. BOSKIN</u> Michael J. Boskin	Director	June 21, 2021
<u>/s/ BRUCE R. CHIZEN</u> Bruce R. Chizen	Director	June 21, 2021
<u>/s/ GEORGE H. CONRADES</u> George H. Conrades	Director	June 21, 2021
<u>/s/ RONA A. FAIRHEAD</u> Rona A. Fairhead	Director	June 21, 2021
<u>/s/ RENÉE J. JAMES</u> Renée J. James	Director	June 21, 2021
<u>/s/ CHARLES W. MOORMAN IV</u> Charles W. Moorman IV	Director	June 21, 2021
<u>/s/ LEON E. PANETTA</u> Leon E. Panetta	Director	June 21, 2021
<u>/s/ WILLIAM G. PARRETT</u> William G. Parrett	Director	June 21, 2021
<u>/s/ NAOMI O. SELIGMAN</u> Naomi O. Seligman	Director	June 21, 2021
<u>/s/ VISHAL SIKKA</u> Vishal Sikka	Director	June 21, 2021

ORACLE CORPORATION
Subsidiaries of the Registrant

<u>Name of Subsidiary</u>	<u>Place of Incorporation</u>
Oracle International Corporation	California
Oracle America, Inc.	Delaware
Oracle Global Holdings, Inc.	Delaware
Oracle Systems Corporation	Delaware
Oracle EMEA & CAPAC Holdings Limited	Bermuda
Oracle International Holdings Limited	Bermuda
OCAPAC Holding Company UC	Ireland
OCAPAC Research Partner UC	Ireland
Oracle EMEA Holdings Limited	Ireland
Oracle Global Partners	Ireland
Oracle International Group Limited	Isle of Man
Delphi Asset Management Corporation	Nevada
Oracle Software Technology GmbH	Switzerland

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-254166) of Oracle Corporation, and
- (2) Registration Statement (Form S-8 Nos. 333-251303, 333-249880, 333-235503, 333-228899, 333-225829, 333-222139, 333-218996, 333-216796, 333-215835, 333-215171, 333-214106, 333-212182, 333-210287, 333-208632, 333-207038, 333-202870, 333-199617, 333-195502, 333-194705, 333-193006, 333-187924, 333-186971, 333-184062, 333-181023, 333-179586, 333-179132, 333-176986, 333-171939, 333-169089, 333-164734, 333-163147, 333-157758, 333-153660, 333-151045, 333-147400, 333-145162, 333-142776, 333-142225, 333-139901, 333-139875, 333-138694, 333-136275, 333-131988, 333-131427) pertaining to the equity incentive plans of Oracle Corporation;

of our reports dated June 21, 2021, with respect to the consolidated financial statements and schedule of Oracle Corporation and the effectiveness of internal control over financial reporting of Oracle Corporation included in this Annual Report (Form 10-K) of Oracle Corporation for the year ended May 31, 2021.

/s/ Ernst & Young LLP

San Jose, California
June 21, 2021

**CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Safra A. Catz, certify that:

1. I have reviewed this annual report on Form 10-K of Oracle Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Finance and Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 21, 2021

By: /s/ SAFRA A. CATZ

Safra A. Catz
Chief Executive Officer and Director
(Principal Executive and Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the report on Form 10-K of Oracle Corporation for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Safra A. Catz, the Chief Executive Officer (Principal Executive and Financial Officer) of Oracle Corporation, certifies that, to the best of her knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Oracle Corporation.

Date: June 21, 2021

By: /s/ SAFRA A. CATZ

Safra A. Catz
Chief Executive Officer and Director
(Principal Executive and Financial Officer)

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of Oracle Corporation, regardless of any general incorporation language in such filing.

COUNTY OF NASSAU

CONSULTANT'S, CONTRACTOR'S AND VENDOR'S DISCLOSURE FORM

1. Name of the Entity: Oracle America, Inc.

Address: 1900 Oracle Way

City: Reston State/Province/Territory: Virginia Zip/Postal Code: 20190-4733

Country: United States

2. Entity's Vendor Identification Number: 94-2805249

3. Type of Business: Public Corporation (specify) _____

4. List names and addresses of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, all corporate officers, all parties of Joint Ventures, and all members and officers of limited liability companies (attach additional sheets if necessary):

Oracle America, Inc. is an indirectly, wholly-owned subsidiary of Oracle Corporation, a public company. Oracle Corporation's material subsidiaries are listed in Exhibit 21.01 of its Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (https://www.sec.gov/ix?doc=/Archives/edgar/data/0001341439/000156459021033616/orcl-10k_20210531.htm). Oracle Corporation's directors and the Security Ownership of Certain Beneficial Owners and Management are listed in its Proxy Statement filed with the U.S. Securities and Exchange Commission (https://s23.q4cdn.com/440135859/files/doc_downloads/proxy-voting-material/Bookmarked-PDF-Proxy-Statement.pdf)

No principals have been attached to this form.

5. List names and addresses of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. If a Publicly held Corporation, include a copy of the 10K in lieu of completing this section.

If none, explain.

Oracle America, Inc. is an indirectly, wholly-owned subsidiary of Oracle Corporation, a public company with many shareholders. Please refer to Form 10-K filed with the U.S. Securities and Exchange Commission (https://www.sec.gov/ix?doc=/Archives/edgar/data/0001341439/000156459021033616/orcl-10k_20210531.htm)

No shareholders, members, or partners have been attached to this form.

6. List all affiliated and related companies and their relationship to the firm entered on line 1. above (if none, enter "None"). Attach a separate disclosure form for each affiliated or subsidiary company that may take part in the performance of this contract. Such disclosure shall be updated to include affiliated or subsidiary companies not previously disclosed that participate in the performance of the contract.

Oracle America, Inc. is an indirectly, wholly-owned subsidiary of Oracle Corporation, a public company, with many affiliates and subsidiaries. Oracle Corporation's material subsidiaries are listed in Exhibit 21.01 of its Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (https://www.sec.gov/ix?doc=/Archives/edgar/data/0001341439/000156459021033616/orcl-10k_20210531.htm).

7. List all lobbyists whose services were utilized at any stage in this matter (i.e., pre-bid, bid, post-bid, etc.). If none, enter "None." The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements. The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

Are there lobbyists involved in this matter?

YES ☐ NO ☒

(a) Name, title, business address and telephone number of lobbyist(s):

(b) Describe lobbying activity of each lobbyist. See below for a complete description of lobbying activities.

(c) List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):

8. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

Electronically signed and certified at the date and time indicated by:



Dated: 25-Oct-2021 | 2:39 PM PDT

Title: Group Vice President

The above signatory is an authorized representative of Oracle America, Inc. and is signing this form on behalf of Oracle America, Inc. and not in his or her individual capacity.

The term lobbying shall mean any attempt to influence: any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including by not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions, department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission, with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/05/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH RISK & INSURANCE SERVICES FOUR EMBARCADERO CENTER, SUITE 1100 CALIFORNIA LICENSE NO. 0437153 SAN FRANCISCO, CA 94111		CONTACT NAME: PHONE (A/C, No. Ext): FAX (A/C, No): E-MAIL ADDRESS:	
CN101765515-MAX-GAWU-21-22 1382		INSURER(S) AFFORDING COVERAGE	
INSURED ORACLE CORPORATION ORACLE AMERICA, INC 2300 ORACLE WAY Austin, TX 78741		INSURER A: National Union Fire Ins Co Pittsburgh PA INSURER B: Safety National Casualty Corp. INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 19445 15105	

COVERAGES **CERTIFICATE NUMBER:** SEA-003279911-67 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		GL1728969	08/01/2021	08/01/2022	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 5,000,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 10,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			CA4594403 (AOS) CA4594402 (MA)	08/01/2021 08/01/2021	08/01/2022 08/01/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
B	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	LDC4066354 (AOS) PS4066355 (WI)	04/01/2022 04/01/2022	08/01/2022 08/01/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
NASSAU COUNTY IS INCLUDED AS ADDITIONAL INSURED AS RESPECTS GENERAL LIABILITY TO THE EXTENT REQUIRED BY WRITTEN CONTRACT.

CERTIFICATE HOLDER NASSAU COUNTY 160 OLD COUNTRY ROAD MINEOLA, NY 11501	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Marsh Risk & Insurance Services</i>
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Amendment #2

THIS AMENDMENT dated as of the date of execution by the County (together with the schedules, appendices, attachments and exhibits, if any, this "Amendment"), is entered into by and between (i) Nassau County, a municipal corporation having its principal office at 1550 Franklin Avenue, Mineola, New York 11501 (the "County"), acting on behalf of the County Department of Information Technology, having offices located at 240 Old Country Road, Mineola, New York 11501 (the "Department"), and (ii) Oracle America, Inc. (as successor in interest to Oracle USA, Inc.), a Delaware corporation, having its principal office at 500 Oracle Parkway, Redwood Shores, California 94065 (the "Contractor").

WITNESSETH:

WHEREAS, pursuant to County contract number CFIT09000001 between the County and the Contractor, executed on behalf of the County on May 29, 2009, and amended thereafter February 10, 2015, (the "Original Agreement"), the Contractor performs maintenance and support services for the County in connection with the County's Enterprise Resource Planning ("ERP") software, which services are more fully described in the Original Agreement (the "Services" or "Technical Support Services"); and

WHEREAS, the term of the Original Agreement, for the purpose of annual renewal of Technical Support and Maintenance for ERP software purchased under the Original Agreement as amended, is until May 31, 2019, (the "Term"); and

WHEREAS, the Maximum Amount, as defined in the Original Agreement, that the County agreed to pay the Contractor for Services is One Million, Seven Hundred and Twenty-Six Thousand, Two Hundred and Ninety-One Dollars and Seventy-Five Cents (\$1,726,291.75); and

WHEREAS, the Original Agreement provides for renewal of Technical Support and Maintenance pursuant to an ordering process as outlined in the Original Agreement; and

WHEREAS, County and the Contractor desire to amend the Original Agreement to increase the Maximum Amount to provide funding for additional licenses and future technical support services.

WHEREAS, the services contemplated by this Amendment are personal services within the context and purview of Section 2206 of the County Government Law of Nassau County.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained in this Amendment, the parties agree as follows:

1. Renewal of Technical Support and Maintenance. The Technical Support and Maintenance shall be renewed until May 31, 2024, for the purpose supporting the ERP software purchased under the Original Agreement, unless sooner terminated as provided for in the Original Agreement.

2. Licenses. County shall purchase additional software licenses as outlined in Contractor's Order Document attached hereto as Attachment A. Future additional licenses may be purchased based on County's needs pursuant to an agreed-upon ordering document executed during the Term of the Original Agreement, as amended herein.
3. Payment. (a) The Maximum Amount shall be increased by **Two Million, Fifteen Thousand, Nine Hundred and Twenty-Seven Dollars and Twenty Cents (\$2,015,927.20)** to total **Three Million, Seven Hundred and Forty-Two Thousand, Two Hundred and Eighteen Dollars and Ninety- Five Cents (\$3,742,218.95)**, payable based on: (i) number of years of renewals as outlined below; and ii) for additional license increments as described in Attachment A; and (iii) for additional licenses as may be ordered by the County in accordance with the Original Agreement and this Amendment; provided, however, that County acknowledges and agrees that any additional licenses shall be purchased at agreed-upon terms and pricing, and in the event agreed-upon pricing for such additional licenses exceeds the Maximum Amount allocated here, County will increase the Maximum Amount prior to entering into any ordering document to fund the purchase of such additional license.

Year of Maintenance	Annual Maintenance	Total Cost of Maintenance
June 1, 2019- May 31, 2020	\$361,344.47	\$361,344.47
June 1, 2020- May 31, 2021	\$368,571.36	\$729,915.83
June 1, 2021- May 31, 2022	\$375,942.78	\$1,105,858.61
June 1, 2022- May 31, 2023	\$383,461.64	\$1,489,320.25
June 1, 2023- May 31, 2024	\$391,130.87	\$1,880,451.12

(b) Partial Encumbrance. The Contractor understands that only Four Hundred Fifty Thousand, Five Hundred and Forty-Nine Dollars and Thirty-Two Cents (\$450,549.32) for licenses and Technical Support and Maintenance is being encumbered at this time. The Contractor is cautioned not to perform services that would cause billings to exceed this amount unless additional funds are encumbered. The County shall not be liable for payment of any amounts which have not been encumbered and approved for this agreement by the Nassau County Comptroller. Contractor shall have no obligation to perform any services should the County fail to encumber sufficient funds to pay for said services, and Contractor shall have the right to cease support upon County's failure to encumber such funds. Contractor shall work and cooperate with the County to allow County to take reasonable actions necessary to resolve funding matters and minimize interruption to services.

(c) Payments will be made in accordance with the terms set forth in the Original Agreement.

4. Compliance with Law. The "Compliance with Law", Paragraph 8 of the Original Agreement is hereby modified to include the following two additional new sub-sections:

g. Prohibition of Gifts. In accordance with County Executive Order 2-2018, the Contractor shall not offer, give, or agree to give anything of value to any County employee, agent, consultant, construction manager, or other person or firm representing the County (a "County Representative"), including members of a County Representative's immediate family, in connection with the performance by such County Representative of duties involving transactions with the Contractor on behalf of the County, whether such duties are related to this Agreement or any other County contract or matter. As used herein, "anything of value" shall include, but not be limited to, meals, holiday gifts, holiday baskets, gift cards, tickets to golf outings, tickets to sporting events, currency of any kind, or any other gifts, gratuities, favorable opportunities or preferences. For purposes of this subsection, an immediate family member shall include a spouse, child, parent, or sibling. The Contractor shall include the provisions of this subsection in each subcontract entered into under this Agreement.

h. Disclosure of Conflicts of Interest. In accordance with County Executive Order 2-2018, the Contractor has disclosed as part of its response to the County's Business History Form, or other disclosure form(s), any and all instances where the Contractor employs any spouse, child, or parent of a County employee of the agency or department that contracted or procured the goods and/or services described under this Agreement. The Contractor shall have a continuing obligation, as circumstances arise, to update this disclosure throughout the term of this Agreement.

5. Full Force and Effect. All the terms and conditions of the Original Agreement not expressly amended herein shall remain in full force and effect and govern the relationship of the parties for the remainder of the Term of this agreement.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the Contractor and the County have executed this Amendment as of the date first above written.

Oracle America, Inc.

By: 

Name: Teresa Lynn Gentile

Title: Team Lead, Deal Specialist

Date: 11 MAR 2019

NASSAU COUNTY

By: _____

Name: _____

Title: Deputy County Executive

Date: _____

PLEASE EXECUTE IN BLUE INK

STATE OF TEXAS

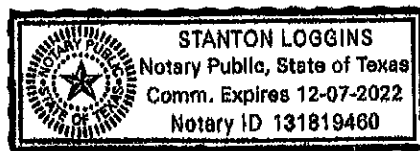
)

) ss.:

COUNTY OF BEXAR)

On the 11th day of March in the year 2019 before me personally came
Teresa-Lynn Gentile to me personally known, who, being by me duly sworn, did depose and say
that he or she resides in the County of Bexar; that he or she is the Team Lead, Deal Specialist of
Oracle America, Inc., the corporation described herein and which executed the above
instrument; and that he or she signed his or her name thereto by authority of the board of directors of said
corporation.

NOTARY PUBLIC



STATE OF NEW YORK)

) ss.:

COUNTY OF NASSAU)

On the _____ day of _____ in the year _____ before me personally came
_____ to me personally known, who, being by me duly sworn, did depose and say
that he or she resides in the County of _____; that he or she is a Deputy County Executive
of the County of Nassau, the municipal corporation described herein and which executed the above
instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County
Government Law of Nassau County.

NOTARY PUBLIC

Attachment A

ORACLE

ORDERING DOCUMENT

Oracle America, Inc. 500 Oracle Parkway Redwood Shores, CA 94065

Your Name NASSAU COUNTY **Your Contact** Vandana Manucha
Your Location 99 Grumman Rd W **Phone Number** 5165714200
Bethpage **Email Address** vmanucha@nassaucounty.gov
NY 11714

Programs and Program-Related Service Offerings		
Product Description / License Type	Quantity	Net Fee
PeopleSoft Enterprise Human Resources - Enterprise Employee Perpetual	2910	13,248.74
Software Update License & Support		2,914.72
PeopleSoft Enterprise Payroll - Enterprise Employee Perpetual	2910	16,113.33
Software Update License & Support		3,544.93
PeopleSoft Enterprise Absence Management - Enterprise Perpetual	2910	3,723.97
Software Update License & Support		819.27
PeopleSoft Enterprise Time and Labor - Enterprise Employee Perpetual	2910	7,877.63
Software Update License & Support		1,733.08
PeopleSoft Enterprise Recruiting Solutions - Enterprise Employee 2910 Perpetual		5,371.11
Software Update License & Support		1,181.64
PeopleSoft Enterprise ePerformance - Enterprise Employee Perpetual	2910	7,519.56
Software Update License & Support		1,654.30
PeopleSoft Enterprise Benefits Administration - Enterprise Perpetual	2910	6,087.26
Software Update License & Support		1,339.20
PeopleSoft Enterprise eCompensation - Enterprise Employee Perpetual	2910	2,506.52
Software Update License & Support		551.43
PeopleSoft Enterprise Enterprise Learning Management - Employee Perpetual	2910	7,519.56
Software Update License & Support		1,654.30
PeopleSoft Enterprise Workforce Rewards - Enterprise Employee 2910 Perpetual		12,174.5
Software Update License & Support		267.84
PeopleSoft Enterprise Workforce Scorecard - Enterprise Perpetual	2910	1,074.22
Software Update License & Support		236.33
PeopleSoft Enterprise HCM Portal Pack - Enterprise Employee Perpetual	2910	859.38
Software Update License & Support		189.06
Program and Program-Related Service Offerings Fees		89,204.83

Fee Description	Net Fee
Program Fees	73,118.73
Program-Related Service Offerings Fees	16,086.10
Total Fees	89,204.83

**SOFTWARE LICENSE AND SERVICES AGREEMENT 2008
BETWEEN
NASSAU COUNTY, NEW YORK
AND
ORACLE USA, INC.**

May ____, 2009

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IX	WARRANTY
X	INDEMNIFICATION AND LIABILITY
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EXHIBIT 2	TECHNICAL SUPPORT RE-PRICING TABLE
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EXHIBIT 4	TRAINING: Rates
EXHIBIT 5	FUNCTIONALITY AND REQUIREMENTS MATRIX
EXHIBIT 6	LIVING WAGE LAW CERTIFICATION
APPENDIX A	STANDARD CLAUSES FOR NEW YORK STATE CONTRACTS

**SOFTWARE LICENSE AND SERVICES AGREEMENT
BETWEEN
NASSAU COUNTY, NEW YORK
AND
ORACLE USA, INC.**

THIS SOFTWARE LICENSE AND SERVICES AGREEMENT (hereinafter "Agreement") is entered into between Nassau County, New York (hereinafter, "Nassau") whose address is 160 Old County Road, Mineola, New York, 11501, and Oracle USA, Inc. (hereinafter "Oracle"), a Colorado corporation whose main office and principal place of business is 500 Oracle Parkway, Redwood Shores, California 94065 and is effective as of the date set forth with the final signature below (the effective date). Orders may be placed under this Agreement for up to three (3) years after its effective date or as otherwise extended by amendment.

WITNESSETH:

WHEREAS, Nassau has determined that its current and future administrative systems needs require that its current aging and diverse systems be replaced; and

WHEREAS, Nassau has determined that the upgrade and replacement of its administrative systems requires the acquisition of a new commercial off-the-shelf integrated information system using Enterprise Resource Planning (hereinafter "ERP") software, and the retention of related services for such software; and

WHEREAS, Nassau issued a Request for Proposal seeking such software and services and thereafter supplemented this with a Request for Clarification, (collectively, the "RFP"); and

WHEREAS, Oracle submitted a proposal, Clarifications, and Best and Final Offers in response to the RFP (hereinafter "Proposal"); and

WHEREAS, based upon the competitive solicitation and evaluation of proposals for the provision of the ERP Software and for the performance of the Services (as hereinafter defined), Nassau has determined that Oracle possesses the qualifications necessary to provide such Software and Services; and that the Proposal offers the best value to Nassau from among the competing proposals received by Nassau, and that Nassau awards this Agreement to Oracle on the basis of the merits of the Proposal; and

WHEREAS, Nassau desires to retain Oracle to provide the Software and Services as set forth hereinafter, and Oracle agrees to provide such Software and perform such Services;

NOW, THEREFORE, in consideration of the terms and the mutual covenants and obligations of the parties set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

I. DEFINITIONS

Advanced Customer Services: On-site services, set forth in Exhibit 3, that Nassau may purchase from Oracle under this Agreement.

Agreement: The writing(s) which contain the agreement of Nassau and Oracle setting forth the total legal obligation between the parties as determined by applicable rules of law.

Ancillary Programs: Third party materials specified in the Documentation, which may only be used for the purposes of installing or operating the programs with which the Ancillary Programs are delivered.

Documentation or Program Documentation: Program user manual(s) and Program Installation manual(s) for the Software.

Emergency: An urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk.

Enterprise License: A license grant that permits a defined entity (the "Enterprise") to use the acquired the Software across its Enterprise, where the numerical limits of the license is calculated by reference to its employee count or its operating budget or other agreed upon metric. The specific terms of the Enterprise License are set forth in the Ordering Document.

Error Corrections: Machine executable software code furnished by Oracle which corrects the Software so as to conform to the applicable Documentation of Oracle.

Incremental Licenses: An increase in the number of licenses for Software previously acquired by Nassau. Such Incremental License purchases are accepted upon delivery.

License Effective Date: The date Software is delivered to Nassau. Where a License involves Software which was previously licensed by Nassau, the License Effective Date for the additional licenses shall be deemed to be the date on which the Purchase Order is executed.

Material: Any information, design, specification, instruction, Software, data, or material furnished by Oracle and used by Nassau.

Ordering Document: The Oracle form, signed by both parties, that sets forth the Software and/or Services to be purchased, Software metrics, prices, discounts, and specific terms relevant to the purchase.

New Software Releases (Software Revisions): Any commercially released revisions to the licensed version of the Software as may be generally offered and available to Nassau, if current on technical support. New releases involve a substantial revision of functionality from a previously released version of the Software. Updates are provided when available, and Oracle is under no obligation to develop any future Software or functionality.

Proprietary: Created and / or owned by Oracle, which may be protected by confidentiality, secrecy, patent, copyright or trademark against commercial competition.

Purchase Order: Nassau's fiscal form or format that is used when making a purchase (e.g., formal written Purchase Order, electronic Purchase Order, or other authorized instrument).

Services: Technical support (also referred to as "Maintenance"), training, or Advanced Customer Services that Nassau purchases under this Agreement.

Site: The location (street address) where the Software will be used or Services delivered.

Software or Programs: Software acquired under the terms and conditions set forth in the Agreement. "Software" or "Programs" includes error corrections, upgrades, enhancements, new releases, and updates delivered to Oracle's current subscribers under Technical Support or Maintenance.

Source Code: The programming statements or instructions written and expressed in any language understandable by a human being skilled in the art which are translated by a language compiler to produce executable machine Object Code.

Supported Program License: Programs for which Oracle offers Technical Support.

Technical Support or Maintenance: Technical support services for the Software that are offered by Oracle under this Agreement.

Training: The services provided by Oracle University, as set forth in Exhibit 4.

II. SOFTWARE

Oracle shall provide the Programs in accordance with the following terms and conditions.

A. License Scope: Following delivery of the Software, Nassau is granted a non-exclusive, non-assignable, royalty free, perpetual, limited right to use the Software ordered for its governmental and business operations subject to the terms of this Agreement, including the license definitions and rules and Documentation. For Software that is specifically designed to allow a third party to interact with Nassau in furtherance of Nassau's governmental or business operations, such use is allowed under this Agreement. Nassau may make a sufficient number of copies of the Software for its licensed use and one copy of each software media.

B. Documentation: Documentation is delivered with the Software or Nassau may access the Documentation online at <http://oracle.com/contracts>. Oracle hereby grants to Nassau a perpetual license right to make, reproduce and distribute, either electronically or otherwise, copies of Documentation in accordance with the terms of

the license, and the Documentation fully describes the proper procedure for using the Software.

C. Permitted License Transfers: Upon prior written notice to Oracle, the following license transfers are permitted under this Agreement, at no cost to Nassau, unless the license type specifically prohibits such a transfer:

1. Nassau may transfer Software internally within its own entity;
2. If Nassau is subject to a governmental reorganization or otherwise mandated by its governing body to convey any of its specific functions to another governmental entity, the Software used to support the conveyed functions may be transferred to the entity acquiring the transferred functions. The transferor must discontinue its use of the transferred Software.
3. If Nassau merges with another governmental entity, the Software acquired may be used by the merged entity.

Nothing in this section shall be deemed to relieve Nassau or the transferee entity of the obligation to use the Software in accordance with the terms and conditions of this Agreement and all applicable Ordering Documents placed hereunder, including, without limitation, limiting usage of the Software to the quantity and license type for which such software is licensed.

D. Restricted Use By Outsourcers / Facilities Management, Service Bureaus / or Other Third Parties: Outsourcers, facilities management, consultants and agents (collectively, "Agents") retained by Nassau shall have the limited right to use the Software to maintain Nassau's internal business operations subject to the terms of this Agreement, including data processing, for the time period that they are engaged in such activities, provided that Nassau is responsible for the compliance of its Agents with the terms and conditions of this Agreement and their use of the Software.

E. Archival Back-Up and Disaster Recovery Nassau shall be entitled to use and copy the Software and related Documentation for archival backup and disaster recovery and shall have the rights under "Cold", "Warm" or "Hot" Backup, as defined below, to initiate disaster recovery on such backup systems testing up to four times annually, up to two day per testing, at no charge other as set forth below:

1. "Cold Backup" is a backup copy of the Software, which is retained on Oracle's software media only. In the event of failure of a primary machine, Nassau may download the Software from Oracle's website or it may use the software media to load Oracle's Software on a second machine of Nassau of the same hardware/operating system combination. There is no additional fee for maintaining a Cold Backup.
2. "Warm Backup" is a backup copy of the Software, which is loaded on a machine, which is accessed for the processing of data and/or applications only in the event of a failure of the primary machine. In the event of a failure of the primary machine, the secondary machine is accessed and used to run the Software. There is no additional fee for maintaining a Warm Backup.

3. "Hot Backup" is a copy of the Software, which is loaded on a machine and operated simultaneously with the primary machine. No processing of data or applications takes place on the backup machine. In the event of a failure of the primary machine, all processing is switched to the backup machine in real time. The fee for a Hot Backup is 25% of the contract price of the primary license and/or technical support.

F. Confidentiality Restrictions: The Software is a trade secret, copyrighted and proprietary product of Oracle. Nassau and its employees will keep the Software strictly confidential, and Nassau will not disclose or otherwise distribute or reproduce any Software to anyone other than as authorized under the terms of Agreement. Nassau will not remove or destroy any proprietary markings or notice of Oracle's or its licensors' proprietary rights. Oracle or its licensors retain all ownership and intellectual property rights to the Software.

G. Restricted Use by Nassau: Except as expressly authorized by the terms of this Agreement, Nassau shall not:

1. Copy the Software;
2. Cause or permit reverse engineering (unless required by law for interoperability), disassembly or decompilation of the Software (the foregoing prohibition includes but is not limited to review of data structures or similar materials produced by the Software);
3. Make the Software or Materials resulting from Services available in any manner to any third party for use in the third party's business operations (unless such access is expressly permitted for the specific software license or Materials from the services acquired);
4. Export the Software in violation of any U.S. Department of Commerce export administration regulations;
5. Release benchmarking results: unless required by law or compelled by court order or subpoena, Nassau shall not disclose to third parties not authorized by it to implement or maintain its systems, results of any Software benchmark test without Oracle's prior written consent. The foregoing restriction shall not apply to benchmark results of non-Oracle software which accessed the Software or to benchmark results of an overall system, provided such results: (a) are released only as the benchmark results of such non-Oracle software or of the total system and (b) do not make any reference to Oracle Software. Nassau shall notify Oracle of requests for the release of benchmarking results under the New York State Freedom of Information Law (FOIL) or applications for court orders or subpoenas and give Oracle an opportunity to oppose disclosure.

H. Open Source Software: Open source software is developed independently of Oracle and may be governed by a separate license ("open source software"). If the open source software is governed by a separate license, Oracle shall provide a copy of that license in the applicable Documentation and Nassau's license rights and obligations with respect to that open source software shall be defined by those separate license terms and subject to the conditions, if any, therein. Nothing in this Agreement shall restrict, limit, or otherwise affect any rights or obligations Nassau

may have, or conditions to which Nassau may be subject, under such separate open source license terms.

III. SOFTWARE DELIVERY

Oracle has made available to Nassau for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com>. Through the Internet URL, Nassau can access and electronically download the Software and related Documentation. Provided that Nassau has continuously maintained technical support for the Software, Nassau may continue to download the software and related Documentation. Please be advised that not all programs are available on all hardware / operating system combinations. For current program availability please check the electronic delivery web site. Nassau acknowledges that Oracle's delivery obligation under this Agreement is met by the provision of the electronic delivery web site URL. Provided Nassau continuously maintains Technical Support, CD Packs for the Software provided under the Ordering Document may be ordered through the Oracle Store independent of this Agreement. If Nassau loses or damages the media containing a Program licensed here under, upon Nassau's written notice Oracle will provide a replacement copy thereof, for a media and shipping charge. The following shipping terms shall apply: FCA Shipping Point, Prepaid, and Add. These terms shall also apply to any options exercised by Nassau. Unless otherwise agreed to by Nassau and Oracle, Nassau shall be responsible for installation of the Software.

Nassau acknowledges that, unless otherwise provided for in this Agreement, it accepts sole responsibility for (i) its system configuration, design and requirements, (ii) the selection of the Programs to achieve its intended results, and (iii) modifications, changes or alterations to the Programs.

IV. SOFTWARE ACCEPTANCE

A. Unless otherwise provided by mutual agreement of Nassau and Oracle, Nassau shall have sixty (60) days from the date of delivery to accept all Software. Where Oracle is responsible for installation, acceptance shall be from completion of installation. Failure to provide notice of acceptance or rejection to Oracle by the end of the period provided for under this clause constitutes acceptance by Nassau as of the expiration of that period. Nassau may, in writing, waive the Acceptance Period, or any part thereof, at any time.

If Nassau rejects the Software, it shall (a) cease using the applicable Software, and (b) certify to Oracle that it has destroyed or has returned to Oracle the Software, Documentation and all copies. This requirement applies to copies in all forms, partial and complete, in all types of media and computer memory, and whether or not modified or merged into other materials.

Oracle may offer Nassau a free trial of the Software pursuant to (B) immediately below. If Nassau accepts such free trial license for the Software, the length of the trial shall count toward the sixty (60) day acceptance period and such trial license will grant to Nassau the right to examine the Software for at least sixty (60) days (unless the parties thereto agree otherwise). Upon the expiration of such period,

Nassau must either issue a Purchase Order to Oracle for purchase of the Software or portions thereof in accordance with this Agreement, or forthwith discontinue all use and return the Software to Oracle. Nassau shall be deemed to have tested the Software to its satisfaction and accepted the Software upon its issuance of the Purchase Order.

If any agreed trial license period is less than sixty (60) days, then in addition to the trial license period, Nassau shall have the number of days to accept the Software that is the difference between sixty (60) days and the length of the agreed trial license, provided Nassau notifies Oracle in writing of its intention to use such acceptance period at the time Nassau issues its Purchase Order. Notwithstanding the foregoing, this provision does not apply to purchases which merely increase the number of licenses for software previously acquired by Nassau ("incremental licenses"). Such incremental license purchases are accepted upon delivery.

- B. Trial Software. Nassau may order trial Software, or Oracle may include additional trial Software with the order which Nassau may use for trial, non-production purposes only. Nassau may not use the trial Software to provide or attend third party training on the content and/or functionality of the Software. Nassau has sixty (60) days from delivery to evaluate such trial Software. If it decides to use any of this trial Software after the sixty (60) day trial period, Nassau must obtain a license for such trial Software from Oracle. If it decides not to obtain a license for the trial Software after the sixty (60) day trial period, Nassau will cease using and will delete any such trial Software from its computer systems. Software licensed for trial purposes is provided "as is" and Oracle does not provide technical support or offer any warranties for these programs.

V. SERVICES

- A. Nassau may acquire Technical Support (maintenance), Advanced Customer Services, and Training, under this Agreement. The rates for the purchase of Advanced Customer Services and Training are set forth in Exhibits 3 and 4, respectively. The terms for the purchase of Technical Support are set forth in the Article immediately below and in the Technical Support policies attached as Exhibit 1.
- B. Upon payment for Services, Nassau will have a perpetual, non-exclusive, non-assignable, royalty free license to use for its internal business operations, anything developed by Oracle and delivered to Nassau. Nassau may allow its agents and contractors to use the deliverables for such purpose and Nassau is responsible for their compliance with this Agreement and the Ordering Document. Oracle retains ownership and all intellectual property rights to anything developed by it and delivered by it under the applicable Ordering Document resulting from the Services, except as stated in (C) immediately below.
- C. Advanced Customer Services ("ACS"). The only consulting services offered by Oracle under this Agreement are Advanced Customer Services ("ACS"). Oracle states that no development or customization work can be provided pursuant to the performance of the ACS.

To the extent that Oracle may produce incidental deliverables in the performance of ACS and following payment of all fees for the applicable ACS order: (a) the allocation of ownership and license rights to such incidental deliverables shall be the Joint Property (as defined below) of both Oracle and Nassau; and (b) Oracle grants to Nassau a non-exclusive, non-assignable, royalty free, perpetual, internal-use license to use Oracle Works (as defined below) that are embodied in the Joint Property.

1. "Incidental Deliverables" shall mean those deliverables developed by Oracle solely for Nassau in the performance of the applicable Ordering Document, except for any Oracle Works (as defined below).
2. "Oracle Works" shall mean: (a) anything provided by or on behalf of Oracle from a repository; (b) any software code generated by computer aided software engineering (CASE) tools; (c) any tools, interfaces, and utilities developed by or on behalf of Oracle; and (d) any derivative works of (a), (b), or (c) above. Nothing in this section shall be construed to grant, amend, or modify any license for any Software or Documentation owned or distributed by Oracle.
3. "Joint Property" shall mean the Incidental Deliverables which are those deliverables developed using ACS and shall be owned jointly by Oracle and Nassau; Joint Property does not include any Oracle Works (as defined above). Oracle and Nassau agree that each party jointly shall own the copyright interest in the Joint Property and that each party may freely use, share, license or sub-license the Joint Property without requiring the approval of the other party, and shall have no duty of accounting to the other party for use of the Joint Property.

Oracle retains all right, title and interest, including all copyrights, in any Oracle Works and Software. Any property or material furnished by Nassau to Oracle hereunder is and will remain the property of Nassau.

- D. At Nassau's request, Oracle shall provide Nassau with the resumes of all Oracle's employees, consultants, and subcontractors who shall perform Services at Nassau's site under this Agreement. Nassau shall have the right to conduct interviews, unless otherwise agreed to by the parties, of all such employees, consultants, or subcontractors provided such interview occurs before the commencement of Services by the relevant employees, consultants or subcontractors. Nassau shall have the right to reject assignment of any Oracle employee, consultant, or subcontractor to a particular Service by providing Oracle a reasonable and non-discriminatory basis for such rejection. This paragraph shall not apply to the provision of Technical Support Services.
- E. The Services provided under this Agreement may be related to Nassau's license to use Programs which it acquires under a separate order. The Agreement referenced in that order shall govern Nassau's use of such Programs. Any Services acquired from Oracle are bid separately from such Program licenses, and Nassau may acquire either Services or such Program licenses without acquiring the other.

VI. TECHNICAL SUPPORT & MAINTENANCE

- A. Technical Support** consists of annual technical support services ordered by Nassau for the Software. Payment shall be due quarterly in arrears or as otherwise agreed to by the parties. If ordered, annual Technical Support (including first year and all subsequent years) is provided under Oracle's Technical Support Policies that are attached to this Agreement at the time the Services are ordered. The Technical Support Policies shall be updated annually by amendment to this Agreement. Nassau should review the Technical Support Policies prior to ordering the applicable services.

Technical support is effective upon the effective date of the Ordering Document unless otherwise stated therein. The effective date of an order is when the Ordering Document is fully signed and Oracle receives the Purchase Order; provided however, if the order is subject to an acceptance period, the effective date will be upon acceptance.

The Technical Support service level, which may also be referred to as Software Update License & Support, (or any successor technical support offering to Software Update License & Support, "SULS") acquired with Nassau's order may be renewed annually and, if Nassau renews SULS for the same number of licenses for the same Software, Nassau will be entitled to receive the caps on fee increases which are set forth in Exhibit 1.

If Nassau decides to purchase Technical Support for any Software within a license set, Nassau is required to purchase Technical Support at the same level for all Software within that license set. Nassau may desupport a subset of Software in a license set only if there is also agreement to terminate that subset of licenses. The Technical Support fees for the remaining licenses will be priced in accordance with the Technical Support Policies in effect at the time of termination. The applicable discount to be used in the event of support re-pricing is set forth in Exhibit 2. Oracle's license set definition is available in the Technical Support Policies. If Nassau decides not to purchase Technical Support, Nassau may not update any unsupported Software with new versions of the Software.

Technical Support term(s) and any renewal(s) thereof are independent of the expiration of this Agreement and will not automatically renew. Nassau may discontinue Technical Support at the end of any current Technical Support term. In the event that Nassau discontinues Technical Support of Software, it may, at any time thereafter, reinstate Technical Support for the Software without any additional penalties or other charges, by paying Oracle the amount which would have been due under the order for the period of time that such Technical Support had lapsed.

- B. Oracle's Technical Support offering, entitled "Lifetime Support", is comprised of the following:**
- 1. Premier Support:** Premier Support provides updates, fixes and security alerts; tax, legal, and regulatory updates; upgrade scripts; technical support; major product and technology releases, access to Oracle's Customer Service Website, and certification with new third-party products/versions.

2. **Extended Support:** Oracle may grant Nassau the right to acquire an additional three years of Extended Support. Extended Support provides updates, fixes and security alerts; tax, legal, and regulatory updates; upgrade scripts; technical support; access to its Customer Service Website; and major product and technology releases. Extended Support does not include certification with new third-party products/versions.
3. **Sustaining Support:** As an alternative to Extended Support, Oracle grants Nassau the right to acquire Sustaining Support for as long as it licenses the Software. Sustaining Support provides access to Oracle's Customer Service Support Website, pre-existing fixes, and major product and technology releases. Sustaining Support does not include Updates, fixes, and security alerts; Tax, legal, and regulatory updates; Certification with new third-party products/versions; and Certification with other Oracle products.

Additional information about Oracle's Lifetime Support offering may be found in the Technical Support Policies, attached as Exhibit 1.

C. Successor Products and Re-Named Programs.

1. **Successor Products.** If Oracle makes successor products available for Oracle's product lines ("New Software") that includes substantially similar functionality and features as a Program for which Nassau has purchased a Program License ("Old Software"), Oracle will provide Nassau with a migration path from the Old Software to the New Software and the right to use the New Software under this Agreement at no additional charge, provided that (i) Nassau is current on Technical Support for the Old Software; (ii) this right shall only apply to New Software that is available in production release status on the operating system identified by Nassau at the time of the request; and (iii) Oracle is currently making available, such migration path from the Old Software to the New Software to all of its other supported customers without additional charge.

If Oracle does not provide to all of its supported customers a migration path from the Old Software to the New Software free of additional charge, then Oracle will provide Nassau with the right to use only the functionality and features contained in the New Software that is substantially similar to the functionality and features contained in the Old Software. Nassau shall not have the right to use nor shall it use any additional functionality or features in such New Software. All use of New Software shall otherwise be subject to this Agreement.

2. **Re-Named Programs.** If any Program licensed under this Agreement ("Original Program") is re-named or divided into two or more separate Programs ("Re-Named Program") and the functionality of the Re-Named Program is and remains the same as the functionality of the Original Program, and Oracle makes such Re-Named Program generally available at no additional license fees to all of its customers who have maintained Technical Support for the Original Program, then Oracle shall provide the Re-Named Program to Nassau for no additional license fees, provided that the Re-Named Program is available in production release and that Nassau is current on Technical Support for the Original Program pursuant to Oracle's Technical

Support Policies (or reinstated Technical Support for such Program pursuant to Oracle's then current Technical Support Policies).

In the event that Oracle offers successor or renamed programs, as referenced above, Oracle will notify Nassau of the affected Software to the same extent and in the same manner that it provides notification to its other supported customers of the affected Software. The parties acknowledge that Oracle offers Lifetime Support for many of its Programs; if Lifetime Support is offered for a Program, such Program is not deemed to be discontinued under the meaning of this section.

VII. SOURCE CODE

Oracle shall retain in escrow a copy of the source code necessary to support the Software (not including any Software for which source code is delivered with such Software). The escrowed material shall be maintained under an agreement which provides that if Oracle ceases to be in the business of supporting the Software, the escrow agent shall furnish Nassau with a copy of the escrowed material that has become unsupported. Nassau shall pay the escrow agent a nominal fee sufficient to cover the cost of reproduction and distribution of source materials, including reasonable administrative expenses thereto. Any escrowed material furnished under this provision shall be considered licensed subject to the terms of this Agreement and shall be used solely to maintain the Software. If Oracle replaces Iron Mountain Intellectual Property Management with a substitute escrow agent, Nassau will receive notice of the name and address of the substitute agent.

VIII. COMPENSATION / PAYMENTS / INVOICES

- A. Upon acceptance of Software or as otherwise provided by Agreement, Oracle may invoice for payment. The required payment date shall be thirty (30) calendar days, excluding legal holidays, from the receipt and approval by the County Comptroller of a proper invoice and County Claim Voucher, in accordance with paragraph B.
- B. All payment Invoices shall include, at a minimum, the following terms:
 - 1. Delivery on official form of Oracle;
 - 2. Name, Address and Remittance Address of Oracle if different from that contained in the introductory paragraph of this Agreement;
 - 3. Agreement Number;
 - 4. An executed County Claim Voucher detailing of the Programs or Services for which Oracle requests payment;
 - 5. Total amount to be invoiced.
- C. Oracle shall submit all payment Invoices to the designated payment office for this Agreement, which shall be, unless Oracle receives written notification to the contrary, the address listed in the first paragraph of this Agreement.
- D. The fees due under an Ordering Document signed by Nassau and Oracle shall be non-cancelable and the sums paid nonrefundable, except as expressly provided therein or in this Agreement.
- E. Nassau's signature on an Ordering Document referencing this Agreement and Nassau's issuance of a purchase order are its representations to Oracle

that the purchase has been fully authorized and that all funds for the purchase have been fully appropriated.

- F. Nassau agrees that it has not relied on the future availability of any Programs or Updates in entering into the payment obligations arising under this Agreement; however, (a) if Nassau orders SULS for programs, the preceding sentence does not relieve Oracle of its obligation to provide Updates under this Agreement or the relevant Ordering Document, if-and-when available, in accordance with Oracle's then current Technical Support Policies, and (b) the preceding sentence does not change the rights granted to Nassau for any program licensed under this Agreement or the relevant Ordering Document, per the terms of this Agreement and/or the Ordering Document.
- G. Submission of an invoice and payment thereof shall not preclude Nassau from reimbursement or demanding a price adjustment where the billing was inaccurate. Oracle shall provide, upon request of Nassau, the information reasonably necessary to verify the accuracy of the billings. Such information shall be provided in the format reasonably requested by Nassau and in a media commercially available from Oracle.
- H. If Nassau is exempt from sales tax, Oracle will not invoice it for applicable sales tax provided a copy of a valid sales tax certificate of exemption is provided to Oracle on or before the effective date of this Agreement. Also, Nassau will reimburse Oracle for reasonable expenses related to providing the Services. Fees for Services listed in an Ordering Document are exclusive of taxes and expenses.

IX. WARRANTY

- A. **Title and Ownership Warranty.** Oracle warrants that it possesses (i) full ownership, clear title free of all liens, or (ii) the right to transfer or deliver perpetual or term license rights to the Software. Oracle shall be solely liable for its costs of acquisition of such ownership rights and/or clear title. Notwithstanding any language to the contrary in this Agreement, Article X(A), *Intellectual Property Infringement Indemnification*, of this Agreement states Nassau's exclusive remedy and Oracle's entire liability for any breach of this particular warranty.
- B. **Software Warranty.** Software offered shall be a current production release. Oracle warrants that the Software will perform in all material respects as described in the Documentation for eighteen (18) months from the date of acceptance. Nassau must notify Oracle of any Program warranty deficiency within eighteen (18) months after acceptance.

For Nassau's initial purchase of Software under this Agreement only, Oracle also warrants that the Software will perform in all material respects in accordance with Oracle's response to the functional and technical requirements attached as Exhibit 5 for eighteen (18) months from the date of acceptance. Nassau must notify Oracle of any Software warranty deficiency under this paragraph within eighteen (18) months year after acceptance of the initial purchase of the Software.

- C. **Virus Warranty.** Oracle represents and warrants that prior to delivery Oracle shall use commercially reasonable methods to test and protect the Software against viruses and other harmful elements designed to disrupt the orderly operation of, or impair the integrity of data files resident on, any data processing system. Oracle represents and warrants that it will not deliver Software that contains any known virus. Oracle will also maintain a master copy of the appropriate versions of the Software, free of viruses. If Nassau believes a virus may be present in the delivered Software, then upon its request, Oracle will provide a master copy to Nassau for comparison with and correction of its copy of the Software.
- D. **Date/Time Warranty.** Oracle represents that during the term of this Agreement, including any extension or renewal hereof, the Software shall, when used in accordance with the Program Documentation, be able to accurately process (including, but not limited to, calculating, comparing, and sequencing) date/time data transitions, including leap year and daylight savings time calculations.
- E. **Services Warranty.** Oracle warrants that the Services will be provided in a professional manner in accordance with industry standards. Nassau must notify Oracle of any Services warranty deficiencies within ninety (90) days from performance of the Service that gave rise to the warranty claim.
- F. **Survival of Warranties.** All warranties contained in this Agreement, which have not expired by their terms, shall survive the termination of this Agreement.
- G. **NO IMPLIED WARRANTIES**
TO THE EXTENT PERMITTED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- H. Oracle does not warrant or guarantee that the Software will be error free or operate without interruption or that Oracle will correct all Software errors. Oracle is not obliged to develop error corrections or updates for Nassau's benefit but, in the event such corrections or updates are made generally commercially available by Oracle at no additional charge, Oracle shall provide them to Nassau at no additional charge. Nassau acknowledges that the Software has not been prepared to meet its individual requirements; it is Nassau's responsibility to ensure that the facilities and functions described in its specification meet its requirements, and Nassau is solely responsible for results obtained from its use of the Software.
- I. **EXCLUSIVE REMEDIES.** FOR ANY BREACH OF THE WARRANTIES IN B, D AND E ABOVE, NASSAU'S EXCLUSIVE WARRANTY REMEDY, AND ORACLE'S ENTIRE WARRANTY LIABILITY, SHALL BE: (A) THE CORRECTION OF SOFTWARE ERRORS THAT CAUSE BREACH OF THE WARRANTY, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT SUCH BREACH IN A COMMERCIALY REASONABLE TIME AND MANNER, NASSAU MAY END ITS SOFTWARE LICENSE AND RECOVER THE FEES PAID TO ORACLE FOR THE SOFTWARE LICENSE; OR (B) THE REPERFORMANCE OF THE DEFICIENT SERVICES, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT A BREACH

IN A COMMERCIALLY REASONABLE TIME AND MANNER, NASSAU MAY END THE RELEVANT SERVICES AND RECOVER THE FEES PAID TO ORACLE FOR THE DEFICIENT SERVICES.

X. INDEMNIFICATION AND LIABILITY

- A. Intellectual Property Infringement Indemnification.** Oracle will also indemnify and hold Nassau harmless from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs that may be finally assessed against Nassau in any action for infringement of a United States Letter Patent, or of any copyright, trademark, trade secret or other third party proprietary right based upon Materials provided to Nassau by Oracle and except to the extent such claims arise from Nassau's negligence or willful misconduct, provided that Nassau shall give Oracle: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, no later than 30 days after it receives notice of the claim (or sooner if required by law) (ii) sole control to settle or defend such action, claim or suit at Oracle's sole expense, and (iii) assistance in the defense of any such action at the expense of Oracle. Nassau reserves the right to join such action, at its sole expense, when it determines there is an issue involving a significant public interest.

If usage shall be enjoined for any reason or if Oracle believes that it may be enjoined, Oracle shall have the right, at its own expense and sole discretion: (i) to procure for Nassau the right to continue Usage (ii) to modify the material so that usage becomes non-infringing, while preserving its utility or functionality, or if these alternatives are not commercially reasonable, Oracle may terminate the license for, and require return of, the Material and refund any fees Nassau may have paid for it. Oracle will not indemnify Nassau if it alters the Material or uses it outside the scope of use identified in the Documentation or if Nassau uses a version of the Materials which has been superseded, to the extent the infringement claim could have been avoided by using an unaltered current version of the Material which was provided to Nassau and Nassau either has actual knowledge or is notified by Oracle to use such version due to a potential or existing infringement claim; any such notice will be in writing or, for any software licensed under this Agreement, may be posted at Oracle's customer support web site or included with a software update. Oracle will not indemnify Nassau to the extent that an infringement claim is based upon any information, design, specification, instruction, software, data, or material not furnished by Oracle. Oracle will not indemnify Nassau to the extent that an infringement claim is based upon the combination of any Material with any products or services not provided by Oracle except where such combinations are expressly specified by Oracle in the Documentation. Oracle will not indemnify Nassau for infringement caused by its actions against any third party if the Program(s) as delivered to Nassau and used in accordance with the terms of this Agreement would not otherwise infringe any third party intellectual property rights.

In the event that an action at law or in equity is commenced against Nassau arising out of a claim that Nassau's use of the Material under the Agreement infringes any patent, copyright or proprietary right, and Oracle is of the opinion that the allegations in such action in whole or in part are not covered by the indemnification and defense

provisions set forth in the Agreement, Oracle shall promptly notify Nassau in writing and shall specify to what extent Oracle believes it is obligated to defend and indemnify under the terms and conditions of the Agreement. Oracle shall in such event attempt to secure a continuance to permit Nassau to appear and defend its interests in cooperation with Oracle, as is appropriate, including any jurisdictional defenses Nassau may have. This Article X(A) constitutes Nassau's sole and exclusive remedy for any infringement claims or damages.

B. Personal Injury / Property Damage Indemnification. Oracle shall be fully liable for any act or omission of Oracle, its employees, Subcontractors and agents, and shall fully indemnify and hold harmless Nassau from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or tangible personal property caused by fault or negligence of Oracle, its employees, Subcontractors or agents arising from Oracle's performance of this Agreement, **without limitation**; provided, however, that Oracle shall not be obligated to indemnify Nassau for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of Nassau or the acts of third parties, other than those provided by Oracle to perform under the Agreement. In connection with the foregoing, Nassau shall give Oracle: (i) prompt written notice of any action, claim or threat of suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Oracle's sole expense, and (iii) assistance in the defense of any such action at the expense of Oracle. This paragraph does not apply to any claims arising from damage to "intangible personal property," which includes documentation, software, data or data files that are in electronic format.

C. Limitation on Liability. EXCEPT AS OTHERWISE SET FORTH IN THE INDEMNIFICATION PARAGRAPHS ABOVE, THE LIMIT OF LIABILITY SHALL BE AS FOLLOWS:

1. ORACLE'S LIABILITY FOR ANY DAMAGES ARISING OUT OF, OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, SHALL IN NO CASE EXCEED DIRECT DAMAGES IN: (I) AN AMOUNT EQUAL TO TWO (2) TIMES THE CHARGES SPECIFIED IN THE PURCHASE ORDER FOR THE SOFTWARE AND SERVICES, OR PARTS THEREOF FORMING THE BASIS OF NASSAU'S CLAIM, (SAID AMOUNT NOT TO EXCEED A TOTAL OF TWELVE (12) MONTHS CHARGES PAYABLE UNDER THE APPLICABLE PURCHASE ORDER) OR (II) ONE MILLION DOLLARS (\$1,000,000), WHICHEVER IS GREATER. NOTWITHSTANDING THE LIMITATION IN THE FIRST SENTENCE OF THIS PARAGRAPH (1), ORACLE'S LIABILITY TO NASSAU FOR DAMAGES RESULTING FROM THE WRONGFUL DISCLOSURE OF PERSONAL DATA BY ORACLE IN ITS PERFORMANCE OF TECHNICAL SUPPORT SERVICES IN BREACH OF ORACLE'S OBLIGATIONS UNDER ARTICLE XI(D) (*CONFIDENTIALITY AND NON-DISCLOSURE*) SHALL NOT EXCEED THE GREATER OF: (A) \$1,000,000 OR (B) TWO TIMES THE FEES PAID BY NASSAU UNDER THIS AGREEMENT FOR TECHNICAL SUPPORT WITHIN THE TWO (2) YEARS IMMEDIATELY PRECEDING THE ACTION THAT GAVE RISE TO THE BREACH.

- 2. NOTWITHSTANDING THE ABOVE, NEITHER ORACLE OR NASSAU SHALL BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM LOSS OF USE OR LOSS OF PROFIT BY NASSAU, ORACLE, OR BY OTHERS.**

XI. CONFIDENTIALITY AND NON-DISCLOSURE

- A.** As used in this Section, "Disclosing Party" means Nassau when disclosing its Confidential Information (defined below) to Oracle, or Oracle when disclosing its Confidential Information to Nassau, and "Receiving Party" means Nassau when receiving disclosure of Confidential Information from Oracle, or Oracle when receiving disclosure of Confidential Information from Nassau. "Confidential Information" means all confidential information disclosed by a party (the "Disclosing Party") to the other party (the "Receiving Party") after the effective date of this Agreement including, without limitation, information relating to the Disclosing Party's operations, processes, plans or intentions, know-how, design rights, trade secrets or business affairs. Confidential Information shall be clearly marked as "confidential," "proprietary," "restricted" or some similar designation. Except as provided in this Agreement and specifically in Article XI(B) hereunder, the Receiving Party further agrees that any Confidential Information obtained by the Receiving Party from the Disclosing Party, its agents, subcontractors, officers, or employees in the course of performing its obligations, including without limitation, security procedures, business operations information, or commercial proprietary information in the possession of the Disclosing Party hereunder, will not be divulged to any third parties. Nassau acknowledges that the Source Code to the Software and the Documentation are Confidential Information of Oracle.
- B. The Receiving Party:**
1. may not use any Confidential Information for any purpose other than in accordance with, and in the performance of, its obligations under this Agreement;
 2. may not disclose any Confidential Information to any person except with the prior written consent of the Disclosing Party or in accordance with Section C; and
 3. shall make every reasonable effort to prevent the use or disclosure, other than as expressly permitted herein, of Confidential Information.
- C. The Receiving Party may disclose information, which would otherwise be Confidential Information if and to the extent that:**
1. it is required by law (such as the New York State Freedom of Information Law);
 2. the information has come into the public domain, otherwise than through (a) a breach of this Clause by the Receiving Party, (b) a third party's breach of any duty of confidentiality owed to the Disclosing Party of which the Receiving Party was aware, or (c) a violation of law;

3. It was in the Receiving Party's lawful possession prior to the disclosure and had not been obtained by the Receiving Party either directly or indirectly from the Disclosing Party;
 4. It is required by existing contractual obligations of which the Disclosing Party is aware;
 5. It is independently developed by the Receiving Party without reliance on the Confidential Information;
 6. It is required by any securities exchange or regulatory or governmental body to which it is subject or by judicial process;
 7. It is otherwise obtained under the Freedom of Information Law or other applicable New York State laws or regulations; or
 8. the disclosure is to its professional advisers, auditors or banker; or to any of its directors, other officers, employees and subcontractors (a "Recipient") to the extent that disclosure is reasonably necessary for the purposes of this Agreement.
- D. In addition to the foregoing, Nassau represents that it has certain obligations with regard to the use and protection of Personal Data. "Personal Data" means non-public, personally identifiable information of Nassau's employees or citizenry. Oracle will not store, maintain or process any Personal Data on Nassau's behalf connection with the provision of programs, related technical support and other services under the Agreement. Any access by Oracle to Personal Data will be incidental to the software and related services provided by Oracle to Nassau. Nassau agrees that it will endeavor not to unnecessarily provide any Personal Data to Oracle under the Agreement. To the extent that Oracle has any incidental access to Personal Data in providing its Software and services to Nassau, Oracle agrees that (1) it shall not disclose or use Personal Data except to the extent reasonably required to carry out its obligations under the Agreement; and (2) it shall maintain appropriate information security measures to protect such Personal Data from unauthorized disclosure or use. The obligations set forth in this paragraph shall survive termination of this Agreement.

XII. BREACH

- A. **Breach, Generally.** If either party breaches a material term of this Agreement and fails to correct the breach within 30 days of written specification of the breach, then the breaching party is in default and the non-breaching party may terminate this Agreement, subject to the Dispute Resolution process set forth in the Article immediately below.
- B. **Failure to Make Payment.** In the event Nassau fails to make payment to Oracle for Software or Services delivered and accepted, and invoiced as set forth herein, within thirty (30) days of such delivery and acceptance, Oracle may, upon 10 days advance written notice to Nassau's purchasing official, suspend additional shipments of Software or provision of Services to Nassau until such time as reasonable arrangements have been made and assurances given by such entity for current and future payments. If the breach is for the failure to pay for Software and the breach continues unabated, upon written notice of termination, Oracle may terminate

Nassau's license for the unpaid-for Software. Notwithstanding the foregoing, Oracle shall, at least 10 days prior to declaring a breach of contract by Nassau, by certified or registered mail, notify the purchasing official of Nassau of the specific facts, circumstances and grounds upon which a breach will be declared. It is understood, however, that if Oracle's basis for declaring a breach is insufficient, Oracle's declaration of breach and failure to service Nassau shall constitute a breach of its Agreement and Nassau may thereafter seek any remedy available at law or equity.

C. Remedies for Breach. It is understood and agreed that all rights and remedies afforded below shall be in addition to all remedies or actions otherwise authorized or permitted by law, except where expressly limited in this Agreement:

1. **Cover/Substitute Performance.** In the event of Oracle's material, uncured breach, Nassau may, with or without formally bidding: (i) purchase from other sources; or (ii) if Nassau is unsuccessful after making reasonable attempts, under the circumstances then existing, to timely obtain acceptable service or acquire replacement software of equal or comparable quality, Nassau may acquire acceptable replacement software of lesser or greater quality. Such purchases may, in the discretion of Nassau, be deducted from the Agreement quantity and payments due Oracle.
2. **Withhold Payment.** In any case where a reasonable question of material non-performance by Oracle arises, payment may be withheld in whole or in part at the discretion of Nassau.
3. **Bankruptcy.** In the event that Oracle files a petition under the U.S. Bankruptcy Code during the term of this Agreement, Nassau may, at its discretion, make application to exercise its right to set-off against monies due the Debtor or, under the Doctrine of Recoupment, credit Nassau the amounts owed by Oracle arising out of the same transactions.
4. **Reimbursement of Costs Incurred.** Oracle agrees to reimburse Nassau promptly for any and all additional costs incurred for acquiring acceptable services, and/or replacement software. Should the cost of cover be less than the price charged under this Agreement, Oracle shall have no claim to the difference.
5. **Deduction/Credit.** Sums due as a result of these remedies may be deducted or offset by Nassau from payments due, or to become due, Oracle on the same or another transaction. If no deduction or only a partial deduction is made in such fashion Oracle shall pay to Nassau the amount of such claim or portion of the claim still outstanding, on demand.

XIII. DISPUTE RESOLUTION

- A. In the event there is a dispute or controversy under this Agreement, the parties agree to exercise their best efforts to resolve the dispute as soon as possible. The parties shall, without delay, continue to perform their respective obligations under this Agreement, which are not affected by the dispute.
- B. In the event Nassau is dissatisfied with Oracle's Software or Services provided under this Agreement, Nassau shall notify Oracle in writing. In the event Oracle has any disputes with Nassau, Oracle shall so notify Nassau in writing. If either party notifies the other of such dispute or controversy, the other party shall then make

good faith efforts to solve the problem or settle the dispute amicably, including meeting with the party's representatives to attempt diligently to reach a satisfactory result.

- C. If negotiation between such persons fails to resolve any such dispute to the satisfaction of the parties within 14 business days or as otherwise agreed to by the parties, of such notice, then the matter shall be submitted to Nassau's senior county executive and Oracle's senior officer of the rank of Vice President or higher as its representative. Such representatives shall meet in person and shall attempt in good faith to resolve the dispute within the next 14 business days or as otherwise agreed to by the parties. This meeting must be held before either party may seek any other method of dispute resolution, including judicial or governmental resolutions. Notwithstanding the foregoing, this Article shall not be construed to prevent either party from seeking and obtaining temporary equitable remedies, including injunctive relief.
- D. Oracle shall extend the dispute resolution period for so long as Nassau continues to make reasonable efforts to cure the breach, except with respect to disputes about the breach of payment of fees or infringement of its or its licensors' intellectual property rights.
- E. This Article XIII does not apply to any breach by Nassau of Oracle's or its licensor's intellectual property rights.

XIV. TERMINATION

The following termination provisions are subject to the Dispute Resolution provision, to terms of the Technical Support Policies, and other provisions of this Agreement. Termination under this Article does not relieve Nassau of its obligation to pay for Programs or Services delivered by Oracle under this Agreement.

- A. **For Cause:** For a material breach that remains uncured for more than thirty (30) days or other specified period after written notice to Oracle, the Agreement or Purchase Order may be terminated by Nassau at Oracle's expense where Oracle becomes unable or incapable of performing, or meeting any requirements or qualifications set forth in the Agreement, or for non-performance, or upon a determination that Oracle is non-responsible. Such termination shall be upon written notice to Oracle. In such event, Nassau may complete the contractual requirements in any manner it may deem advisable and pursue available legal or equitable remedies for breach. If the Agreement is terminated pursuant to this subdivision, Nassau shall remain liable for all accrued but unpaid fees and charges incurred through the date of the termination.
- B. **For Convenience:** By written notice, this Agreement may be terminated at any time by Nassau for convenience upon sixty (60) days written notice or other specified period without penalty or other early termination charges due. Such termination of the Agreement shall not affect any Purchase Order that has been issued under the Agreement prior to the date of such termination. If the Agreement is terminated pursuant to this subdivision, Nassau shall remain liable for all accrued but unpaid

charges incurred through the date of the termination. Oracle shall use due diligence and provide any outstanding deliverables.

XV. FORCE MAJEURE

A force majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled. Force majeure includes, but is not limited to, acts of God, acts of war, acts of public enemies, strikes, fires, explosions, actions of the elements, floods, or other similar causes beyond the control of Nassau or Oracle in the performance of the Agreement which non-performance, by exercise of reasonable diligence, cannot be prevented. Oracle shall provide Nassau with written notice of any force majeure occurrence as soon as the delay is known.

Neither Nassau nor Oracle shall be liable to the other for any delay in or failure of performance under the Agreement due to a force majeure occurrence. Any such delay in or failure of performance shall not constitute default or give rise to any liability for damages. The existence of such causes of such delay or failure shall extend the period for performance to such extent as determined by Oracle or Nassau to be necessary to enable complete performance by Oracle if reasonable diligence is exercised after the cause of delay or failure has been removed.

If such event continues for more than 90 days, either party may cancel unperformed Services upon written notice. This section does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures or Nassau's obligation to pay for Software delivered or Services provided.

XVI. AUDIT OF SOFTWARE USAGE

Upon 45 days written notice, Oracle may audit Nassau's use of the Software. Oracle agrees not to audit Nassau's use more frequently than once annually. Nassau agrees to cooperate with Oracle's audit and provide reasonable assistance and access to information during its normal business hours. Nassau shall be entitled to designate a representative who shall be entitled to participate in such audit. Nassau agrees that Oracle shall not be responsible for any of Nassau's reasonable costs incurred in cooperating with the audit.

Oracle shall provide Nassau with a report of any such audit, and Nassau shall have the right to provide a written response to the report to Oracle. All such audit reports and responses to such audit reports shall be considered confidential and subject to the non-disclosure obligations in this Agreement. In the event such audit discloses that Nassau exceeds the scope of the permissible use of the licenses for the Software, Nassau agrees to immediately cease its impermissible use of such Software. To continue its use of such licenses, Nassau agrees to pay within thirty (30) days of the receipt of written notification and provision of an invoice.

Notwithstanding the foregoing, if Nassau in good faith provides Oracle with written notice of an alleged error in the amount of underpaid fees reported in the audit and agrees to pay any amounts not in dispute, Nassau may invoke the Dispute Resolution Process provided in Article XIII of this Agreement. If Nassau pays the undisputed

amounts and provides the aforementioned notice of error, Nassau is not obligated to cease its alleged impermissible use of the Software during the Dispute Resolution process. During the Dispute Resolution process, Oracle agrees not to terminate the Software or any associated Technical Support services, nor commence formal proceedings for the judicial resolution of such dispute, except for the seeking of equitable relief, until an amicable resolution of the dispute through continued negotiation of the matter at issue does not appear likely.

XVII. POLICIES AND SECURITY

In performing this Agreement, Oracle warrants, covenants and represents that it will comply fully with Nassau's rules, procedures and protocols ("Procedures"), including but not limited to physical, facility, documentary, information security and cyber security, provided that such Procedures do not violate any state, local or federal law. Nassau shall make available the relevant Procedures and Oracle shall be responsible for distributing to its representatives and assessing and ensuring compliance. If any part of the Procedures should violate Oracle's Code of Ethics and Business Conduct or Oracle is otherwise unable to comply, Oracle shall notify Nassau in writing. Nassau shall be responsible for acquiring the necessary approvals for the waiver from the entity that issued the Procedure. Oracle and Nassau agree that the Procedures do not modify or amend the other terms and conditions of the Agreement.

XVIII. MISCELLANEOUS

- A. Cooperation Between Contractors.** Oracle shall be responsible for fully cooperating with any third party, including but not limited to other contractors or subcontractors of Nassau, as necessary to ensure delivery of Software or coordination of performance of Services.
- B. Independent Contractors.** It is understood and agreed that the legal status of Oracle, its agents, officers and employees under this Agreement is that of an independent contractor, and in no manner shall they be deemed employees of Nassau, and therefore are not entitled to any of the benefits associated with such employment. Oracle agrees, during the term of this Agreement, to maintain at Oracle's expense those benefits to which its employees would otherwise be entitled by law, including health benefits, and all necessary insurance for its employees, including worker's compensation, disability and unemployment insurance, and to provide Nassau with certification of such insurance upon request. Oracle remains responsible for all applicable federal, state and local taxes, and all FICA contributions.
- C. No Hard Stop / Passive License Monitoring.** Unless Nassau is otherwise specifically advised to the contrary in writing at the time of order and prior to purchase, Oracle hereby warrants and represents that either: (1) the Software and all Updates do not and will not contain any computer code that would disable the Software or Updates or impair in any way its operation based on the elapsing of a period of time, exceeding an authorized number of copies, advancement to a particular date or other numeral, or other similar self-destruct mechanisms (sometimes referred to as "time bombs," "time locks," or "drop dead" devices) or that would permit Oracle to access the Software to cause such disablement or impairment (sometimes referred to as a "trap door" device); or (2) if the Software or

Updates does contain any such computer code, such computer code shall not be enabled. Oracle agrees that in the event of a breach or alleged breach of this provision, Nassau may seek a temporary restraining order, injunction, or other form of equitable relief against the continuance of such breach, in addition to any and all remedies to which Nassau shall be entitled.

- D. Proof of License.** The fully signed Ordering Document, Nassau's corresponding Purchase Order and payment of Oracle's invoice shall serve as Nassau's proof of License.
- E. Severability.** If any provision of this Agreement is deemed invalid or unenforceable, such determination shall have no effect on the balance of the Agreement, which shall be enforced and interpreted as if such provision was never included in the Agreement.
- F. Entire Agreement and Modification of Agreement Terms.** This Agreement and the referenced appendices constitute the entire agreement between the parties thereto and no statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained herein shall be binding or valid, and the Agreement shall not be changed, modified or altered in any manner except by an instrument in writing executed by both parties hereto. No preprinted terms or conditions on a Purchase Order issued by Nassau, which seek to vary the terms of this Agreement or impose new duties or obligations on Oracle, shall have any force or effect.
- G. Assignments and Mergers, Acquisitions, Divestitures.** Upon notice to Oracle, the Agreement may be assigned without the consent of Oracle to another Nassau subdivision pursuant to a governmental reorganization or assignment of functions under which the functions are transferred to a successor entity that assumes Nassau's responsibilities for the Agreement. If Nassau grants a security interest in the Programs and/or any Services deliverables, the secured party has no right to use or transfer the Programs and/or any Services deliverables, and if Nassau decides to finance an acquisition of the programs and/or any services, it will follow Oracle's policies regarding financing which are at <http://oracle.com/contracts>. Except in the event of a merger, consolidation, acquisition, internal restructuring, or sale of all or substantially all of the assets of Oracle, Oracle may not assign this Agreement without Nassau's prior written consent. Oracle's obligation to perform under this Agreement shall not be affected or impaired by any reorganization, consolidation or merger to which Oracle is, or may become, a party.
- H. Press Releases / Publicity.** Oracle shall obtain the prior written approval of Nassau relative to the Agreement for press or other media releases.
- I. UCITA.** The Uniform Computer Information Transactions Act does not apply to this Agreement or orders placed under it.
- J. Legal Compliance.** Oracle represents it will pay at its sole expenses for all applicable permits, licenses, tariffs, tolls and fees and that it shall secure all notices and comply with all laws, ordinances, rules and regulations of any governmental

entity applicable to the performance of obligations under the Agreement or seek waiver therefrom. Prior to award and during the Agreement term and any renewals thereof, Oracle must establish to the satisfaction of Nassau that it meets or exceeds all requirements of the Agreement and any applicable laws, including but not limited to, permits, insurance coverage, licensing, and proof of coverage for workers' compensation, and shall provide such proof as required by Nassau. Failure to comply or failure to provide proof may constitute grounds for Nassau to cancel or suspend the Agreement, in whole or in part or to take any other action deemed necessary by Nassau.

- K. Captions.** The captions contained in this Agreement are intended for convenience and reference purposes only and shall in no way be deemed to define or limit any provision thereof.
- L. Governing Law.** This procurement, the resulting contract and any purchase orders issued hereunder shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise, and actions or proceedings arising from the contract shall be heard in a court of competent jurisdiction in the State of New York.
- M. Order of Precedence.** The documents comprising this Agreement shall have the following order of precedence: (1) Appendix A; (2) Ordering Document(s); (3) this Agreement; and (4) all other exhibits.

XIX. NASSAU SPECIFIC LAWS, ORDINANCES, REQUIREMENTS

A. Insurance.

1. **Types and Amounts.** Oracle shall obtain and maintain throughout the term of this Agreement, at its own expense: (i) one or more policies for commercial general liability insurance, which policy(ies) shall name "Nassau County" as an additional insured and have a minimum single combined limit of liability of not less than two million dollars (\$2,000,000) per occurrence and four million dollars (\$4,000,000) aggregate coverage, (ii) compensation insurance for the benefit of Oracle's employees ("Workers' Compensation Insurance"), which insurance is in compliance with the New York State Workers' Compensation Law, and (iii) such additional insurance, including, without limitation, builder's all risk, if applicable, automobile liability insurance and umbrella liability insurance, as Nassau may from time to time specify.
2. **Acceptability; Deductibles; Subcontractors.** All insurance obtained and maintained by Oracle pursuant to this Agreement shall be (i) written by one or more commercial insurance carriers licensed or authorized to do business in New York State and acceptable to Nassau; and (ii) in form and substance acceptable to Nassau. Oracle shall be solely responsible for the payment of all deductibles to which such policies are subject. Oracle shall require any subcontractor hired in connection with this Agreement to carry insurance with the same limits and provisions required to be carried by Oracle under this Agreement.
3. **Delivery; Coverage Change; No Inconsistent Action.** Prior to the execution of this Agreement, copies of current certificates of insurance evidencing the

Insurance coverage required by this Agreement shall be delivered to the Nassau County Attorney's Office. Not less than thirty (30) days prior to the date of any expiration or renewal of, or actual, proposed or threatened reduction or cancellation of coverage under, any insurance required hereunder, Oracle shall provide written notice to the Nassau County Attorney's Office of the same and deliver to Nassau County Attorney's Office renewal or replacement certificates of insurance. Oracle shall cause all insurance to remain in full force and effect throughout the term of this Agreement and shall not take any action, or omit to take any action, which would suspend or invalidate any of the required coverages. The failure of Oracle to maintain Workers' Compensation Insurance shall render this contract void and of no effect. The failure of Oracle to maintain the other required coverages shall be deemed a material breach of this Agreement upon which Nassau reserves the right to consider this Agreement terminated as of the date of such failure.

- B. No Arrears or Default.** Oracle is not in arrears to Nassau upon any debt or contract and it is not in default as surety, contractor, or otherwise upon any obligation to Nassau, including any obligation to pay taxes to, or perform services for or on behalf of, Nassau.
- C. Nassau County Living Wage Law.** Pursuant to LL 12006, as amended, and to the extent that a waiver has not been obtained in accordance with such law or any rules of the County Executive, with respect to Services provided to Nassau which are performed within the United States, Oracle agrees as follows:
1. Oracle shall comply with the applicable requirements of the Living Wage Law, as amended;
 2. Failure to comply with the Living Wage Law, as amended, may constitute a material breach of this Agreement, the occurrence of which shall be determined solely by the County. Oracle has the right to cure such breach within thirty days of receipt of notice of breach from Nassau. In the event that such breach is not timely cured, Nassau may terminate this Agreement as well as exercise any other rights available to Nassau under applicable law.
 3. It shall be a continuing obligation of Oracle to inform Nassau of any material changes in the content of its certification of compliance, attached as Exhibit 6, and shall provide to Nassau any information necessary to maintain the certification's accuracy.
- C. Administrative Service Charge.** Oracle agrees to pay Nassau an administrative service charge of five hundred and thirty-three dollars (\$533.00) for the processing of this Agreement pursuant to Ordinance Number 741979, as amended by Ordinance Number 1282006.
- D. Executory Clause.** Notwithstanding any other provision of this Agreement:
1. Approval and Execution. Nassau shall have no liability under this Agreement (including any extension or other modification of this Agreement) to Oracle unless:
 - (i) all Nassau approvals have been obtained, including, if required, approval by the Nassau County Legislature, and

- (ii) this Agreement has been executed by the Nassau.
2. **Availability of Funds:** Nassau shall have no liability under this Agreement (including any extension or other modification of this Agreement) to Oracle beyond funds appropriated or otherwise lawfully available for this Agreement, and, if any portion of the funds for this Agreement are from the State and/or federal governments, then beyond funds available to Nassau from the State and/or federal governments. Notwithstanding the foregoing, (a) Nassau agrees to pay for all Software ordered and Services performed by Oracle prior to Oracle's receipt of Nassau's notice of the unavailability of funding or appropriations and (b) Nassau's issuance of a Purchase Order to Oracle is its representation to Oracle that funds for that purchase have been fully appropriated and are presently available.

XX. NOTICES

If Nassau has a dispute with Oracle or if Nassau wishes to provide a notice under the Indemnification section of this Agreement, or if Nassau becomes subject to insolvency or other similar legal proceedings, it will promptly send written notice to: Oracle USA, Inc., 500 Oracle Parkway, Redwood City, California, USA, Attention: General Counsel, Legal Department.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

ORACLE USA, INC.

NASSAU COUNTY, NEW YORK

Signature: [Signature]

Signature: [Signature]

Name: DOUGLAS W. DORAN

Name: THOMAS W. STOTES

Title: DIRECTOR, LICENSE CONTRACTS

Title: DEPUTY CO. EXEC.

Date: 5/1/2009

Date: 5-29-09

Corporate Acknowledgement

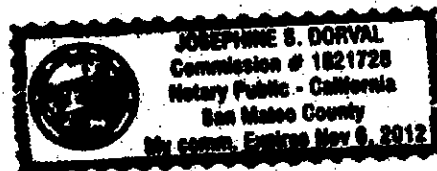
STATE OF CALIFORNIA

)
) ss:
)

COUNTY OF SAN MATEO

On this 1st day of May, 2009 before me personally came Douglas W. Doran, to me known, who, being duly sworn, did depose and say that he/she is Director of the corporation described in the foregoing instrument and that he/she executed the foregoing instrument as Director thereof.

[Signature]
Notary Public



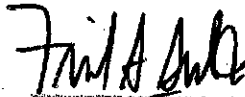
STATE OF NEW YORK)

)ss.:

COUNTY OF NASSAU)

On the 29th day of MAY in the year 2009 before me personally came THOMAS W STOKES to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Suffolk; that he or she is a Deputy County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

NOTARY PUBLIC



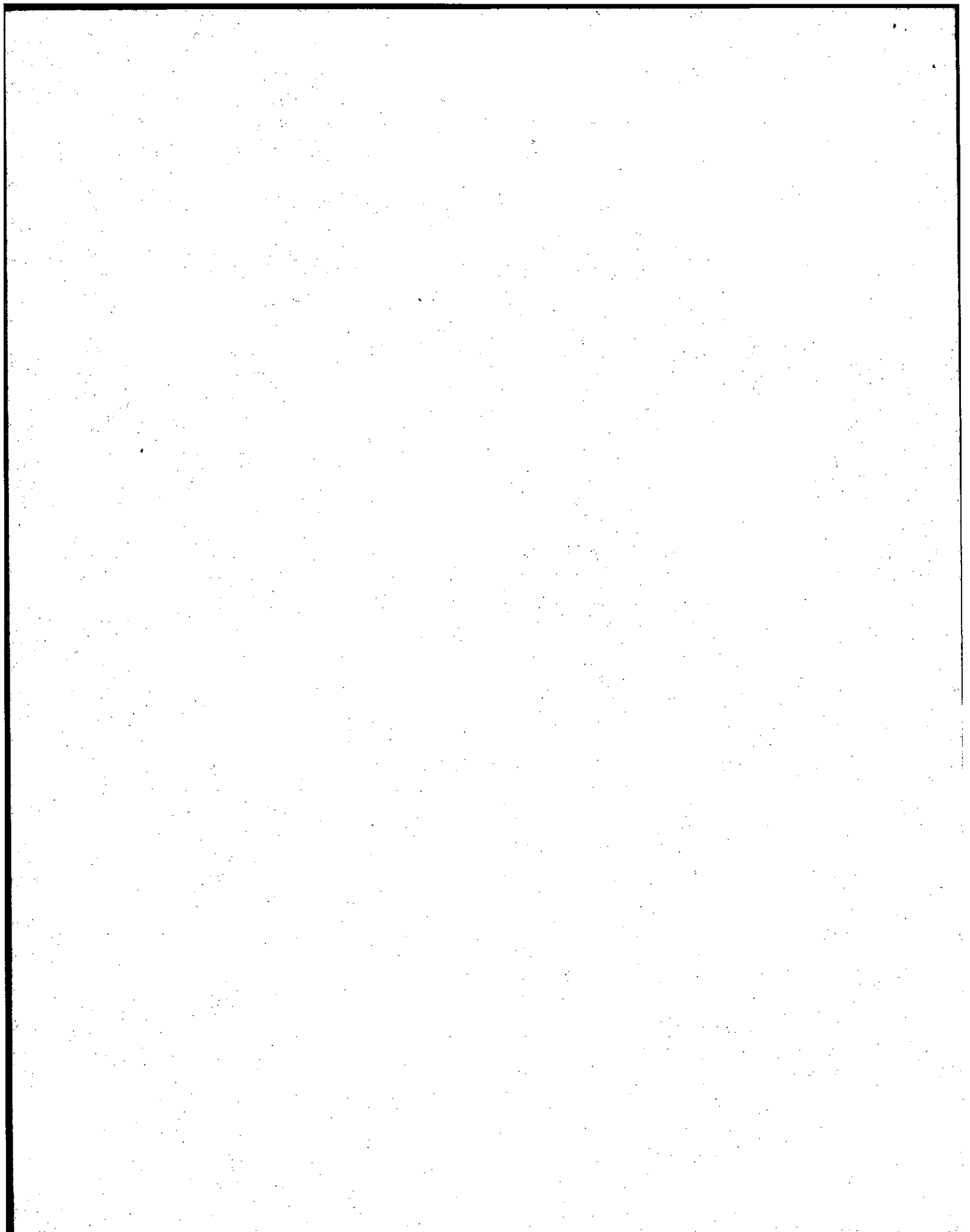
FREDERICK A. SUZEL JR.

NOTARY PUBLIC-STATE OF NEW YORK

No. 01SU4781488

Qualified in Queens County

My Commission Expires February 28, 2010





ORDERING DOCUMENT

Oracle USA, Inc.
500 Oracle Parkway
Redwood Shores, CA 94065

Your Name NASSAU COUNTY, NEW YORK
Your Location 240 Old Country Road
Mineola, NY 11601

Your Contact Keith Hill
Phone Number 516-571-4150
Email Address khill@nassaucountyny.gov

ORACLE CONTRACT INFORMATION

Agreement: Software License and Services Agreement

Agreement Name: _____ ("agreement")

This ordering document incorporates by reference the terms of the agreement specified above. The following defined and capitalized terms in the referenced agreement between you and Oracle USA, Inc. (as successor in interest to Oracle Corporation, hereinafter "Oracle") shall have the same meaning as the stated terms in this ordering document: "Agreement" and "agreement"; "Customer"/"Client" and "you"/"your"; "Program" and "program"; "Technical Support" and "technical support"; "Program Documentation"/"Documentation" and "program documentation"; and "Ordering Document"/"Order Form" and "ordering document".

A. Description and Fees for Ordered Programs and Services

Listed below is a summary of net fees due under the ordering document. These fees are in US Dollars and are exclusive of any applicable shipping charges or applicable taxes. You have ordered the program licenses and 12 months of technical support services described below:

A. 1 - Product Description / License Type	Quantity
PeopleSoft Enterprise Financials - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Treasury - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Purchasing - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Inventory - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise eSupplier Connection - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise eProcurement - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Strategic Sourcing - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Supplier Contract Management - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Asset Management - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Project Costing - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Contracts - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Grants - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Expenses - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Program Management - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise EPM Portal Pack - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Scorecard - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Performance Management Warehouse - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Portal - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Supplier Rating System - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Financials Portal Pack - Enterprise \$M in Operating Budget Perpetual	3200
PeopleSoft Enterprise Planning and Budgeting - Enterprise \$M in Operating Budget Perpetual	3200
Hyperion Planning - System 9 - Enterprise \$M in Operating Budget Perpetual	3200
Hyperion Workforce Planning - Enterprise \$M in Operating Budget Perpetual	3200
Hyperion Capital Asset Planning - Enterprise \$M in Operating Budget Perpetual	3200
Hyperion Performance Scorecard - Enterprise \$M in Operating Budget Perpetual	3200
A. 2 - Product Description / License Type	Quantity
PeopleSoft Enterprise Human Resources - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Payroll - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Absence Management - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Time and Labor - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Recruiting Solutions - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise ePerformance - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Benefits Administration - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise eCompensation - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Learning Management - Enterprise Employee Perpetual	9700

PeopleSoft Enterprise Workforce Rewards - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Workforce Scorecard - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise HRMS Portal Pack - Enterprise Employee Perpetual	9700

A.3 - Product Description / License Type	Quantity
User Productivity Kit - UPK Developer Perpetual	5
User Productivity Kit - UPK Employee Perpetual	9700
PeopleSoft Enterprise UPK Human Resources over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Payroll for North America over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Benefits Administration over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Time & Labor over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK ePay over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eProfile over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eBenefits over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK ePerformance over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Enterprise Learning Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK General Ledger over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Receivables over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Payables over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Asset Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Project Costing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Contracts over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Grants over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Expenses - over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Planning and Budgeting over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Billing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Purchasing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Inventory over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eProcurement over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eCompensation Manager Desktop over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eProfile Manager Desktop over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Absence Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Talent Acquisition Manager over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Strategic Sourcing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Enterprise Portal over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Reporting Tools for HRMS Software Modules over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Reporting Tools for Financials/ESA and Supply Chain over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Fundamentals for HRMS Software Modules over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Fundamentals for Financials and Supply Chain Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Reporting Tools for PeopleTools over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1

A.4 - Product Description / License Type	Quantity
Diagnostics Pack - Processor Perpetual	16
Application Management Pack for PeopleSoft - Named User Plus Perpetual	60
Application Management Pack for PeopleSoft - Processor Perpetual	16
Oracle Business Intelligence Management Pack - Named User Plus Perpetual	143
Oracle Business Intelligence Suite Enterprise Edition Plus - Named User Plus Perpetual	143
Business Intelligence Server Administrator - Named User Plus Perpetual	10

A.5 - Product Description / License Type	Quantity
Crystal Reports for PeopleSoft Enterprise for Unlimited Users (Mfr is Business Objects SA Third Party Program)	1
Crystal Enterprise/BusinessObjects Enterprise PeopleSoft Enterprise Concurrent Access License (bundles of 5) (Mfr is Business Objects SA Third Party Program)	1
WebSphere for PeopleSoft Enterprise (Mfr is International Business Machines Corporation; Third Party Program)	1

	Net Fee
Oracle Programs License Fees	\$1,829,356.32
Oracle Programs Support Fees	\$358,456.35
Net Fee	\$1,987,814.67
Total Fees	\$1,987,814.67

B. General Terms

1. Commencement Date

All program licenses and the period of performance for all services are effective upon shipment of tangible media or upon the effective date of this ordering document if shipment of tangible media is not required.

2. Fees, Invoicing, and Payment Obligation

a. All fees due under this ordering document shall be non-cancelable and the sums paid nonrefundable, except as provided in the agreement.

b. In entering into payment obligations under this ordering document, you agree and acknowledge that you have not relied on the future availability of any program or updates. However, (a) if you order technical support for programs licensed under this ordering document, the preceding sentence does not relieve Oracle of its obligation to provide such technical support under this ordering document, if and when available, in accordance with Oracle's then current technical support policies, and (b) the preceding sentence does not change the rights granted to you for any program licensed under this ordering document, per the terms of this ordering document and the agreement.

c. In accordance with the agreement: (i) license fees are invoiced as of the commencement date; and (ii) service fees are invoiced after the performance of the service; specifically, technical support fees are invoiced quarterly in arrears from the commencement date.

d. In addition to the fees listed in section A, Oracle will invoice you for any applicable shipping charges or applicable taxes.

3. Delivery and Installation

a. You shall be responsible for installation of the software.

b. Oracle has made available to you for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com> the programs listed in section A. Through the Internet URL, you can access and electronically download to your location the software and related documentation for each program listed in section A. Provided that you have continuously maintained technical support for the programs listed in section A, you may continue to download the software and related program documentation for the programs listed in section A. Please be advised that not all programs are available on all hardware/operating system combinations. For current program availability please check the electronic delivery web site. You acknowledge that Oracle's delivery obligation under this ordering document is met by the provision of the electronic delivery web site URL.

4. Source Code

Oracle may deliver source code as part of its standard delivery for particular programs; all source code delivered by Oracle is subject to the terms of the agreement, ordering document and program documentation.

5. Segmentation

The program licenses provided in this ordering document are offered separately from any other proposal for consulting services you may receive or have received from Oracle and do not require you to purchase Oracle consulting services.

6. Order of Precedence

In the event of any inconsistencies between the agreement and this ordering document, this ordering document shall take precedence.

7. Customer Reference

In consideration of the discounts granted to you under this ordering document, Oracle may refer to you as a customer in sales presentations, marketing vehicles and activities. In addition you agree to become part of Oracle's reference program by working with a representative from Oracle Marketing to develop a customer profile for use on Oracle.com and for other promotional activities at Oracle's discretion. The profile will include a quote from an executive of your organization and your organization's logo.

8. Territory

The program licenses and services described in section A are for use in the U.S.

9. Limited Use Programs

The programs listed in section A-4 are limited use programs and maybe used only with the programs listed in section A.1, section A.2 and section A.3.

10. Technical Support Cap

Software Update License & Support (or any successor technical support offering to Software Update License & Support, "SULS") acquired with your order may be renewed annually and, if you renew SULS for the same number of licenses for the same programs, for the first, second, third and fourth renewal years, the fee for SULS will not increase over the prior year's fee. If you renew SULS for the same number of licenses for the same programs for the fifth, sixth, seventh, eighth or ninth renewal year, the fee for SULS will not increase by more than three percent (3%) over the prior year's fees.

C. Future Purchases

1. Expansion

a. If you exceed your licensed quantity you must order the programs (and first year Software Update License & Support for the programs) at the appropriate license and support fees specified on the attached Expansion Exhibit. The number of additional program licenses to be ordered shall be equal to the actual dollar amount of Enterprise \$M of Operating Budget listed in section A.1 and/or the actual number of Enterprise Employees listed in section A.2 as of the order date less the total number of licensed quantity (under this ordering document or other ordering documents) rounded up to the next increment on the attached Expansion Exhibit.

b. The license definitions and program specific terms contained in section D of this ordering document will apply to program licenses ordered pursuant to this section.

c. Oracle has no delivery obligation for program licenses ordered pursuant to this section.

D. Enterprise Application Specific Terms

1. Enterprise \$M Operating Budget

\$M Operating Budget is defined as one million US Dollars of your gross budget reflected in an audited statement from your external accounting firm.

2. Applicable to programs with the license type of Enterprise \$M Operating Budget

The value of these program licenses is determined by the amount of Enterprise \$M Operating Budget. For these program licenses, the licensed quantity purchased must, at a minimum, be equal to the amount of Enterprise \$M Operating Budget as of the effective date of your order. If at any time the amount of Enterprise \$M Operating Budget exceeds the licensed quantity, you are required to order additional licenses (and technical support for such additional licenses) such that the amount of Enterprise \$M Operating Budget is equal to or less than the licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the amount of Enterprise \$M Operating Budget. In addition, each year 90 days before the anniversary date (defined as the day and month of the ordering document effective date), you are required to report to Oracle the number of Enterprise \$M Operating Budget as of such date.

3. Enterprise Employee

Enterprise Employee is defined as all of your full-time, part-time, temporary employees and all of your agents, contractors and consultants. The quantity of the licenses required is determined by the number of Enterprise Employees and not the actual number of users. In addition, if you elect to outsource any business function(s) to another company, all of the company's full-time, part-time, temporary employees and agents, contractors and consultants that are providing the outsourcing services for you must be counted for the purposes of determining the number of Enterprise Employees.

4. Applicable to programs with the license type of Enterprise Employee

The value of these program licenses is determined by the number of Enterprise Employees. For these program licenses, the licensed quantity purchased must, at a minimum, be equal to the number of Enterprise Employees as of the effective date of your order. If at any time the number of Enterprise Employees exceeds the licensed quantity, you are required to order additional licenses (and technical support for such additional licenses) such that the number of Enterprise Employees is equal to or less than the licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the number of Enterprise Employees. In addition, each year 90 days before the anniversary date (defined as the day and month of the ordering document effective date), you are required to report to Oracle the number of Enterprise Employees as of such date.

5. Archival Back-Up and Disaster Recovery

The last sentence of Article II, Section E.3 of the agreement shall not apply to the programs listed in sections A.1, A.2 and A.3 of this ordering document.

F. Program Specific Terms for the Peoplesoft Product Lines

1. License Grant

Oracle grants to you a non-exclusive, nontransferable license for your UPK Developer(s) to: (i) use those User Productivity Kit ("UPK") products listed in Section A (collectively referred to as "materials") only as necessary to create and provide training solely for UPK to use the underlying programs for your benefit; (ii) make an unlimited number of copies of the materials only as necessary to create and provide training solely to UPK to use the underlying programs for your benefit; and (iii) develop modifications and customizations to the UPK programs licensed per UPK Module, if applicable, all subject to the terms and conditions set forth in the agreement, provided all copyright notices are reproduced as provided on the original. You are prohibited from reselling or distributing the materials to any other party or using the materials other than as explicitly permitted in this ordering document or in the agreement. Oracle represents that the materials and any content created by you using the program materials contain valuable proprietary information. Oracle (or its third-party program providers) retains title to all portions of the materials and any copies thereof. You shall use materials modifications created by you solely for your internal use in accordance with the terms of the agreement. You may provide access to and use of the materials only to those third parties that are licensed as UPK Users and that: (a) provide services to you concerning your use of the materials; (b) have a need to use and access the materials; and (c) have agreed to substantially similar non-disclosure obligations imposed by you as those contained in the agreement. NOTWITHSTANDING ANYTHING IN THE AGREEMENT TO THE CONTRARY, PROGRAMS LICENSED PER UPK MODULE ARE PROVIDED "AS IS" AND ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.

1. UPK Materials

For UPK content materials licensed under this ordering document, you represent and warrant that you have a valid license for the underlying program(s). All content materials are published in English language only.

2. UPK Module

UPK Module is defined as the functional software component described in the product documentation.

3. Included Programs - Crystal Reports for PeopleSoft Enterprise

This program is a third party program and it is also a supportable program. "Unlimited users" for purposes of this program means all users who are authorized by you to use such program. You may use this third party program solely in conjunction with PeopleSoft Enterprise programs licensed by you.

4. Included Programs - Crystal Enterprise/BusinessObjects Enterprise for PeopleSoft Enterprise

You acknowledge that this program requires a web application server. This third party program is a supportable program. A "concurrent access license" is a license for one person to access all features and functions of this program. A concurrent access license user is accessing the program from the time the concurrent access license user logs onto the program until the concurrent access license user exits or closes the program. You may use this third party program solely in conjunction with PeopleSoft Enterprise programs licensed by you.

5. Included Programs - WebSphere

Notwithstanding anything in the agreement to the contrary, Oracle shall not be obligated to indemnify you for any claims based on: (i) any third party products identified in the "README" AND "LICENSE.TXT" files included with WebSphere; (ii) open source code delivered with the WebSphere product; (iii) any trade secret embodied within WebSphere; and (iv) the combination, operation or use of WebSphere with any non-International Business Machine Corporation product, data, or apparatus. In addition to the terms set forth in the agreement and this ordering document, use of this program shall be subject to the terms and conditions set forth in the "README" and "LICENSE.TXT" files included with the WebSphere program, as those terms may change from time to time. Notwithstanding anything herein to the contrary: (a) source code is not included for this program and (b) this third party program is a supportable program.

By signing below, the parties agree that the agreement and this ordering document constitute the entire agreement between the parties with regard to the subject matter herein and as such, no other preprinted, non-negotiated or other terms and conditions, on the customer's purchase order or elsewhere, shall apply. The offer is valid through 30-NOV-2008 and shall become binding upon execution by you and acceptance by Oracle.

NASSAU COUNTY, NEW YORK

Signature _____

Name _____

Title _____

Signature Date _____

Effective Date _____

(to be completed by Oracle)

ORACLE USA, INC.

Signature _____

Name _____

Title _____

Signature Date _____

Expansion Exhibit

1. Listed below is the license fee and first year Software Update License & Support fee for additional program licenses for the program listed in section A.1 with the license type "Enterprise \$M in Operating Budget Perpetual" that may be purchased pursuant to section [C.1]:

Product Description	License Fee/ Increment	First Year Software Update License & Support/ Increment	Increment (In millions)
PeopleSoft Enterprise Financials - Enterprise \$M in Operating Budget Perpetual	94,264.19	20,738.12	320
PeopleSoft Enterprise Treasury - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Purchasing - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Inventory - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise eSupplier Connection - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise eProcurement - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Strategic Sourcing - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Supplier Contract Management - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Asset Management - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Project Costing - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Contracts - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Grants - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Expenses - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Program Management - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise EPM Portal Pack - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Scorecard - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Performance Management Warehouse - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Portal - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Supplier Rating System - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Financials Portal Pack - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Planning and Budgeting - Enterprise \$M in Operating Budget Perpetual			
Hyperion Planning - System 9 - Enterprise \$M in Operating Budget Perpetual			
Hyperion Workforce Planning - Enterprise \$M in Operating Budget Perpetual			
Hyperion Capital Asset Planning - Enterprise \$M in Operating Budget Perpetual			
Hyperion Performance Scorecard - Enterprise \$M in Operating Budget Perpetual			

2. Listed below is the license fee and first year Software Update License & Support fee for additional program licenses for the program listed in section A.2 with the license type "Enterprise Employee Perpetual" that may be purchased pursuant to section [C.1]:

Product Description	License Fee/ Increment	First Year Software Update License & Support/ Increment	Increment
PeopleSoft Enterprise Human Resources - Enterprise Employee Perpetual	24,372.91	5,362.04	970
PeopleSoft Enterprise Payroll - Enterprise Employee Perpetual			
PeopleSoft Enterprise Absence Management - Enterprise Employee Perpetual			
PeopleSoft Enterprise Time and Labor - Enterprise Employee Perpetual			
PeopleSoft Enterprise Recruiting Solutions - Enterprise Employee Perpetual			
PeopleSoft Enterprise ePerformance - Enterprise Employee Perpetual			
PeopleSoft Enterprise Benefits Administration - Enterprise Employee Perpetual			
PeopleSoft Enterprise eCompensation - Enterprise Employee Perpetual			
PeopleSoft Enterprise Learning Management - Enterprise Employee Perpetual			
PeopleSoft Enterprise Workforce Rewards - Enterprise Employee Perpetual			
PeopleSoft Enterprise Workforce Scorecard - Enterprise Employee Perpetual			
PeopleSoft Enterprise HRMS Portal Pack - Enterprise Employee Perpetual			

APPENDIX A

**STANDARD CLAUSES FOR NEW YORK STATE
CONTRACTS**

APPENDIX A

STANDARD CLAUSES FOR NEW YORK STATE CONTRACTS

**PLEASE RETAIN THIS DOCUMENT
FOR FUTURE REFERENCE.**

June, 2006

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STANDARD CLAUSES FOR NYS CONTRACTS

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "the contract" or "this contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a contractor, licenser, licensee, lessor, lessee or any other party):

1. EXECUTORY CLAUSE. In accordance with Section 41 of the State Finance Law, the State shall have no liability under this contract to the Contractor or to anyone else beyond funds appropriated and available for this contract.

2. NON-ASSIGNMENT CLAUSE. In accordance with Section 138 of the State Finance Law, this contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the previous consent, in writing, of the State and any attempts to assign the contract without the State's written consent are null and void. The Contractor may, however, assign its right to receive payment without the State's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

3. COMPTROLLER'S APPROVAL. In accordance with Section 112 of the State Finance Law (or, if this contract is with the State University or City University of New York, Section 355 or Section 6218 of the Education Law), if this contract exceeds \$50,000 (or the minimum thresholds agreed to by the Office of the State Comptroller for certain S.U.N.Y. and C.U.N.Y. contracts), or if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amount, or if, by this contract, the State agrees to give something other than money when the value or reasonably estimated value of such consideration exceeds \$10,000, it shall not be valid, effective or binding upon the State until it has been approved by the State Comptroller and filed in his office. Comptroller's approval of contracts let by the Office of General Services is required when such contracts exceed \$85,000 (State Finance Law Section 163.6.a).

4. WORKERS' COMPENSATION BENEFITS. In accordance with Section 142 of the State Finance Law, this contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

5. NON-DISCRIMINATION REQUIREMENTS. To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex, or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the

performance of work under this contract. Contractor is subject to fines of \$50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

6. WAGE AND HOURS PROVISIONS. If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law.

7. NON-COLLUSIVE BIDDING CERTIFICATION. In accordance with Section 139-d of the State Finance Law, if this contract was awarded based upon the submission of bids, Contractor affirms, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further affirms that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to the State a non-collusive bidding certification on Contractor's behalf.

8. INTERNATIONAL BOYCOTT PROHIBITION. In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, the Contractor agrees, as a material condition of the contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2NYCRR 105.4).

9. SET-OFF RIGHTS. The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the State with regard to this contract, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Comptroller.

10. RECORDS. The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "the Records"). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of the Contractor

within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. The State shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform an appropriate State official, in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the State's right to discovery in any pending or future litigation.

11. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION.

(a) **FEDERAL EMPLOYER IDENTIFICATION NUMBER and/or FEDERAL SOCIAL SECURITY NUMBER.** All invoices or New York State standard vouchers submitted for payment for the sale of goods or services or the lease of real or personal property to a New York State agency must include the payee's identification number, i.e., the seller's or lessor's identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both such numbers when the payee has both such numbers. Failure to include this number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice or New York State standard voucher, must give the reason or reasons why the payee does not have such number or numbers.

(b) **PRIVACY NOTIFICATION.** (1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law.

(2) The personal information is requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. The information is maintained in New York State's Central Accounting System by the Director of Accounting Operations, Office of the State Comptroller, 110 State Street, Albany, New York 12236.

12. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN.

In accordance with Section 312 of the Executive Law, if this contract is: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency; or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project, then:

(a) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment,

employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation;

(b) at the request of the contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the contractor's obligations herein; and

(c) the Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

Contractor will include the provisions of "a", "b", and "c" above, in every subcontract over \$25,000.00 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract; or (ii) employment outside New York State; or (iii) banking services, insurance policies or the sale of securities. The State shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The contracting agency shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the contracting agency shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulations of the Governor's Office of Minority and Women's Business Development pertaining hereto.

13. CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control.

14. GOVERNING LAW. This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

15. LATE PAYMENT. Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Article 11-A of the State Finance Law to the extent required by law.

16. NO ARBITRATION. Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized), but must, instead, be heard in a court of competent jurisdiction of the State of New York.

17. SERVICE OF PROCESS. In addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR"), Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the State's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the State, in writing, of each and every change of address to which service of process can be made. Service by the State to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

18. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS. The Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of State Finance Law §165. (Use of Tropical Hardwoods) which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the contractor to establish to meet with the approval of the State.

In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in §165 State Finance Law. Any such use must meet with the approval of the State; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the State.

19. MACBRIDE FAIR EMPLOYMENT PRINCIPLES. In accordance with the MacBride Fair Employment Principles (Chapter 807 of the Laws of 1992), the Contractor hereby stipulates that the Contractor either (a) has no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Section 165 of the New York State Finance Law), and shall permit independent monitoring of compliance with such principles.

20. OMNIBUS PROCUREMENT ACT OF 1992. It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development
Division for Small Business
30 South Pearl St -- 7th Floor
Albany, New York 12245
Telephone: 518-292-5220
Fax: 518-292-5884
<http://www.empire.state.ny.us>

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development
Division of Minority and Women's Business Development
30 South Pearl St -- 2nd Floor
Albany, New York 12245
Telephone: 518-292-5250
Fax: 518-292-5803
<http://www.empire.state.ny.us>

The Omnibus Procurement Act of 1992 requires that by signing this bid proposal or contract, as applicable, Contractors certify that whenever the total bid amount is greater than \$1 million:

(a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the State;

(b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;

(c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide said documentation to the State upon request; and

(d) The Contractor acknowledges notice that the State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

21. RECIPROCITY AND SANCTIONS PROVISIONS. Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. NOTE: As of May 15, 2002, the list of discriminatory jurisdictions subject to this provision includes the states of South Carolina, Alaska, West Virginia, Wyoming, Louisiana and Hawaii. Contact NYS Department of Economic Development for a current list of jurisdictions subject to this provision.

22. PURCHASES OF APPAREL. In accordance with State Finance Law 162 (4-a), the State shall not purchase any apparel from any vendor unable or unwilling to certify that: (i) such apparel was manufactured in compliance with all applicable labor and occupational safety laws, including, but not limited to, child labor laws, wage and hours laws and workplace safety laws, and (ii) vendor will supply, with its bid (or, if not a bid situation, prior to or at the time of signing a contract with the State), if known, the names and addresses of each subcontractor and a list of all manufacturing plants to be utilized by the bidder.

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EXHIBIT 1

ORACLE TECHNICAL SUPPORT POLICIES

Technical Support Policies

Effective Date: 27-October-2008

Unless otherwise stated, these Technical Support Policies apply to technical support for all Oracle product lines. These Technical Support Policies may be referred to in former PeopleSoft agreements as the "Software Support Services Terms and Conditions"; in former Siebel agreements as the "Maintenance Services Policy"; in former Hyperion agreements as the "Standard Maintenance Program"; in former Agile agreements as the "product support policy" and in former BEA agreements as the "Support Services" policies.

"You" and "your" refers to the individual or entity that has ordered technical support from Oracle or an authorized distributor.

To receive technical support as provided by Oracle Support Services ("OSS") and described in the Oracle Technical Support Levels section below, all programs must be properly licensed.

Technical support is provided for issues (including problems created by you) that are demonstrable in the currently supported release(s) of an Oracle licensed program, running unaltered, and on an appropriate hardware, database and operating system configuration, as specified in your order or program documentation.

Product release and supported platforms information for all Oracle programs, other than Cimmetry AutoVue and Vuelink programs ("Cimmetry programs"), Crystal Ball programs, and AdminServer programs, is available through Oracle's web-based customer support systems as described in the Web-Based Customer Support Systems section below. Product release and supported platforms information for Cimmetry programs is available in the AutoVue Administration Guide that is included with the Cimmetry program documentation.

Product release and supported platforms information for the following programs will be provided to you in writing:

Crystal Ball
AdminServer
Skywire (programs not included on the Skywire Online Support Portal)

Oracle will provide technical support in accordance with Oracle's privacy policy available at <http://www.oracle.com/html/privacy.html>.

These Technical Support Policies are subject to change at Oracle's discretion, however the services provided will not be materially reduced during the support period (defined below).

To view changes that have been made, please refer to the attached Statement of Changes (PDF).

Technical Support Fees

Technical support fees are due and payable annually in advance of a support period, unless otherwise stated in the relevant ordering document or financing or payment contract with Oracle or an Oracle affiliate. Your commitment to pay is required to process your technical support order with Oracle (e.g., purchase order, actual payment, or other approved method of payment). An invoice will be issued only upon receipt of your commitment to pay, and will be sent to a single billing address as designated by you. Failure to submit payment will result in the termination of support.

Support Period

Technical support is effective upon the effective date of your ordering document unless stated otherwise in your ordering document. If your order was placed through the Oracle Store, the effective date is the date your order was accepted by Oracle. Unless otherwise stated in the ordering document, Oracle technical support terms, including pricing, reflect a 12 month support period (the "support period"). All technical support services ordered for a support period and the related fees are non-cancelable and non-refundable. Oracle is not obligated to provide technical support beyond the end of the support period unless your technical support contract is renewed on or before the service expiration date.

License Set

A license set consists of (i) all of your licenses of a program, including any options* (e.g., Database Enterprise Edition and Enterprise Edition Options; Purchasing and Purchasing Options), Enterprise Manager* (e.g., Database Enterprise Edition and Diagnostics Pack), or self-service module* (e.g., Human Resources and Self-Service Human Resources) licensed for such programs, or (ii) all of your licenses of a program that share the same source code**. Development and demonstration licenses available through the Oracle Partner Network or the Oracle Technology Network are not included in the definition of a license set. For Crystal Ball programs, a license set is defined as the same licenses of a program contained on a single order.

*As specified on Oracle's price list.

**Programs that share the same source code are:

- Database Enterprise Edition, Database Standard Edition, Database Standard Edition One, and Personal Edition, and
- Internet Application Server Enterprise Edition, Internet Application Server Standard Edition, Internet Application Server Standard Edition One, and Internet Application Server Java Edition.

Matching Service Levels

When acquiring technical support, all licenses in any given license set must be supported under the same technical support service level (e.g., Software Update License & Support or unsupported). You may not support a subset of licenses within a license set; the license set must be reduced by terminating any unsupported licenses. You will be required to document license terminations via a termination letter.

Reinstatement of Oracle Technical Support

In the event that technical support lapses or was not originally purchased, upon the commencement of technical support a reinstatement fee will be assessed. The reinstatement fee is equal to 150% of the last-paid support fee, or 150% of the last-published list technical support price for the licensed program less the applicable standard discount as published on the Oracle Store ("standard discount") in effect at the time of reinstatement if support was not originally purchased for the relevant programs, prorated from the date technical support is being ordered back to the date technical support lapsed (or the license order date if technical support was never purchased). Applicable renewal adjustments are applied. Once the reinstatement fee has been assessed, technical support for the year following the reinstatement period may be purchased for an additional technical support fee as calculated based on how long the licensed program has been unsupported ("go-forward support fee"). If the lapsed support period is less than 6 months, the go-forward support fee is calculated based on the last-published list technical support price less the applicable standard discount in effect at the time of reinstatement. If the lapsed support period is 6 months or greater, the go-forward support fee is calculated based on the last-paid support fee. If support is not reinstated for the entire license set or if support for a subset of licenses from an ordering document is reinstated, then the "License Set", "Matching Service

Levels", and "Pricing following Reduction of Licenses or Support Level" policies will apply. Applicable renewal adjustments are applied to the reinstatement fee and go-forward support fee.

Pricing following Reduction of Licenses or Support Level

Pricing for support is based upon the level of support and the volume of licenses for which support is ordered. In the event that a subset of licenses on a single order is terminated or if the level of support is reduced, support for the remaining licenses on that license order will be priced at Oracle's list price for support in effect at the time of termination or reduction minus the applicable standard discount. Such support price will not exceed the previous support fees paid for both the remaining licenses and the licenses being terminated or unsupported, and will not be reduced below the previous support fees paid for the licenses continuing to be supported. If the license order from which licenses are being terminated established a price hold for additional licenses, support for all of the licenses ordered pursuant to the price hold will be priced at Oracle's list price for support in effect at the time of reduction minus the applicable standard discount.

Custom Application Bundles

Technical support may not be discontinued for a single program module within a custom application bundle.

Unsupported Programs

Customers with unsupported programs do not receive updates, maintenance releases, patches, telephone assistance, or any other technical support services for the unsupported programs. CD packs or programs purchased or downloaded for trial use, use with other supported programs, or purchased or downloaded as replacement media may not be used to update any unsupported programs.

Technical Contacts

Your technical contacts are the sole liaisons between you and OSS for technical support of programs. It is the recommended standard that your technical contacts are trained representatives of your company. Such training shall include initial basic product training and, as needed, supplemental training appropriate for specific role or implementation phase, specialized product usage, and/or migration. Your technical contacts should be knowledgeable about the Oracle programs and your Oracle environment in order to help resolve system issues and to assist Oracle in analyzing and resolving service requests. When submitting a service request, your technical contact should have a baseline understanding of the problem you are encountering and an ability to reproduce the problem in order to assist Oracle in diagnosing and triaging the problem. To avoid interruptions in support services, you must notify OSS whenever technical contact responsibilities are transferred to another individual.

With the order of Software Update License & Support, you may designate one (1) primary and four (4) backup individuals ("technical contact") per license set, to serve as liaisons with OSS. With each USD\$250,000 in net support fees per license set, you have the option to designate an additional two (2) primary and four (4) backup technical contacts. Your primary technical contact shall be responsible for (i) overseeing your service request activity, and (ii) developing and deploying troubleshooting processes within your organization. The backup technical contacts shall be responsible for resolving user issues. You may be charged a fee to designate additional technical contacts.

Oracle may review service requests logged by your technical contacts, and may recommend specific training to help avoid service requests that would be prevented by such training.

Program Updates

"Update" means a subsequent release of the program which Oracle generally makes available for program licenses to its supported customers at no additional license fee, other than shipping

charges if applicable, provided you have ordered a technical support offering that includes software updates for such licenses for the relevant time period. Updates do not include any release, option or future program that Oracle licenses separately. Updates are provided when available, and Oracle is under no obligation to develop any future programs or functionality. Any updates made available will be delivered to you, or made available to you for download. If delivered, you will receive one update copy for each supported operating system for which your program licenses were ordered. You shall be responsible for copying, downloading and installing the updates.

Oracle Configuration Manager

Oracle provides Oracle Configuration Manager (OCM) with some of its programs. The OCM is a tool that assists in the collection and transmission of your configuration data to Oracle to enable us to respond more efficiently to your service requests. The OCM tool will connect to Oracle over the internet. You may not receive a separate notice upon connection. You may turn the OCM tool off, however we strongly discourage this as it impedes our ability to provide services to you. More information on the tool is available at <http://www.oracle.com/technology/documentation/ocm.html>. By using this tool, you consent to the transmission of your configuration information to Oracle.

OCM will not access, collect or store any personally identifiable information (except for technical support contact information) or business data files residing in your software environment. Configuration data provided to Oracle by software tools will be stored in password-protected repositories. It will be used to assist in resolving service requests and to provide recommendations regarding configuration of your environment and deployment of programs. In addition, because the configuration information will be updated, it may be used by Oracle to assist you in managing your Oracle product portfolio, for license and services compliance and to help Oracle improve upon product and service offerings for you.

Payment Plan, Financing and Leasing Agreements

Technical support fees due under payment plans, financing or leasing agreements between you and Oracle or an Oracle affiliate ("payment plan") are due and payable in accordance with the terms and conditions of such payment plan, but the technical support shall be ordered pursuant to the terms of the applicable ordering document.

Lifetime Support

Lifetime Support consists of the following service levels:

- "Premier Support" which refers to the first 5 years of basic technical support services (also referred to as, and will be documented on your ordering document as, "Software Update License & Support")
- Extended Support (if offered)
- Sustaining Support

A description of the services available under Premier Support, Extended Support and Sustaining Support is included in the Oracle Technical Support Levels section below.

When offered, Premier Support will be available for five years from the date a release of the Oracle program becomes generally available, except as noted below.

Based on availability, support may be extended for an additional three years with Extended Support for specific releases.

Alternatively, support may be extended with Sustaining Support which will be available for as long as you maintain technical support for your Oracle licenses.

**SOFTWARE LICENSE AND SERVICES AGREEMENT 2008
BETWEEN
NASSAU COUNTY, NEW YORK
AND
ORACLE USA, INC.**

May _____, 2009

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**SOFTWARE LICENSE AND SERVICES AGREEMENT
BETWEEN
NASSAU COUNTY, NEW YORK
AND
ORACLE USA, INC.**

THIS SOFTWARE LICENSE AND SERVICES AGREEMENT (hereinafter "Agreement") is entered into between Nassau County, New York (hereinafter, "Nassau") whose address is 160 Old County Road, Mineola, New York, 11501, and Oracle USA, Inc. (hereinafter "Oracle"), a Colorado corporation whose main office and principal place of business is 500 Oracle Parkway, Redwood Shores, California 94065 and is effective as of the date set forth with the final signature below (the effective date). Orders may be placed under this Agreement for up to three (3) years after its effective date or as otherwise extended by amendment.

WITNESSETH:

WHEREAS, Nassau has determined that its current and future administrative systems needs require that its current aging and diverse systems be replaced; and

WHEREAS, Nassau has determined that the upgrade and replacement of its administrative systems requires the acquisition of a new commercial off-the-shelf integrated information system using Enterprise Resource Planning (hereinafter "ERP") software, and the retention of related services for such software; and

WHEREAS, Nassau issued a Request for Proposal seeking such software and services and thereafter supplemented this with a Request for Clarification, (collectively, the "RFP"); and

WHEREAS, Oracle submitted a proposal, Clarifications, and Best and Final Offers in response to the RFP (hereinafter "Proposal"); and

WHEREAS, based upon the competitive solicitation and evaluation of proposals for the provision of the ERP Software and for the performance of the Services (as hereinafter defined), Nassau has determined that Oracle possesses the qualifications necessary to provide such Software and Services; and that the Proposal offers the best value to Nassau from among the competing proposals received by Nassau, and that Nassau awards this Agreement to Oracle on the basis of the merits of the Proposal; and

WHEREAS, Nassau desires to retain Oracle to provide the Software and Services as set forth hereinafter, and Oracle agrees to provide such Software and perform such Services;

NOW, THEREFORE, in consideration of the terms and the mutual covenants and obligations of the parties set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

I. DEFINITIONS

Advanced Customer Services: On-site services, set forth in Exhibit 3, that Nassau may purchase from Oracle under this Agreement.

Agreement: The writing(s) which contain the agreement of Nassau and Oracle setting forth the total legal obligation between the parties as determined by applicable rules of law.

Ancillary Programs: Third party materials specified in the Documentation, which may only be used for the purposes of installing or operating the programs with which the Ancillary Programs are delivered.

Documentation or Program Documentation: Program user manual(s) and Program Installation manual(s) for the Software.

Emergency: An urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk.

Enterprise License: A license grant that permits a defined entity (the "Enterprise") to use the acquired the Software across its Enterprise, where the numerical limits of the license is calculated by reference to its employee count or its operating budget or other agreed upon metric. The specific terms of the Enterprise License are set forth in the Ordering Document.

Error Corrections: Machine executable software code furnished by Oracle which corrects the Software so as to conform to the applicable Documentation of Oracle.

Incremental Licenses: An increase in the number of licenses for Software previously acquired by Nassau. Such Incremental License purchases are accepted upon delivery.

License Effective Date: The date Software is delivered to Nassau. Where a License involves Software which was previously licensed by Nassau, the License Effective Date for the additional licenses shall be deemed to be the date on which the Purchase Order is executed.

Material: Any information, design, specification, instruction, Software, data, or material furnished by Oracle and used by Nassau.

Ordering Document: The Oracle form, signed by both parties, that sets forth the Software and/or Services to be purchased, Software metrics, prices, discounts, and specific terms relevant to the purchase.

New Software Releases (Software Revisions): Any commercially released revisions to the licensed version of the Software as may be generally offered and available to Nassau, if current on technical support. New releases involve a substantial revision of functionality from a previously released version of the Software. Updates are provided when available, and Oracle is under no obligation to develop any future Software or functionality.

Proprietary: Created and / or owned by Oracle, which may be protected by confidentiality, secrecy, patent, copyright or trademark against commercial competition.

Purchase Order: Nassau's fiscal form or format that is used when making a purchase (e.g., formal written Purchase Order, electronic Purchase Order, or other authorized instrument).

Services: Technical support (also referred to as "Maintenance"), training, or Advanced Customer Services that Nassau purchases under this Agreement.

Site: The location (street address) where the Software will be used or Services delivered.

Software or Programs: Software acquired under the terms and conditions set forth in the Agreement. "Software" or "Programs" includes error corrections, upgrades, enhancements, new releases, and updates delivered to Oracle's current subscribers under Technical Support or Maintenance.

Source Code: The programming statements or instructions written and expressed in any language understandable by a human being skilled in the art which are translated by a language compiler to produce executable machine Object Code.

Supported Program License: Programs for which Oracle offers Technical Support.

Technical Support or Maintenance: Technical support services for the Software that are offered by Oracle under this Agreement.

Training: The services provided by Oracle University, as set forth in Exhibit 4.

II. SOFTWARE

Oracle shall provide the Programs in accordance with the following terms and conditions.

A. License Scope: Following delivery of the Software, Nassau is granted a non-exclusive, non-assignable, royalty free, perpetual, limited right to use the Software ordered for its governmental and business operations subject to the terms of this Agreement, including the license definitions and rules and Documentation. For Software that is specifically designed to allow a third party to interact with Nassau in furtherance of Nassau's governmental or business operations, such use is allowed under this Agreement. Nassau may make a sufficient number of copies of the Software for its licensed use and one copy of each software media.

B. Documentation: Documentation is delivered with the Software or Nassau may access the Documentation online at <http://oracle.com/contracts>. Oracle hereby grants to Nassau a perpetual license right to make, reproduce and distribute, either electronically or otherwise, copies of Documentation in accordance with the terms of

the license, and the Documentation fully describes the proper procedure for using the Software.

C. Permitted License Transfers: Upon prior written notice to Oracle, the following license transfers are permitted under this Agreement, at no cost to Nassau, unless the license type specifically prohibits such a transfer:

1. Nassau may transfer Software internally within its own entity;
2. If Nassau is subject to a governmental reorganization or otherwise mandated by its governing body to convey any of its specific functions to another governmental entity, the Software used to support the conveyed functions may be transferred to the entity acquiring the transferred functions. The transferor must discontinue its use of the transferred Software.
3. If Nassau merges with another governmental entity, the Software acquired may be used by the merged entity.

Nothing in this section shall be deemed to relieve Nassau or the transferee entity of the obligation to use the Software in accordance with the terms and conditions of this Agreement and all applicable Ordering Documents placed hereunder, including, without limitation, limiting usage of the Software to the quantity and license type for which such software is licensed.

D. Restricted Use By Outsourcers / Facilities Management, Service Bureaus / or Other Third Parties: Outsourcers, facilities management, consultants and agents (collectively, "Agents") retained by Nassau shall have the limited right to use the Software to maintain Nassau's internal business operations subject to the terms of this Agreement, including data processing, for the time period that they are engaged in such activities, provided that Nassau is responsible for the compliance of its Agents with the terms and conditions of this Agreement and their use of the Software.

E. Archival Back-Up and Disaster Recovery Nassau shall be entitled to use and copy the Software and related Documentation for archival backup and disaster recovery and shall have the rights under "Cold", "Warm" or "Hot" Backup, as defined below, to initiate disaster recovery on such backup systems testing up to four times annually, up to two day per testing, at no charge other as set forth below:

1. "Cold Backup" is a backup copy of the Software, which is retained on Oracle's software media only. In the event of failure of a primary machine, Nassau may download the Software from Oracle's website or it may use the software media to load Oracle's Software on a second machine of Nassau of the same hardware/operating system combination. There is no additional fee for maintaining a Cold Backup.
2. "Warm Backup" is a backup copy of the Software, which is loaded on a machine, which is accessed for the processing of data and/or applications only in the event of a failure of the primary machine. In the event of a failure of the primary machine, the secondary machine is accessed and used to run the Software. There is no additional fee for maintaining a Warm Backup.

3. "Hot Backup" is a copy of the Software, which is loaded on a machine and operated simultaneously with the primary machine. No processing of data or applications takes place on the backup machine. In the event of a failure of the primary machine, all processing is switched to the backup machine in real time. The fee for a Hot Backup is 25% of the contract price of the primary license and/or technical support.

F. Confidentiality Restrictions: The Software is a trade secret, copyrighted and proprietary product of Oracle. Nassau and its employees will keep the Software strictly confidential, and Nassau will not disclose or otherwise distribute or reproduce any Software to anyone other than as authorized under the terms of Agreement. Nassau will not remove or destroy any proprietary markings or notice of Oracle's or its licensors' proprietary rights. Oracle or its licensors retain all ownership and intellectual property rights to the Software.

G. Restricted Use by Nassau: Except as expressly authorized by the terms of this Agreement, Nassau shall not:

1. Copy the Software;
2. Cause or permit reverse engineering (unless required by law for interoperability), disassembly or decompilation of the Software (the foregoing prohibition includes but is not limited to review of data structures or similar materials produced by the Software);
3. Make the Software or Materials resulting from Services available in any manner to any third party for use in the third party's business operations (unless such access is expressly permitted for the specific software license or Materials from the services acquired);
4. Export the Software in violation of any U.S. Department of Commerce export administration regulations;
5. Release benchmarking results: unless required by law or compelled by court order or subpoena, Nassau shall not disclose to third parties not authorized by it to implement or maintain its systems, results of any Software benchmark test without Oracle's prior written consent. The foregoing restriction shall not apply to benchmark results of non-Oracle software which accessed the Software or to benchmark results of an overall system, provided such results: (a) are released only as the benchmark results of such non-Oracle software or of the total system and (b) do not make any reference to Oracle Software. Nassau shall notify Oracle of requests for the release of benchmarking results under the New York State Freedom of Information Law (FOIL) or applications for court orders or subpoenas and give Oracle an opportunity to oppose disclosure.

H. Open Source Software: Open source software is developed independently of Oracle and may be governed by a separate license ("open source software"). If the open source software is governed by a separate license, Oracle shall provide a copy of that license in the applicable Documentation and Nassau's license rights and obligations with respect to that open source software shall be defined by those separate license terms and subject to the conditions, if any, therein. Nothing in this Agreement shall restrict, limit, or otherwise affect any rights or obligations Nassau

may have, or conditions to which Nassau may be subject, under such separate open source license terms.

III. SOFTWARE DELIVERY

Oracle has made available to Nassau for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com>. Through the Internet URL, Nassau can access and electronically download the Software and related Documentation. Provided that Nassau has continuously maintained technical support for the Software, Nassau may continue to download the software and related Documentation. Please be advised that not all programs are available on all hardware / operating system combinations. For current program availability please check the electronic delivery web site. Nassau acknowledges that Oracle's delivery obligation under this Agreement is met by the provision of the electronic delivery web site URL. Provided Nassau continuously maintains Technical Support, CD Packs for the Software provided under the Ordering Document may be ordered through the Oracle Store independent of this Agreement. If Nassau loses or damages the media containing a Program licensed here under, upon Nassau's written notice Oracle will provide a replacement copy thereof, for a media and shipping charge. The following shipping terms shall apply: FCA Shipping Point, Prepaid, and Add. These terms shall also apply to any options exercised by Nassau. Unless otherwise agreed to by Nassau and Oracle, Nassau shall be responsible for installation of the Software.

Nassau acknowledges that, unless otherwise provided for in this Agreement, it accepts sole responsibility for (i) its system configuration, design and requirements, (ii) the selection of the Programs to achieve its intended results, and (iii) modifications, changes or alterations to the Programs.

IV. SOFTWARE ACCEPTANCE

- A. Unless otherwise provided by mutual agreement of Nassau and Oracle, Nassau shall have sixty (60) days from the date of delivery to accept all Software. Where Oracle is responsible for installation, acceptance shall be from completion of installation. Failure to provide notice of acceptance or rejection to Oracle by the end of the period provided for under this clause constitutes acceptance by Nassau as of the expiration of that period. Nassau may, in writing, waive the Acceptance Period, or any part thereof, at any time.

If Nassau rejects the Software, it shall (a) cease using the applicable Software, and (b) certify to Oracle that it has destroyed or has returned to Oracle the Software, Documentation and all copies. This requirement applies to copies in all forms, partial and complete, in all types of media and computer memory, and whether or not modified or merged into other materials.

Oracle may offer Nassau a free trial of the Software pursuant to (B) immediately below. If Nassau accepts such free trial license for the Software, the length of the trial shall count toward the sixty (60) day acceptance period and such trial license will grant to Nassau the right to examine the Software for at least sixty (60) days (unless the parties thereto agree otherwise). Upon the expiration of such period,

Nassau must either issue a Purchase Order to Oracle for purchase of the Software or portions thereof in accordance with this Agreement, or forthwith discontinue all use and return the Software to Oracle. Nassau shall be deemed to have tested the Software to its satisfaction and accepted the Software upon its issuance of the Purchase Order.

If any agreed trial license period is less than sixty (60) days, then in addition to the trial license period, Nassau shall have the number of days to accept the Software that is the difference between sixty (60) days and the length of the agreed trial license, provided Nassau notifies Oracle in writing of its intention to use such acceptance period at the time Nassau issues its Purchase Order. Notwithstanding the foregoing, this provision does not apply to purchases which merely increase the number of licenses for software previously acquired by Nassau ("incremental licenses"). Such incremental license purchases are accepted upon delivery.

- B. Trial Software.** Nassau may order trial Software, or Oracle may include additional trial Software with the order which Nassau may use for trial, non-production purposes only. Nassau may not use the trial Software to provide or attend third party training on the content and/or functionality of the Software. Nassau has sixty (60) days from delivery to evaluate such trial Software. If it decides to use any of this trial Software after the sixty (60) day trial period, Nassau must obtain a license for such trial Software from Oracle. If it decides not to obtain a license for the trial Software after the sixty (60) day trial period, Nassau will cease using and will delete any such trial Software from its computer systems. Software licensed for trial purposes is provided "as is" and Oracle does not provide technical support or offer any warranties for these programs.

V. SERVICES

- A.** Nassau may acquire Technical Support (maintenance), Advanced Customer Services, and Training, under this Agreement. The rates for the purchase of Advanced Customer Services and Training are set forth in Exhibits 3 and 4, respectively. The terms for the purchase of Technical Support are set forth in the Article immediately below and in the Technical Support policies attached as Exhibit 1.
- B.** Upon payment for Services, Nassau will have a perpetual, non-exclusive, non-assignable, royalty free license to use for its internal business operations, anything developed by Oracle and delivered to Nassau. Nassau may allow its agents and contractors to use the deliverables for such purpose and Nassau is responsible for their compliance with this Agreement and the Ordering Document. Oracle retains ownership and all intellectual property rights to anything developed by it and delivered by it under the applicable Ordering Document resulting from the Services, except as stated in (C) immediately below.
- C. Advanced Customer Services ("ACS").** The only consulting services offered by Oracle under this Agreement are Advanced Customer Services ("ACS"). Oracle states that no development or customization work can be provided pursuant to the performance of the ACS.

To the extent that Oracle may produce incidental deliverables in the performance of ACS and following payment of all fees for the applicable ACS order: (a) the allocation of ownership and license rights to such incidental deliverables shall be the Joint Property (as defined below) of both Oracle and Nassau; and (b) Oracle grants to Nassau a non-exclusive, non-assignable, royalty free, perpetual, internal-use license to use Oracle Works (as defined below) that are embodied in the Joint Property.

1. "Incidental Deliverables" shall mean those deliverables developed by Oracle solely for Nassau in the performance of the applicable Ordering Document, except for any Oracle Works (as defined below).
2. "Oracle Works" shall mean: (a) anything provided by or on behalf of Oracle from a repository; (b) any software code generated by computer aided software engineering (CASE) tools; (c) any tools, interfaces, and utilities developed by or on behalf of Oracle; and (d) any derivative works of (a), (b), or (c) above. Nothing in this section shall be construed to grant, amend, or modify any license for any Software or Documentation owned or distributed by Oracle.
3. "Joint Property" shall mean the Incidental Deliverables which are those deliverables developed using ACS and shall be owned jointly by Oracle and Nassau; Joint Property does not include any Oracle Works (as defined above). Oracle and Nassau agree that each party jointly shall own the copyright interest in the Joint Property and that each party may freely use, share, license or sub-license the Joint Property without requiring the approval of the other party, and shall have no duty of accounting to the other party for use of the Joint Property.

Oracle retains all right, title and interest, including all copyrights, in any Oracle Works and Software. Any property or material furnished by Nassau to Oracle hereunder is and will remain the property of Nassau.

- D. At Nassau's request, Oracle shall provide Nassau with the resumes of all Oracle's employees, consultants, and subcontractors who shall perform Services at Nassau's site under this Agreement. Nassau shall have the right to conduct interviews, unless otherwise agreed to by the parties, of all such employees, consultants, or subcontractors provided such interview occurs before the commencement of Services by the relevant employees, consultants or subcontractors. Nassau shall have the right to reject assignment of any Oracle employee, consultant, or subcontractor to a particular Service by providing Oracle a reasonable and non-discriminatory basis for such rejection. This paragraph shall not apply to the provision of Technical Support Services.
- E. The Services provided under this Agreement may be related to Nassau's license to use Programs which it acquires under a separate order. The Agreement referenced in that order shall govern Nassau's use of such Programs. Any Services acquired from Oracle are bid separately from such Program licenses, and Nassau may acquire either Services or such Program licenses without acquiring the other.

VI. TECHNICAL SUPPORT & MAINTENANCE

- A. Technical Support** consists of annual technical support services ordered by Nassau for the Software. Payment shall be due quarterly in arrears or as otherwise agreed to by the parties. If ordered, annual Technical Support (including first year and all subsequent years) is provided under Oracle's Technical Support Policies that are attached to this Agreement at the time the Services are ordered. The Technical Support Policies shall be updated annually by amendment to this Agreement. Nassau should review the Technical Support Policies prior to ordering the applicable services.

Technical support is effective upon the effective date of the Ordering Document unless otherwise stated therein. The effective date of an order is when the Ordering Document is fully signed and Oracle receives the Purchase Order; provided however, if the order is subject to an acceptance period, the effective date will be upon acceptance.

The Technical Support service level, which may also be referred to as Software Update License & Support, (or any successor technical support offering to Software Update License & Support, "SULS") acquired with Nassau's order may be renewed annually and, if Nassau renews SULS for the same number of licenses for the same Software, Nassau will be entitled to receive the caps on fee increases which are set forth in Exhibit 1.

If Nassau decides to purchase Technical Support for any Software within a license set, Nassau is required to purchase Technical Support at the same level for all Software within that license set. Nassau may desupport a subset of Software in a license set only if there is also agreement to terminate that subset of licenses. The Technical Support fees for the remaining licenses will be priced in accordance with the Technical Support Policies in effect at the time of termination. The applicable discount to be used in the event of support re-pricing is set forth in Exhibit 2. Oracle's license set definition is available in the Technical Support Policies. If Nassau decides not to purchase Technical Support, Nassau may not update any unsupported Software with new versions of the Software.

Technical Support term(s) and any renewal(s) thereof are independent of the expiration of this Agreement and will not automatically renew. Nassau may discontinue Technical Support at the end of any current Technical Support term. In the event that Nassau discontinues Technical Support of Software, it may, at any time thereafter, reinstate Technical Support for the Software without any additional penalties or other charges, by paying Oracle the amount which would have been due under the order for the period of time that such Technical Support had lapsed.

- B. Oracle's Technical Support offering, entitled "Lifetime Support", is comprised of the following:**
- 1. Premier Support:** Premier Support provides updates, fixes and security alerts; tax, legal, and regulatory updates; upgrade scripts; technical support; major product and technology releases, access to Oracle's Customer Service Website, and certification with new third-party products/versions.

2. **Extended Support:** Oracle may grant Nassau the right to acquire an additional three years of Extended Support. Extended Support provides updates, fixes and security alerts; tax, legal, and regulatory updates; upgrade scripts; technical support; access to its Customer Service Website; and major product and technology releases. Extended Support does not include certification with new third-party products/versions.
3. **Sustaining Support:** As an alternative to Extended Support, Oracle grants Nassau the right to acquire Sustaining Support for as long as it licenses the Software. Sustaining Support provides access to Oracle's Customer Service Support Website, pre-existing fixes, and major product and technology releases. Sustaining Support does not include Updates, fixes, and security alerts; Tax, legal, and regulatory updates; Certification with new third-party products/versions; and Certification with other Oracle products.

Additional information about Oracle's Lifetime Support offering may be found in the Technical Support Policies, attached as Exhibit 1.

C. Successor Products and Re-Named Programs.

1. **Successor Products.** If Oracle makes successor products available for Oracle's product lines ("New Software") that includes substantially similar functionality and features as a Program for which Nassau has purchased a Program License ("Old Software"), Oracle will provide Nassau with a migration path from the Old Software to the New Software and the right to use the New Software under this Agreement at no additional charge, provided that (i) Nassau is current on Technical Support for the Old Software; (ii) this right shall only apply to New Software that is available in production release status on the operating system identified by Nassau at the time of the request; and (iii) Oracle is currently making available, such migration path from the Old Software to the New Software to all of its other supported customers without additional charge.

If Oracle does not provide to all of its supported customers a migration path from the Old Software to the New Software free of additional charge, then Oracle will provide Nassau with the right to use only the functionality and features contained in the New Software that is substantially similar to the functionality and features contained in the Old Software. Nassau shall not have the right to use nor shall it use any additional functionality or features in such New Software. All use of New Software shall otherwise be subject to this Agreement.

2. **Re-Named Programs.** If any Program licensed under this Agreement ("Original Program") is re-named or divided into two or more separate Programs ("Re-Named Program") and the functionality of the Re-Named Program is and remains the same as the functionality of the Original Program, and Oracle makes such Re-Named Program generally available at no additional license fees to all of its customers who have maintained Technical Support for the Original Program, then Oracle shall provide the Re-Named Program to Nassau for no additional license fees, provided that the Re-Named Program is available in production release and that Nassau is current on Technical Support for the Original Program pursuant to Oracle's Technical

Support Policies (or reinstated Technical Support for such Program pursuant to Oracle's then current Technical Support Policies).

In the event that Oracle offers successor or renamed programs, as referenced above, Oracle will notify Nassau of the affected Software to the same extent and in the same manner that it provides notification to its other supported customers of the affected Software. The parties acknowledge that Oracle offers Lifetime Support for many of its Programs; if Lifetime Support is offered for a Program, such Program is not deemed to be discontinued under the meaning of this section.

VII. SOURCE CODE

Oracle shall retain in escrow a copy of the source code necessary to support the Software (not including any Software for which source code is delivered with such Software). The escrowed material shall be maintained under an agreement which provides that if Oracle ceases to be in the business of supporting the Software, the escrow agent shall furnish Nassau with a copy of the escrowed material that has become unsupported. Nassau shall pay the escrow agent a nominal fee sufficient to cover the cost of reproduction and distribution of source materials, including reasonable administrative expenses thereto. Any escrowed material furnished under this provision shall be considered licensed subject to the terms of this Agreement and shall be used solely to maintain the Software. If Oracle replaces Iron Mountain Intellectual Property Management with a substitute escrow agent, Nassau will receive notice of the name and address of the substitute agent.

VIII. COMPENSATION / PAYMENTS / INVOICES

- A. Upon acceptance of Software or as otherwise provided by Agreement, Oracle may invoice for payment. The required payment date shall be thirty (30) calendar days, excluding legal holidays, from the receipt and approval by the County Comptroller of a proper invoice and County Claim Voucher, in accordance with paragraph B.
- B. All payment Invoices shall include, at a minimum, the following terms:
 - 1. Delivery on official form of Oracle;
 - 2. Name, Address and Remittance Address of Oracle if different from that contained in the introductory paragraph of this Agreement;
 - 3. Agreement Number;
 - 4. An executed County Claim Voucher detailing of the Programs or Services for which Oracle requests payment;
 - 5. Total amount to be Invoiced.
- C. Oracle shall submit all payment Invoices to the designated payment office for this Agreement, which shall be, unless Oracle receives written notification to the contrary, the address listed in the first paragraph of this Agreement.
- D. The fees due under an Ordering Document signed by Nassau and Oracle shall be non-cancelable and the sums paid nonrefundable, except as expressly provided therein or in this Agreement.
- E. Nassau's signature on an Ordering Document referencing this Agreement and Nassau's issuance of a purchase order are its representations to Oracle

that the purchase has been fully authorized and that all funds for the purchase have been fully appropriated.

- F. Nassau agrees that it has not relied on the future availability of any Programs or Updates in entering into the payment obligations arising under this Agreement; however, (a) if Nassau orders SULS for programs, the preceding sentence does not relieve Oracle of its obligation to provide Updates under this Agreement or the relevant Ordering Document, if-and-when available, in accordance with Oracle's then current Technical Support Policies, and (b) the preceding sentence does not change the rights granted to Nassau for any program licensed under this Agreement or the relevant Ordering Document, per the terms of this Agreement and/or the Ordering Document.
- G. Submission of an invoice and payment thereof shall not preclude Nassau from reimbursement or demanding a price adjustment where the billing was inaccurate. Oracle shall provide, upon request of Nassau, the information reasonably necessary to verify the accuracy of the billings. Such information shall be provided in the format reasonably requested by Nassau and in a media commercially available from Oracle.
- H. If Nassau is exempt from sales tax, Oracle will not invoice it for applicable sales tax provided a copy of a valid sales tax certificate of exemption is provided to Oracle on or before the effective date of this Agreement. Also, Nassau will reimburse Oracle for reasonable expenses related to providing the Services. Fees for Services listed in an Ordering Document are exclusive of taxes and expenses.

IX. WARRANTY

- A. **Title and Ownership Warranty.** Oracle warrants that it possesses (i) full ownership, clear title free of all liens, or (ii) the right to transfer or deliver perpetual or term license rights to the Software. Oracle shall be solely liable for its costs of acquisition of such ownership rights and/or clear title. Notwithstanding any language to the contrary in this Agreement, Article X(A), *Intellectual Property Infringement Indemnification*, of this Agreement states Nassau's exclusive remedy and Oracle's entire liability for any breach of this particular warranty.
- B. **Software Warranty.** Software offered shall be a current production release. Oracle warrants that the Software will perform in all material respects as described in the Documentation for eighteen (18) months from the date of acceptance. Nassau must notify Oracle of any Program warranty deficiency within eighteen (18) months after acceptance.

For Nassau's initial purchase of Software under this Agreement only, Oracle also warrants that the Software will perform in all material respects in accordance with Oracle's response to the functional and technical requirements attached as Exhibit 5 for eighteen (18) months from the date of acceptance. Nassau must notify Oracle of any Software warranty deficiency under this paragraph within eighteen (18) months year after acceptance of the initial purchase of the Software.

- C. **Virus Warranty.** Oracle represents and warrants that prior to delivery Oracle shall use commercially reasonable methods to test and protect the Software against viruses and other harmful elements designed to disrupt the orderly operation of, or impair the integrity of data files resident on, any data processing system. Oracle represents and warrants that it will not deliver Software that contains any known virus. Oracle will also maintain a master copy of the appropriate versions of the Software, free of viruses. If Nassau believes a virus may be present in the delivered Software, then upon its request, Oracle will provide a master copy to Nassau for comparison with and correction of its copy of the Software.
- D. **Date/Time Warranty.** Oracle represents that during the term of this Agreement, including any extension or renewal hereof, the Software shall, when used in accordance with the Program Documentation, be able to accurately process (including, but not limited to, calculating, comparing, and sequencing) date/time data transitions, including leap year and daylight savings time calculations.
- E. **Services Warranty.** Oracle warrants that the Services will be provided in a professional manner in accordance with industry standards. Nassau must notify Oracle of any Services warranty deficiencies within ninety (90) days from performance of the Service that gave rise to the warranty claim.
- F. **Survival of Warranties.** All warranties contained in this Agreement, which have not expired by their terms, shall survive the termination of this Agreement.
- G. **NO IMPLIED WARRANTIES.**
TO THE EXTENT PERMITTED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- H. Oracle does not warrant or guarantee that the Software will be error free or operate without interruption or that Oracle will correct all Software errors. Oracle is not obliged to develop error corrections or updates for Nassau's benefit but, in the event such corrections or updates are made generally commercially available by Oracle at no additional charge, Oracle shall provide them to Nassau at no additional charge. Nassau acknowledges that the Software has not been prepared to meet its individual requirements; it is Nassau's responsibility to ensure that the facilities and functions described in its specification meet its requirements, and Nassau is solely responsible for results obtained from its use of the Software.
- I. **EXCLUSIVE REMEDIES.** FOR ANY BREACH OF THE WARRANTIES IN B, D AND E ABOVE, NASSAU'S EXCLUSIVE WARRANTY REMEDY, AND ORACLE'S ENTIRE WARRANTY LIABILITY, SHALL BE: (A) THE CORRECTION OF SOFTWARE ERRORS THAT CAUSE BREACH OF THE WARRANTY, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT SUCH BREACH IN A COMMERCIALY REASONABLE TIME AND MANNER, NASSAU MAY END ITS SOFTWARE LICENSE AND RECOVER THE FEES PAID TO ORACLE FOR THE SOFTWARE LICENSE; OR (B) THE REPERFORMANCE OF THE DEFICIENT SERVICES, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT A BREACH

IN A COMMERCIALLY REASONABLE TIME AND MANNER, NASSAU MAY END THE RELEVANT SERVICES AND RECOVER THE FEES PAID TO ORACLE FOR THE DEFICIENT SERVICES.

X. INDEMNIFICATION AND LIABILITY

- A. Intellectual Property Infringement Indemnification.** Oracle will also indemnify and hold Nassau harmless from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs that may be finally assessed against Nassau in any action for infringement of a United States Letter Patent, or of any copyright, trademark, trade secret or other third party proprietary right based upon Materials provided to Nassau by Oracle and except to the extent such claims arise from Nassau's negligence or willful misconduct, provided that Nassau shall give Oracle: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, no later than 30 days after it receives notice of the claim (or sooner if required by law) (ii) sole control to settle or defend such action, claim or suit at Oracle's sole expense, and (iii) assistance in the defense of any such action at the expense of Oracle. Nassau reserves the right to join such action, at its sole expense, when it determines there is an issue involving a significant public interest.

If usage shall be enjoined for any reason or if Oracle believes that it may be enjoined, Oracle shall have the right, at its own expense and sole discretion: (i) to procure for Nassau the right to continue Usage (ii) to modify the material so that usage becomes non-infringing, while preserving its utility or functionality, or if these alternatives are not commercially reasonable, Oracle may terminate the license for, and require return of, the Material and refund any fees Nassau may have paid for it. Oracle will not indemnify Nassau if it alters the Material or uses it outside the scope of use identified in the Documentation or if Nassau uses a version of the Materials which has been superseded, to the extent the infringement claim could have been avoided by using an unaltered current version of the Material which was provided to Nassau and Nassau either has actual knowledge or is notified by Oracle to use such version due to a potential or existing infringement claim; any such notice will be in writing or, for any software licensed under this Agreement, may be posted at Oracle's customer support web site or included with a software update. Oracle will not indemnify Nassau to the extent that an infringement claim is based upon any information, design, specification, instruction, software, data, or material not furnished by Oracle. Oracle will not indemnify Nassau to the extent that an infringement claim is based upon the combination of any Material with any products or services not provided by Oracle except where such combinations are expressly specified by Oracle in the Documentation. Oracle will not indemnify Nassau for infringement caused by its actions against any third party if the Program(s) as delivered to Nassau and used in accordance with the terms of this Agreement would not otherwise infringe any third party intellectual property rights.

In the event that an action at law or in equity is commenced against Nassau arising out of a claim that Nassau's use of the Material under the Agreement infringes any patent, copyright or proprietary right, and Oracle is of the opinion that the allegations in such action in whole or in part are not covered by the indemnification and defense

provisions set forth in the Agreement, Oracle shall promptly notify Nassau in writing and shall specify to what extent Oracle believes it is obligated to defend and indemnify under the terms and conditions of the Agreement. Oracle shall in such event attempt to secure a continuance to permit Nassau to appear and defend its interests in cooperation with Oracle, as is appropriate, including any jurisdictional defenses Nassau may have. This Article X(A) constitutes Nassau's sole and exclusive remedy for any infringement claims or damages.

B. Personal Injury / Property Damage Indemnification. Oracle shall be fully liable for any act or omission of Oracle, its employees, Subcontractors and agents, and shall fully indemnify and hold harmless Nassau from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or tangible personal property caused by fault or negligence of Oracle, its employees, Subcontractors or agents arising from Oracle's performance of this Agreement, **without limitation**; provided, however, that Oracle shall not be obligated to indemnify Nassau for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of Nassau or the acts of third parties, other than those provided by Oracle to perform under the Agreement. In connection with the foregoing, Nassau shall give Oracle: (i) prompt written notice of any action, claim or threat of suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Oracle's sole expense, and (iii) assistance in the defense of any such action at the expense of Oracle. This paragraph does not apply to any claims arising from damage to "intangible personal property," which includes documentation, software, data or data files that are in electronic format.

C. Limitation on Liability. EXCEPT AS OTHERWISE SET FORTH IN THE INDEMNIFICATION PARAGRAPHS ABOVE, THE LIMIT OF LIABILITY SHALL BE AS FOLLOWS:

- 1. ORACLE'S LIABILITY FOR ANY DAMAGES ARISING OUT OF, OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, SHALL IN NO CASE EXCEED DIRECT DAMAGES IN: (I) AN AMOUNT EQUAL TO TWO (2) TIMES THE CHARGES SPECIFIED IN THE PURCHASE ORDER FOR THE SOFTWARE AND SERVICES, OR PARTS THEREOF FORMING THE BASIS OF NASSAU'S CLAIM, (SAID AMOUNT NOT TO EXCEED A TOTAL OF TWELVE (12) MONTHS CHARGES PAYABLE UNDER THE APPLICABLE PURCHASE ORDER) OR (II) ONE MILLION DOLLARS (\$1,000,000), WHICHEVER IS GREATER. NOTWITHSTANDING THE LIMITATION IN THE FIRST SENTENCE OF THIS PARAGRAPH (1), ORACLE'S LIABILITY TO NASSAU FOR DAMAGES RESULTING FROM THE WRONGFUL DISCLOSURE OF PERSONAL DATA BY ORACLE IN ITS PERFORMANCE OF TECHNICAL SUPPORT SERVICES IN BREACH OF ORACLE'S OBLIGATIONS UNDER ARTICLE XI(D) (CONFIDENTIALITY AND NON-DISCLOSURE) SHALL NOT EXCEED THE GREATER OF: (A) \$1,000,000 OR (B) TWO TIMES THE FEES PAID BY NASSAU UNDER THIS AGREEMENT FOR TECHNICAL SUPPORT WITHIN THE TWO (2) YEARS IMMEDIATELY PRECEDING THE ACTION THAT GAVE RISE TO THE BREACH.**

- 2. NOTWITHSTANDING THE ABOVE, NEITHER ORACLE OR NASSAU SHALL BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM LOSS OF USE OR LOSS OF PROFIT BY NASSAU, ORACLE, OR BY OTHERS.**

XI. CONFIDENTIALITY AND NON-DISCLOSURE

- A.** As used in this Section, "Disclosing Party" means Nassau when disclosing its Confidential Information (defined below) to Oracle, or Oracle when disclosing its Confidential Information to Nassau, and "Receiving Party" means Nassau when receiving disclosure of Confidential Information from Oracle, or Oracle when receiving disclosure of Confidential Information from Nassau. "Confidential Information" means all confidential information disclosed by a party (the "Disclosing Party") to the other party (the "Receiving Party") after the effective date of this Agreement including, without limitation, information relating to the Disclosing Party's operations, processes, plans or intentions, know-how, design rights, trade secrets or business affairs. Confidential Information shall be clearly marked as "confidential," "proprietary," "restricted" or some similar designation. Except as provided in this Agreement and specifically in Article XI(B) hereunder, the Receiving Party further agrees that any Confidential Information obtained by the Receiving Party from the Disclosing Party, its agents, subcontractors, officers, or employees in the course of performing its obligations, including without limitation, security procedures, business operations information, or commercial proprietary information in the possession of the Disclosing Party hereunder, will not be divulged to any third parties. Nassau acknowledges that the Source Code to the Software and the Documentation are Confidential Information of Oracle.
- B. The Receiving Party:**
1. may not use any Confidential Information for any purpose other than in accordance with, and in the performance of, its obligations under this Agreement;
 2. may not disclose any Confidential Information to any person except with the prior written consent of the Disclosing Party or in accordance with Section C; and
 3. shall make every reasonable effort to prevent the use or disclosure, other than as expressly permitted herein, of Confidential Information.
- C. The Receiving Party may disclose information, which would otherwise be Confidential Information if and to the extent that:**
1. it is required by law (such as the New York State Freedom of Information Law);
 2. the information has come into the public domain, otherwise than through (a) a breach of this Clause by the Receiving Party, (b) a third party's breach of any duty of confidentiality owed to the Disclosing Party of which the Receiving Party was aware, or (c) a violation of law;

3. it was in the Receiving Party's lawful possession prior to the disclosure and had not been obtained by the Receiving Party either directly or indirectly from the Disclosing Party;
4. it is required by existing contractual obligations of which the Disclosing Party is aware;
5. it is independently developed by the Receiving Party without reliance on the Confidential Information;
6. it is required by any securities exchange or regulatory or governmental body to which it is subject or by judicial process;
7. it is otherwise obtained under the Freedom of Information Law or other applicable New York State laws or regulations; or
8. the disclosure is to its professional advisers, auditors or banker; or to any of its directors, other officers, employees and subcontractors (a "Recipient") to the extent that disclosure is reasonably necessary for the purposes of this Agreement.

D. In addition to the foregoing, Nassau represents that it has certain obligations with regard to the use and protection of Personal Data. "Personal Data" means non-public, personally identifiable information of Nassau's employees or citizenry. Oracle will not store, maintain or process any Personal Data on Nassau's behalf connection with the provision of programs, related technical support and other services under the Agreement. Any access by Oracle to Personal Data will be incidental to the software and related services provided by Oracle to Nassau. Nassau agrees that it will endeavor not to unnecessarily provide any Personal Data to Oracle under the Agreement. To the extent that Oracle has any incidental access to Personal Data in providing its Software and services to Nassau, Oracle agrees that (1) it shall not disclose or use Personal Data except to the extent reasonably required to carry out its obligations under the Agreement; and (2) it shall maintain appropriate information security measures to protect such Personal Data from unauthorized disclosure or use. The obligations set forth in this paragraph shall survive termination of this Agreement.

XII. BREACH

- A. **Breach, Generally.** If either party breaches a material term of this Agreement and fails to correct the breach within 30 days of written specification of the breach, then the breaching party is in default and the non-breaching party may terminate this Agreement, subject to the Dispute Resolution process set forth in the Article immediately below.
- B. **Failure to Make Payment.** In the event Nassau fails to make payment to Oracle for Software or Services delivered and accepted, and invoiced as set forth herein, within thirty (30) days of such delivery and acceptance, Oracle may, upon 10 days advance written notice to Nassau's purchasing official, suspend additional shipments of Software or provision of Services to Nassau until such time as reasonable arrangements have been made and assurances given by such entity for current and future payments. If the breach is for the failure to pay for Software and the breach continues unabated, upon written notice of termination, Oracle may terminate

Nassau's license for the unpaid-for Software. Notwithstanding the foregoing, Oracle shall, at least 10 days prior to declaring a breach of contract by Nassau, by certified or registered mail, notify the purchasing official of Nassau of the specific facts, circumstances and grounds upon which a breach will be declared. It is understood, however, that if Oracle's basis for declaring a breach is insufficient, Oracle's declaration of breach and failure to service Nassau shall constitute a breach of its Agreement and Nassau may thereafter seek any remedy available at law or equity.

C. Remedies for Breach. It is understood and agreed that all rights and remedies afforded below shall be in addition to all remedies or actions otherwise authorized or permitted by law, except where expressly limited in this Agreement:

1. **Cover/Substitute Performance.** In the event of Oracle's material, uncured breach, Nassau may, with or without formally bidding: (i) purchase from other sources; or (ii) if Nassau is unsuccessful after making reasonable attempts, under the circumstances then existing, to timely obtain acceptable service or acquire replacement software of equal or comparable quality, Nassau may acquire acceptable replacement software of lesser or greater quality. Such purchases may, in the discretion of Nassau, be deducted from the Agreement quantity and payments due Oracle.
2. **Withhold Payment.** In any case where a reasonable question of material non-performance by Oracle arises, payment may be withheld in whole or in part at the discretion of Nassau.
3. **Bankruptcy.** In the event that Oracle files a petition under the U.S. Bankruptcy Code during the term of this Agreement, Nassau may, at its discretion, make application to exercise its right to set-off against monies due the Debtor or, under the Doctrine of Recoupment, credit Nassau the amounts owed by Oracle arising out of the same transactions.
4. **Reimbursement of Costs Incurred.** Oracle agrees to reimburse Nassau promptly for any and all additional costs incurred for acquiring acceptable services, and/or replacement software. Should the cost of cover be less than the price charged under this Agreement, Oracle shall have no claim to the difference.
5. **Deduction/Credit.** Sums due as a result of these remedies may be deducted or offset by Nassau from payments due, or to become due, Oracle on the same or another transaction. If no deduction or only a partial deduction is made in such fashion Oracle shall pay to Nassau the amount of such claim or portion of the claim still outstanding, on demand.

XIII. DISPUTE RESOLUTION

- A. In the event there is a dispute or controversy under this Agreement, the parties agree to exercise their best efforts to resolve the dispute as soon as possible. The parties shall, without delay, continue to perform their respective obligations under this Agreement, which are not affected by the dispute.
- B. In the event Nassau is dissatisfied with Oracle's Software or Services provided under this Agreement, Nassau shall notify Oracle in writing. In the event Oracle has any disputes with Nassau, Oracle shall so notify Nassau in writing. If either party notifies the other of such dispute or controversy, the other party shall then make

good faith efforts to solve the problem or settle the dispute amicably, including meeting with the party's representatives to attempt diligently to reach a satisfactory result.

- C. If negotiation between such persons fails to resolve any such dispute to the satisfaction of the parties within 14 business days or as otherwise agreed to by the parties, of such notice, then the matter shall be submitted to Nassau's senior county executive and Oracle's senior officer of the rank of Vice President or higher as its representative. Such representatives shall meet in person and shall attempt in good faith to resolve the dispute within the next 14 business days or as otherwise agreed to by the parties. This meeting must be held before either party may seek any other method of dispute resolution, including judicial or governmental resolutions. Notwithstanding the foregoing, this Article shall not be construed to prevent either party from seeking and obtaining temporary equitable remedies, including injunctive relief.
- D. Oracle shall extend the dispute resolution period for so long as Nassau continues to make reasonable efforts to cure the breach, except with respect to disputes about the breach of payment of fees or infringement of its or its licensors' intellectual property rights.
- E. This Article XIII does not apply to any breach by Nassau of Oracle's or its licensor's intellectual property rights.

XIV. TERMINATION

The following termination provisions are subject to the Dispute Resolution provision, to terms of the Technical Support Policies, and other provisions of this Agreement. Termination under this Article does not relieve Nassau of its obligation to pay for Programs or Services delivered by Oracle under this Agreement.

- A. **For Cause:** For a material breach that remains uncured for more than thirty (30) days or other specified period after written notice to Oracle, the Agreement or Purchase Order may be terminated by Nassau at Oracle's expense where Oracle becomes unable or incapable of performing, or meeting any requirements or qualifications set forth in the Agreement, or for non-performance, or upon a determination that Oracle is non-responsible. Such termination shall be upon written notice to Oracle. In such event, Nassau may complete the contractual requirements in any manner it may deem advisable and pursue available legal or equitable remedies for breach. If the Agreement is terminated pursuant to this subdivision, Nassau shall remain liable for all accrued but unpaid fees and charges incurred through the date of the termination.
- B. **For Convenience:** By written notice, this Agreement may be terminated at any time by Nassau for convenience upon sixty (60) days written notice or other specified period without penalty or other early termination charges due. Such termination of the Agreement shall not affect any Purchase Order that has been issued under the Agreement prior to the date of such termination. If the Agreement is terminated pursuant to this subdivision, Nassau shall remain liable for all accrued but unpaid

charges incurred through the date of the termination. Oracle shall use due diligence and provide any outstanding deliverables.

XV. FORCE MAJEURE

A force majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled. Force majeure includes, but is not limited to, acts of God, acts of war, acts of public enemies, strikes, fires, explosions, actions of the elements, floods, or other similar causes beyond the control of Nassau or Oracle in the performance of the Agreement which non-performance, by exercise of reasonable diligence, cannot be prevented. Oracle shall provide Nassau with written notice of any force majeure occurrence as soon as the delay is known.

Neither Nassau nor Oracle shall be liable to the other for any delay in or failure of performance under the Agreement due to a force majeure occurrence. Any such delay in or failure of performance shall not constitute default or give rise to any liability for damages. The existence of such causes of such delay or failure shall extend the period for performance to such extent as determined by Oracle or Nassau to be necessary to enable complete performance by Oracle if reasonable diligence is exercised after the cause of delay or failure has been removed.

If such event continues for more than 90 days, either party may cancel unperformed Services upon written notice. This section does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures or Nassau's obligation to pay for Software delivered or Services provided.

XVI. AUDIT OF SOFTWARE USAGE

Upon 45 days written notice, Oracle may audit Nassau's use of the Software. Oracle agrees not to audit Nassau's use more frequently than once annually. Nassau agrees to cooperate with Oracle's audit and provide reasonable assistance and access to information during its normal business hours. Nassau shall be entitled to designate a representative who shall be entitled to participate in such audit. Nassau agrees that Oracle shall not be responsible for any of Nassau's reasonable costs incurred in cooperating with the audit.

Oracle shall provide Nassau with a report of any such audit, and Nassau shall have the right to provide a written response to the report to Oracle. All such audit reports and responses to such audit reports shall be considered confidential and subject to the non-disclosure obligations in this Agreement. In the event such audit discloses that Nassau exceeds the scope of the permissible use of the licenses for the Software, Nassau agrees to immediately cease its impermissible use of such Software. To continue its use of such licenses, Nassau agrees to pay within thirty (30) days of the receipt of written notification and provision of an invoice.

Notwithstanding the foregoing, if Nassau in good faith provides Oracle with written notice of an alleged error in the amount of underpaid fees reported in the audit and agrees to pay any amounts not in dispute, Nassau may invoke the Dispute Resolution Process provided in Article XIII of this Agreement. If Nassau pays the undisputed

amounts and provides the aforementioned notice of error, Nassau is not obligated to cease its alleged impermissible use of the Software during the Dispute Resolution process. During the Dispute Resolution process, Oracle agrees not to terminate the Software or any associated Technical Support services, nor commence formal proceedings for the judicial resolution of such dispute, except for the seeking of equitable relief, until an amicable resolution of the dispute through continued negotiation of the matter at issue does not appear likely.

XVII. POLICIES AND SECURITY

In performing this Agreement, Oracle warrants, covenants and represents that it will comply fully with Nassau's rules, procedures and protocols ("Procedures"), including but not limited to physical, facility, documentary, information security and cyber security, provided that such Procedures do not violate any state, local or federal law. Nassau shall make available the relevant Procedures and Oracle shall be responsible for distributing to its representatives and assessing and ensuring compliance. If any part of the Procedures should violate Oracle's Code of Ethics and Business Conduct or Oracle is otherwise unable to comply, Oracle shall notify Nassau in writing. Nassau shall be responsible for acquiring the necessary approvals for the waiver from the entity that issued the Procedure. Oracle and Nassau agree that the Procedures do not modify or amend the other terms and conditions of the Agreement.

XVIII. MISCELLANEOUS

- A. Cooperation Between Contractors.** Oracle shall be responsible for fully cooperating with any third party, including but not limited to other contractors or subcontractors of Nassau, as necessary to ensure delivery of Software or coordination of performance of Services.
- B. Independent Contractors.** It is understood and agreed that the legal status of Oracle, its agents, officers and employees under this Agreement is that of an independent contractor, and in no manner shall they be deemed employees of Nassau, and therefore are not entitled to any of the benefits associated with such employment. Oracle agrees, during the term of this Agreement, to maintain at Oracle's expense those benefits to which its employees would otherwise be entitled by law, including health benefits, and all necessary insurance for its employees, including worker's compensation, disability and unemployment insurance, and to provide Nassau with certification of such insurance upon request. Oracle remains responsible for all applicable federal, state and local taxes, and all FICA contributions.
- C. No Hard Stop / Passive License Monitoring.** Unless Nassau is otherwise specifically advised to the contrary in writing at the time of order and prior to purchase, Oracle hereby warrants and represents that either: (1) the Software and all Updates do not and will not contain any computer code that would disable the Software or Updates or impair in any way its operation based on the elapsing of a period of time, exceeding an authorized number of copies, advancement to a particular date or other numeral, or other similar self-destruct mechanisms (sometimes referred to as "time bombs," "time locks," or "drop dead" devices) or that would permit Oracle to access the Software to cause such disablement or impairment (sometimes referred to as a "trap door" device); or (2) if the Software or

Updates does contain any such computer code, such computer code shall not be enabled. Oracle agrees that in the event of a breach or alleged breach of this provision, Nassau may seek a temporary restraining order, injunction, or other form of equitable relief against the continuance of such breach, in addition to any and all remedies to which Nassau shall be entitled.

- D. Proof of License.** The fully signed Ordering Document, Nassau's corresponding Purchase Order and payment of Oracle's invoice shall serve as Nassau's proof of License.
- E. Severability.** If any provision of this Agreement is deemed invalid or unenforceable, such determination shall have no effect on the balance of the Agreement, which shall be enforced and interpreted as if such provision was never included in the Agreement.
- F. Entire Agreement and Modification of Agreement Terms.** This Agreement and the referenced appendices constitute the entire agreement between the parties thereto and no statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained herein shall be binding or valid, and the Agreement shall not be changed, modified or altered in any manner except by an instrument in writing executed by both parties hereto. No preprinted terms or conditions on a Purchase Order issued by Nassau, which seek to vary the terms of this Agreement or impose new duties or obligations on Oracle, shall have any force or effect.
- G. Assignments and Mergers, Acquisitions, Divestitures.** Upon notice to Oracle, the Agreement may be assigned without the consent of Oracle to another Nassau subdivision pursuant to a governmental reorganization or assignment of functions under which the functions are transferred to a successor entity that assumes Nassau's responsibilities for the Agreement. If Nassau grants a security interest in the Programs and/or any Services deliverables, the secured party has no right to use or transfer the Programs and/or any Services deliverables, and if Nassau decides to finance an acquisition of the programs and/or any services, it will follow Oracle's policies regarding financing which are at <http://oracle.com/contracts>. Except in the event of a merger, consolidation, acquisition, internal restructuring, or sale of all or substantially all of the assets of Oracle, Oracle may not assign this Agreement without Nassau's prior written consent. Oracle's obligation to perform under this Agreement shall not be affected or impaired by any reorganization, consolidation or merger to which Oracle is, or may become, a party.
- H. Press Releases / Publicity.** Oracle shall obtain the prior written approval of Nassau relative to the Agreement for press or other media releases.
- I. UCITA.** The Uniform Computer Information Transactions Act does not apply to this Agreement or orders placed under it.
- J. Legal Compliance.** Oracle represents it will pay at its sole expenses for all applicable permits, licenses, tariffs, tolls and fees and that it shall secure all notices and comply with all laws, ordinances, rules and regulations of any governmental

entity applicable to the performance of obligations under the Agreement or seek waiver therefrom. Prior to award and during the Agreement term and any renewals thereof, Oracle must establish to the satisfaction of Nassau that it meets or exceeds all requirements of the Agreement and any applicable laws, including but not limited to, permits, insurance coverage, licensing, and proof of coverage for workers' compensation, and shall provide such proof as required by Nassau. Failure to comply or failure to provide proof may constitute grounds for Nassau to cancel or suspend the Agreement, in whole or in part or to take any other action deemed necessary by Nassau.

- K. Captions.** The captions contained in this Agreement are intended for convenience and reference purposes only and shall in no way be deemed to define or limit any provision thereof.
- L. Governing Law.** This procurement, the resulting contract and any purchase orders issued hereunder shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise, and actions or proceedings arising from the contract shall be heard in a court of competent jurisdiction in the State of New York.
- M. Order of Precedence.** The documents comprising this Agreement shall have the following order of precedence: (1) Appendix A; (2) Ordering Document(s); (3) this Agreement; and (4) all other exhibits.

XIX. NASSAU SPECIFIC LAWS, ORDINANCES, REQUIREMENTS

A. Insurance.

1. **Types and Amounts.** Oracle shall obtain and maintain throughout the term of this Agreement, at its own expense: (i) one or more policies for commercial general liability insurance, which policy(ies) shall name "Nassau County" as an additional insured and have a minimum single combined limit of liability of not less than two million dollars (\$2,000,000) per occurrence and four million dollars (\$4,000,000) aggregate coverage, (ii) compensation insurance for the benefit of Oracle's employees ("Workers' Compensation Insurance"), which insurance is in compliance with the New York State Workers' Compensation Law, and (iii) such additional insurance, including, without limitation, builder's all risk, if applicable, automobile liability insurance and umbrella liability insurance, as Nassau may from time to time specify.
2. **Acceptability; Deductibles; Subcontractors.** All insurance obtained and maintained by Oracle pursuant to this Agreement shall be (i) written by one or more commercial insurance carriers licensed or authorized to do business in New York State and acceptable to Nassau; and (ii) in form and substance acceptable to Nassau. Oracle shall be solely responsible for the payment of all deductibles to which such policies are subject. Oracle shall require any subcontractor hired in connection with this Agreement to carry insurance with the same limits and provisions required to be carried by Oracle under this Agreement.
3. **Delivery; Coverage Change; No Inconsistent Action.** Prior to the execution of this Agreement, copies of current certificates of insurance evidencing the

Insurance coverage required by this Agreement shall be delivered to the Nassau County Attorney's Office. Not less than thirty (30) days prior to the date of any expiration or renewal of, or actual, proposed or threatened reduction or cancellation of coverage under, any insurance required hereunder, Oracle shall provide written notice to the Nassau County Attorney's Office of the same and deliver to Nassau County Attorney's Office renewal or replacement certificates of insurance. Oracle shall cause all insurance to remain in full force and effect throughout the term of this Agreement and shall not take any action, or omit to take any action, which would suspend or invalidate any of the required coverages. The failure of Oracle to maintain Workers' Compensation Insurance shall render this contract void and of no effect. The failure of Oracle to maintain the other required coverages shall be deemed a material breach of this Agreement upon which Nassau reserves the right to consider this Agreement terminated as of the date of such failure.

- B. No Arrears or Default.** Oracle is not in arrears to Nassau upon any debt or contract and it is not in default as surety, contractor, or otherwise upon any obligation to Nassau, including any obligation to pay taxes to, or perform services for or on behalf of, Nassau.
- C. Nassau County Living Wage Law.** Pursuant to LL 12006, as amended, and to the extent that a waiver has not been obtained in accordance with such law or any rules of the County Executive, with respect to Services provided to Nassau which are performed within the United States, Oracle agrees as follows:
1. Oracle shall comply with the applicable requirements of the Living Wage Law, as amended;
 2. Failure to comply with the Living Wage Law, as amended, may constitute a material breach of this Agreement, the occurrence of which shall be determined solely by the County. Oracle has the right to cure such breach within thirty days of receipt of notice of breach from Nassau. In the event that such breach is not timely cured, Nassau may terminate this Agreement as well as exercise any other rights available to Nassau under applicable law.
 3. It shall be a continuing obligation of Oracle to inform Nassau of any material changes in the content of its certification of compliance, attached as Exhibit 6, and shall provide to Nassau any information necessary to maintain the certification's accuracy.
- C. Administrative Service Charge.** Oracle agrees to pay Nassau an administrative service charge of five hundred and thirty-three dollars (\$533.00) for the processing of this Agreement pursuant to Ordinance Number 741979, as amended by Ordinance Number 1282006.
- D. Executory Clause.** Notwithstanding any other provision of this Agreement:
1. Approval and Execution. Nassau shall have no liability under this Agreement (including any extension or other modification of this Agreement) to Oracle unless:
 - (i) all Nassau approvals have been obtained, including, if required, approval by the Nassau County Legislature, and

- (ii) this Agreement has been executed by the Nassau.
2. **Availability of Funds:** Nassau shall have no liability under this Agreement (including any extension or other modification of this Agreement) to Oracle beyond funds appropriated or otherwise lawfully available for this Agreement, and, if any portion of the funds for this Agreement are from the State and/or federal governments, then beyond funds available to Nassau from the State and/or federal governments. Notwithstanding the foregoing, (a) Nassau agrees to pay for all Software ordered and Services performed by Oracle prior to Oracle's receipt of Nassau's notice of the unavailability of funding or appropriations and (b) Nassau's issuance of a Purchase Order to Oracle is its representation to Oracle that funds for that purchase have been fully appropriated and are presently available.

XX. NOTICES

If Nassau has a dispute with Oracle or if Nassau wishes to provide a notice under the Indemnification section of this Agreement, or if Nassau becomes subject to insolvency or other similar legal proceedings, it will promptly send written notice to: Oracle USA, Inc., 500 Oracle Parkway, Redwood City, California, USA, Attention: General Counsel, Legal Department.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

ORACLE USA, INC.

NASSAU COUNTY, NEW YORK

Signature: [Signature]

Name: DOUGLAS W. DORAN

Title: DIRECTOR, LICENSE CONTRACTS

Date: 5/1/2009

Signature: [Signature]

Name: THOMAS W. STOKES

Title: DEPUTY CO. EXEC.

Date: 5-29-09

Corporate Acknowledgement

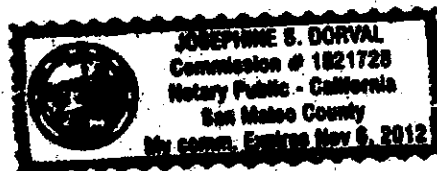
STATE OF CALIFORNIA

COUNTY OF SAN MATEO

)
) ss:
)

On this 1st day of May, 2009 before me personally came Douglas W. Doran, to me known, who, being duly sworn, did depose and say that he/she is Director of the corporation described in the foregoing instrument and that he/she executed the foregoing instrument as Director thereof.

[Signature]
Notary Public




STATE OF NEW YORK)

)ss.:

COUNTY OF NASSAU)

On the 29th day of MAY in the year 2009 before me personally came Thomas W Stokes to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Suffolk; that he or she is a Deputy County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

NOTARY PUBLIC



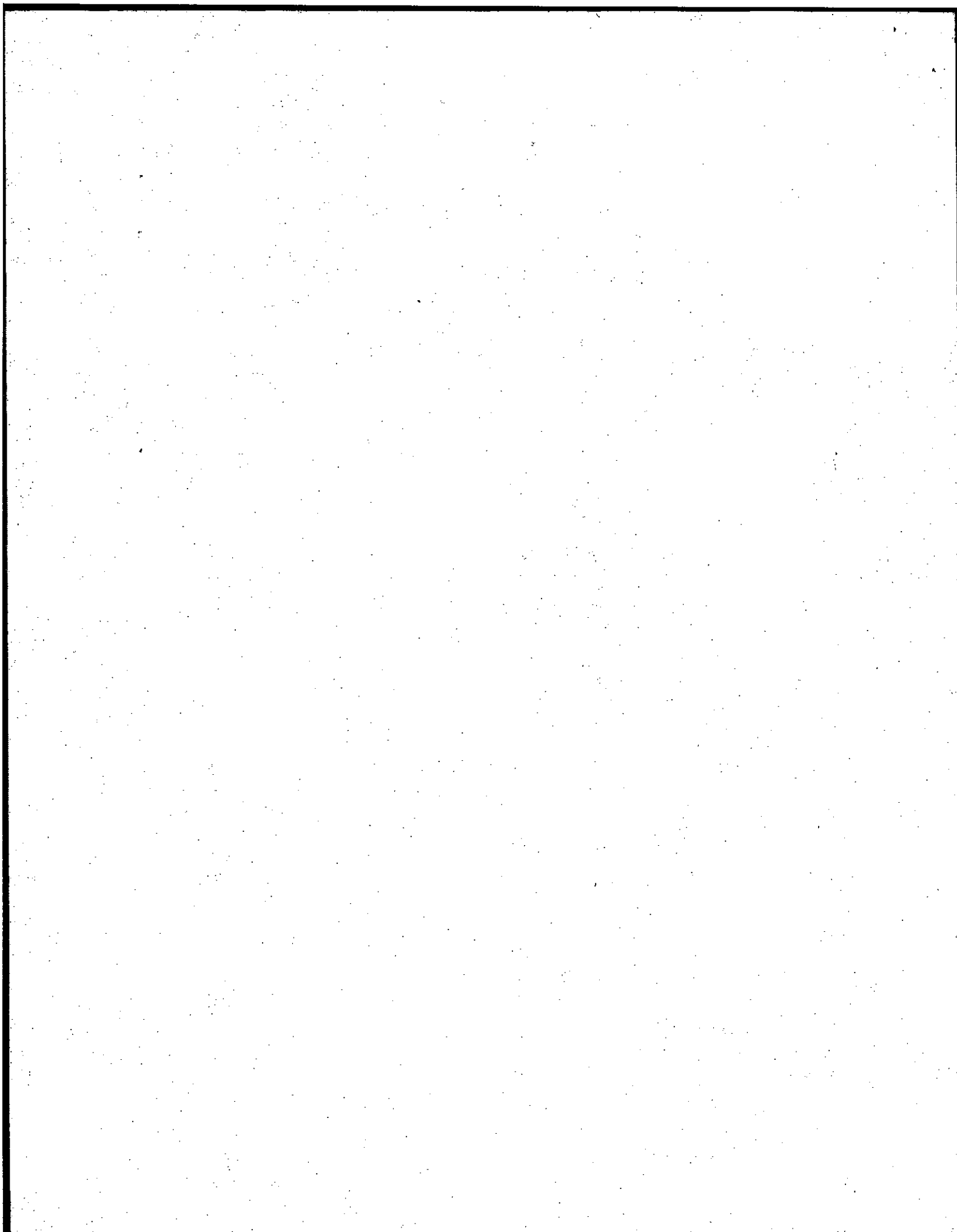
FREDERICK A. SUZEL JR.

NOTARY PUBLIC-STATE OF NEW YORK

No. 01304781488

Qualified in Queens County

My Commission Expires February 28, 2010





ORDERING DOCUMENT

Oracle USA, Inc.
500 Oracle Parkway
Redwood Shores, CA 94065

Your Name NASSAU COUNTY, NEW YORK
Your Location 240 Old Country Road
Mineola, NY 11501

Your Contact Keith Hill
Phone Number 516-571-4150
Email Address khill@nassaucountynv.gov

ORACLE CONTRACT INFORMATION

Agreement: Software License and Services Agreement

Agreement Name: _____ ("agreement")

This ordering document incorporates by reference the terms of the agreement specified above. The following defined and capitalized terms in the referenced agreement between you and Oracle USA, Inc. (as successor in interest to Oracle Corporation, hereinafter "Oracle") shall have the same meaning as the stated terms in this ordering document: "Agreement" and "agreement"; "Customer"/"Client" and "you"/"your"; "Program" and "program"; "Technical Support" and "technical support"; "Program Documentation"/"Documentation" and "program documentation"; and "Ordering Document"/"Order Form" and "ordering document".

A. Description and Fees for Ordered Programs and Services

Listed below is a summary of net fees due under the ordering document. These fees are in US Dollars and are exclusive of any applicable shipping charges or applicable taxes. You have ordered the program licenses and 12 months of technical support services described below:

A. 1 - Product Description / License Type	Quantity
PeopleSoft Enterprise Financials - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Treasury - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Purchasing - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Inventory - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise eSupplier Connection - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise eProcurement - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Strategic Sourcing - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Supplier Contract Management - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Asset Management - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Project Costing - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Contracts - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Grants - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Expenses - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Program Management - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise EPM Portal Pack - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Scorecard - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Performance Management Warehouse - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Portal - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Supplier Rating System - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Financials Portal Pack - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Planning and Budgeting - Enterprise \$M In Operating Budget Perpetual	3200
Hyperion Planning - System 9 - Enterprise \$M In Operating Budget Perpetual	3200
Hyperion Workforce Planning - Enterprise \$M In Operating Budget Perpetual	3200
Hyperion Capital Asset Planning - Enterprise \$M In Operating Budget Perpetual	3200
Hyperion Performance Scorecard - Enterprise \$M In Operating Budget Perpetual	3200
A. 2 - Product Description / License Type	Quantity
PeopleSoft Enterprise Human Resources - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Payroll - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Absence Management - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Time and Labor - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Recruiting Solutions - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise ePerformance - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Benefits Administration - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise eCompensation - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Learning Management - Enterprise Employee Perpetual	9700

PeopleSoft Enterprise Workforce Rewards - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Workforce Scorecard - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise HRMS Portal Pack - Enterprise Employee Perpetual	9700

A.3 - Product Description / License Type	Quantity
User Productivity Kit - UPK Developer Perpetual	5
User Productivity Kit - UPK Employee Perpetual	9700
PeopleSoft Enterprise UPK Human Resources over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Payroll for North America over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Benefits Administration over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Time & Labor over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK ePay over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eProfile over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eBenefits over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK ePerformance over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Enterprise Learning Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK General Ledger over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Receivables over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Payables over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Asset Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Project Costing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Contracts over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Grants over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Expenses - over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Planning and Budgeting over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Billing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Purchasing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Inventory over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eProcurement over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eCompensation Manager Desktop over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eProfile Manager Desktop over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Absence Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Talent Acquisition Manager over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Strategic Sourcing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Enterprise Portal over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Reporting Tools for HRMS Software Modules over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Reporting Tools for Financials/ESA and Supply Chain over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Fundamentals for HRMS Software Modules over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Fundamentals for Financials and Supply Chain Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Reporting Tools for PeopleTools over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1

A.4 - Product Description / License Type	Quantity
Diagnostics Pack - Processor Perpetual	18
Application Management Pack for PeopleSoft - Named User Plus Perpetual	50
Application Management Pack for PeopleSoft - Processor Perpetual	18
Oracle Business Intelligence Management Pack - Named User Plus Perpetual	143
Oracle Business Intelligence Suite Enterprise Edition Plus - Named User Plus Perpetual	143
Business Intelligence Server Administrator - Named User Plus Perpetual	10

A.5 - Product Description / License Type	Quantity
Crystal Reports for PeopleSoft Enterprise for Unlimited Users (Mfr is Business Objects SA Third Party Program)	1
Crystal Enterprise/BusinessObjects Enterprise PeopleSoft Enterprise Concurrent Access License (bundles of 5) (Mfr is Business Objects SA Third Party Program)	1
WebSphere for PeopleSoft Enterprise (Mfr is International Business Machines Corporation; Third Party Program)	1

	Net Fee
Oracle Programs License Fees	\$1,628,356.32
Oracle Programs Support Fees	\$358,458.35
Net Fee	\$1,987,814.67
Total Fees	\$1,987,814.67

B. General Terms

1. Commencement Date

All program licenses and the period of performance for all services are effective upon shipment of tangible media or upon the effective date of this ordering document if shipment of tangible media is not required.

2. Fees, Invoicing, and Payment Obligation

a. All fees due under this ordering document shall be non-cancelable and the sums paid nonrefundable, except as provided in the agreement.

b. In entering into payment obligations under this ordering document, you agree and acknowledge that you have not relied on the future availability of any program or updates. However, (a) if you order technical support for programs licensed under this ordering document, the preceding sentence does not relieve Oracle of its obligation to provide such technical support under this ordering document, if and when available, in accordance with Oracle's then current technical support policies, and (b) the preceding sentence does not change the rights granted to you for any program licensed under this ordering document, per the terms of this ordering document and the agreement.

c. In accordance with the agreement: (i) license fees are invoiced as of the commencement date; and (ii) service fees are invoiced after the performance of the service; specifically, technical support fees are invoiced quarterly in arrears from the commencement date.

d. In addition to the fees listed in section A, Oracle will invoice you for any applicable shipping charges or applicable taxes.

3. Delivery and Installation

a. You shall be responsible for installation of the software.

b. Oracle has made available to you for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com> the programs listed in section A. Through the Internet URL, you can access and electronically download to your location the software and related documentation for each program listed in section A. Provided that you have continuously maintained technical support for the programs listed in section A, you may continue to download the software and related program documentation for the programs listed in section A. Please be advised that not all programs are available on all hardware/operating system combinations. For current program availability please check the electronic delivery web site. You acknowledge that Oracle's delivery obligation under this ordering document is met by the provision of the electronic delivery web site URL.

4. Source Code

Oracle may deliver source code as part of its standard delivery for particular programs; all source code delivered by Oracle is subject to the terms of the agreement, ordering document and program documentation.

5. Segmentation

The program licenses provided in this ordering document are offered separately from any other proposal for consulting services you may receive or have received from Oracle and do not require you to purchase Oracle consulting services.

6. Order of Precedence

In the event of any inconsistencies between the agreement and this ordering document, this ordering document shall take precedence.

7. Customer Reference

In consideration of the discounts granted to you under this ordering document, Oracle may refer to you as a customer in sales presentations, marketing vehicles and activities. In addition you agree to become part of Oracle's reference program by working with a representative from Oracle Marketing to develop a customer profile for use on Oracle.com and for other promotional activities at Oracle's discretion. The profile will include a quote from an executive of your organization and your organization's logo.

8. Territory

The program licenses and services described in section A are for use in the U.S.

9. Limited Use Programs

The programs listed in section A-4 are limited use programs and maybe used only with the programs listed in section A.1, section A.2 and section A.3.

10. Technical Support Cap

Software Update License & Support (or any successor technical support offering to Software Update License & Support, "SULS") acquired with your order may be renewed annually and, if you renew SULS for the same number of licenses for the same programs, for the first, second, third and fourth renewal years, the fee for SULS will not increase over the prior year's fee. If you renew SULS for the same number of licenses for the same programs for the fifth, sixth, seventh, eighth or ninth renewal year, the fee for SULS will not increase by more than three percent (3%) over the prior year's fees.

C. Future Purchases

1. Expansion

a. If you exceed your licensed quantity you must order the programs (and first year Software Update License & Support for the programs) at the appropriate license and support fees specified on the attached Expansion Exhibit. The number of additional program licenses to be ordered shall be equal to the actual dollar amount of Enterprise \$M of Operating Budget listed in section A.1 and/or the actual number of Enterprise Employees listed in section A.2 as of the order date less the total number of licensed quantity (under this ordering document or other ordering documents) rounded up to the next increment on the attached Expansion Exhibit.

b. The license definitions and program specific terms contained in section D of this ordering document will apply to program licenses ordered pursuant to this section.

c. Oracle has no delivery obligation for program licenses ordered pursuant to this section.

D. Enterprise Application Specific Terms

1. Enterprise \$M Operating Budget

\$M Operating Budget is defined as one million US Dollars of your gross budget reflected in an audited statement from your external accounting firm.

2. Applicable to programs with the license type of Enterprise \$M Operating Budget

The value of these program licenses is determined by the amount of Enterprise \$M Operating Budget. For these program licenses, the licensed quantity purchased must, at a minimum, be equal to the amount of Enterprise \$M Operating Budget as of the effective date of your order. If at any time the amount of Enterprise \$M Operating Budget exceeds the licensed quantity, you are required to order additional licenses (and technical support for such additional licenses) such that the amount of Enterprise \$M Operating Budget is equal to or less than the licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the amount of Enterprise \$M Operating Budget. In addition, each year 90 days before the anniversary date (defined as the day and month of the ordering document effective date), you are required to report to Oracle the number of Enterprise \$M Operating Budget as of such date.

3. Enterprise Employee

Enterprise Employee is defined as all of your full-time, part-time, temporary employees and all of your agents, contractors and consultants. The quantity of the licenses required is determined by the number of Enterprise Employees and not the actual number of users. In addition, if you elect to outsource any business function(s) to another company, all of the company's full-time, part-time, temporary employees and agents, contractors and consultants that are providing the outsourcing services for you must be counted for the purposes of determining the number of Enterprise Employees.

4. Applicable to programs with the license type of Enterprise Employee

The value of these program licenses is determined by the number of Enterprise Employees. For these program licenses, the licensed quantity purchased must, at a minimum, be equal to the number of Enterprise Employees as of the effective date of your order. If at any time the number of Enterprise Employees exceeds the licensed quantity, you are required to order additional licenses (and technical support for such additional licenses) such that the number of Enterprise Employees is equal to or less than the licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the number of Enterprise Employees. In addition, each year 90 days before the anniversary date (defined as the day and month of the ordering document effective date), you are required to report to Oracle the number of Enterprise Employees as of such date.

5. Archival Back-Up and Disaster Recovery

The last sentence of Article II, Section E.3 of the agreement shall not apply to the programs listed in sections A.1, A.2 and A.3 of this ordering document.

F. Program Specific Terms for the Peoplesoft Product Lines

1. License Grant

Oracle grants to you a non-exclusive, nontransferable license for your UPK Developer(s) to: (i) use those User Productivity Kit ("UPK") products listed in Section A (collectively referred to as "materials") only as necessary to create and provide training solely for UPK to use the underlying programs for your benefit; (ii) make an unlimited number of copies of the materials only as necessary to create and provide training solely to UPK to use the underlying programs for your benefit; and (iii) develop modifications and customizations to the UPK programs licensed per UPK Module, if applicable, all subject to the terms and conditions set forth in the agreement, provided all copyright notices are reproduced as provided on the original. You are prohibited from reselling or distributing the materials to any other party or using the materials other than as explicitly permitted in this ordering document or in the agreement. Oracle represents that the materials and any content created by you using the program materials contain valuable proprietary information. Oracle (or its third-party program providers) retains title to all portions of the materials and any copies thereof. You shall use materials modifications created by you solely for your internal use in accordance with the terms of the agreement. You may provide access to and use of the materials only to those third parties that are licensed as UPK Users and that: (a) provide services to you concerning your use of the materials; (b) have a need to use and access the materials; and (c) have agreed to substantially similar non-disclosure obligations imposed by you as those contained in the agreement. NOTWITHSTANDING ANYTHING IN THE AGREEMENT TO THE CONTRARY, PROGRAMS LICENSED PER UPK MODULE ARE PROVIDED "AS IS" AND ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.

1. UPK Materials

For UPK content materials licensed under this ordering document, you represent and warrant that you have a valid license for the underlying program(s). All content materials are published in English language only.

2. UPK Module

UPK Module is defined as the functional software component described in the product documentation.

3. Included Programs - Crystal Reports for PeopleSoft Enterprise

This program is a third party program and it is also a supportable program. "Unlimited users" for purposes of this program means all users who are authorized by you to use such program. You may use this third party program solely in conjunction with PeopleSoft Enterprise programs licensed by you.

4. Included Programs - Crystal Enterprise/BusinessObjects Enterprise for PeopleSoft Enterprise

You acknowledge that this program requires a web application server. This third party program is a supportable program. A "concurrent access license" is a license for one person to access all features and functions of this program. A concurrent access license user is accessing the program from the time the concurrent access license user logs onto the program until the concurrent access license user exits or closes the program. You may use this third party program solely in conjunction with PeopleSoft Enterprise programs licensed by you.

5. Included Programs - WebSphere

Notwithstanding anything in the agreement to the contrary, Oracle shall not be obligated to indemnify you for any claims based on: (i) any third party products identified in the "README" AND "LICENSE.TXT" files included with WebSphere; (ii) open source code delivered with the WebSphere product; (iii) any trade secret embodied within WebSphere; and (iv) the combination, operation or use of WebSphere with any non-International Business Machine Corporation product, data, or apparatus. In addition to the terms set forth in the agreement and this ordering document, use of this program shall be subject to the terms and conditions set forth in the "README" and "LICENSE.TXT" files included with the WebSphere program, as those terms may change from time to time. Notwithstanding anything herein to the contrary: (a) source code is not included for this program and (b) this third party program is a supportable program.

By signing below, the parties agree that the agreement and this ordering document constitute the entire agreement between the parties with regard to the subject matter herein and as such, no other preprinted, non-negotiated or other terms and conditions, on the customer's purchase order or elsewhere, shall apply. The offer is valid through 30-NOV-2008 and shall become binding upon execution by you and acceptance by Oracle.

NASSAU COUNTY, NEW YORK

Signature _____

Name _____

Title _____

Signature Date _____

Effective Date _____

(to be completed by Oracle)

ORACLE USA, INC.

Signature _____

Name _____

Title _____

Signature Date _____

Expansion Exhibit

1. Listed below is the license fee and first year Software Update License & Support fee for additional program licenses for the program listed in section A.1 with the license type "Enterprise \$M in Operating Budget Perpetual" that may be purchased pursuant to section [C.1]:

Product Description	License Fee/ Increment	First Year Software Update License & Support/ Increment	Increment (In millions)
PeopleSoft Enterprise Financials - Enterprise \$M in Operating Budget Perpetual	94,264.19	20,738.12	320
PeopleSoft Enterprise Treasury - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Purchasing - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Inventory - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise eSupplier Connection - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise eProcurement - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Strategic Sourcing - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Supplier Contract Management - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Asset Management - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Project Costing - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Contracts - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Grants - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Expenses - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Program Management - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise EPM Portal Pack - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Scorecard - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Performance Management Warehouse - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Portal - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Supplier Rating System - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Financials Portal Pack - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Planning and Budgeting - Enterprise \$M in Operating Budget Perpetual			
Hyperion Planning - System 9 - Enterprise \$M in Operating Budget Perpetual			
Hyperion Workforce Planning - Enterprise \$M in Operating Budget Perpetual			
Hyperion Capital Asset Planning - Enterprise \$M in Operating Budget Perpetual			
Hyperion Performance Scorecard - Enterprise \$M in Operating Budget Perpetual			

2. Listed below is the license fee and first year Software Update License & Support fee for additional program licenses for the program listed in section A.2 with the license type "Enterprise Employee Perpetual" that may be purchased pursuant to section [C.1]:

Product Description	License Fee/ Increment	First Year Software Update License & Support/ Increment	Increment
PeopleSoft Enterprise Human Resources - Enterprise Employee Perpetual	24,372.91	5,362.04	970
PeopleSoft Enterprise Payroll - Enterprise Employee Perpetual			
PeopleSoft Enterprise Absence Management - Enterprise Employee Perpetual			
PeopleSoft Enterprise Time and Labor - Enterprise Employee Perpetual			
PeopleSoft Enterprise Recruiting Solutions - Enterprise Employee Perpetual			
PeopleSoft Enterprise ePerformance - Enterprise Employee Perpetual			
PeopleSoft Enterprise Benefits Administration - Enterprise Employee Perpetual			
PeopleSoft Enterprise eCompensation - Enterprise Employee Perpetual			
PeopleSoft Enterprise Learning Management - Enterprise Employee Perpetual			
PeopleSoft Enterprise Workforce Rewards - Enterprise Employee Perpetual			
PeopleSoft Enterprise Workforce Scorecard - Enterprise Employee Perpetual			
PeopleSoft Enterprise HRMS Portal Pack - Enterprise Employee Perpetual			

APPENDIX A

**STANDARD CLAUSES FOR NEW YORK STATE
CONTRACTS**

APPENDIX A

STANDARD CLAUSES FOR NEW YORK STATE CONTRACTS

**PLEASE RETAIN THIS DOCUMENT
FOR FUTURE REFERENCE.**

June, 2006

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STANDARD CLAUSES FOR NYS CONTRACTS

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "the contract" or "this contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a contractor, licenser, licensee, lessor, lessee or any other party):

1. EXECUTORY CLAUSE. In accordance with Section 41 of the State Finance Law, the State shall have no liability under this contract to the Contractor or to anyone else beyond funds appropriated and available for this contract.

2. NON-ASSIGNMENT CLAUSE. In accordance with Section 138 of the State Finance Law, this contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the previous consent, in writing, of the State and any attempts to assign the contract without the State's written consent are null and void. The Contractor may, however, assign its right to receive payment without the State's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

3. COMPTROLLER'S APPROVAL. In accordance with Section 112 of the State Finance Law (or, if this contract is with the State University or City University of New York, Section 355 or Section 6218 of the Education Law), if this contract exceeds \$50,000 (or the minimum thresholds agreed to by the Office of the State Comptroller for certain S.U.N.Y. and C.U.N.Y. contracts), or if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amount, or if, by this contract, the State agrees to give something other than money when the value or reasonably estimated value of such consideration exceeds \$10,000, it shall not be valid, effective or binding upon the State until it has been approved by the State Comptroller and filed in his office. Comptroller's approval of contracts let by the Office of General Services is required when such contracts exceed \$85,000 (State Finance Law Section 163.6.a).

4. WORKERS' COMPENSATION BENEFITS. In accordance with Section 142 of the State Finance Law, this contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

5. NON-DISCRIMINATION REQUIREMENTS. To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex, or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the

performance of work under this contract. Contractor is subject to fines of \$50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

6. WAGE AND HOURS PROVISIONS. If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law.

7. NON-COLLUSIVE BIDDING CERTIFICATION. In accordance with Section 139-d of the State Finance Law, if this contract was awarded based upon the submission of bids, Contractor affirms, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further affirms that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to the State a non-collusive bidding certification on Contractor's behalf.

8. INTERNATIONAL BOYCOTT PROHIBITION. In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, the Contractor agrees, as a material condition of the contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2NYCRR 105.4).

9. SET-OFF RIGHTS. The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the State with regard to this contract, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Comptroller.

10. RECORDS. The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "the Records"). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of the Contractor.

within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. The State shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform an appropriate State official, in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the State's right to discovery in any pending or future litigation.

11. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION. (a) **FEDERAL EMPLOYER IDENTIFICATION NUMBER and/or FEDERAL SOCIAL SECURITY NUMBER.** All invoices or New York State standard vouchers submitted for payment for the sale of goods or services or the lease of real or personal property to a New York State agency must include the payee's identification number, i.e., the seller's or lessor's identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both such numbers when the payee has both such numbers. Failure to include this number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice or New York State standard voucher, must give the reason or reasons why the payee does not have such number or numbers.

(b) **PRIVACY NOTIFICATION.** (1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law.

(2) The personal information is requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. The information is maintained in New York State's Central Accounting System by the Director of Accounting Operations, Office of the State Comptroller, 110 State Street, Albany, New York 12236.

12. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN. In accordance with Section 312 of the Executive Law, if this contract is: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency; or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project, then:

(a) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment,

employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation;

(b) at the request of the contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the contractor's obligations herein; and

(c) the Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

Contractor will include the provisions of "a", "b", and "c" above, in every subcontract over \$25,000.00 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract; or (ii) employment outside New York State; or (iii) banking services, insurance policies or the sale of securities. The State shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The contracting agency shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the contracting agency shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulations of the Governor's Office of Minority and Women's Business Development pertaining hereto.

13. CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control.

14. GOVERNING LAW. This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

15. LATE PAYMENT. Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Article 11-A of the State Finance Law to the extent required by law.

16. NO ARBITRATION. Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized), but must, instead, be heard in a court of competent jurisdiction of the State of New York.

17. SERVICE OF PROCESS. In addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR"), Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the State's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the State, in writing, of each and every change of address to which service of process can be made. Service by the State to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

18. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS. The Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of State Finance Law §165. (Use of Tropical Hardwoods) which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the contractor to establish to meet with the approval of the State.

In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in §165 State Finance Law. Any such use must meet with the approval of the State; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the State.

19. MACBRIDE FAIR EMPLOYMENT PRINCIPLES. In accordance with the MacBride Fair Employment Principles (Chapter 807 of the Laws of 1992), the Contractor hereby stipulates that the Contractor either (a) has no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Section 165 of the New York State Finance Law), and shall permit independent monitoring of compliance with such principles.

20. OMNIBUS PROCUREMENT ACT OF 1992. It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development
Division for Small Business
30 South Pearl St - 7th Floor
Albany, New York 12245
Telephone: 518-292-5220
Fax: 518-292-5884
<http://www.empire.state.ny.us>

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development
Division of Minority and Women's Business Development
30 South Pearl St - 2nd Floor
Albany, New York 12245
Telephone: 518-292-5250
Fax: 518-292-5803
<http://www.empire.state.ny.us>

The Omnibus Procurement Act of 1992 requires that by signing this bid proposal or contract, as applicable, Contractors certify that whenever the total bid amount is greater than \$1 million:

(a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the State;

(b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;

(c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide said documentation to the State upon request; and

(d) The Contractor acknowledges notice that the State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

21. RECIPROCITY AND SANCTIONS PROVISIONS. Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. NOTE: As of May 15, 2002, the list of discriminatory jurisdictions subject to this provision includes the states of South Carolina, Alaska, West Virginia, Wyoming, Louisiana and Hawaii. Contact NYS Department of Economic Development for a current list of jurisdictions subject to this provision.

22. PURCHASES OF APPAREL. In accordance with State Finance Law 162 (4-a), the State shall not purchase any apparel from any vendor unable or unwilling to certify that: (i) such apparel was manufactured in compliance with all applicable labor and occupational safety laws, including, but not limited to, child labor laws, wage and hours laws and workplace safety laws, and (ii) vendor will supply, with its bid (or, if not a bid situation, prior to or at the time of signing a contract with the State), if known, the names and addresses of each subcontractor and a list of all manufacturing plants to be utilized by the bidder.

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EXHIBIT 1

ORACLE TECHNICAL SUPPORT POLICIES

Technical Support Policies

Effective Date: 27-October-2008

Unless otherwise stated, these Technical Support Policies apply to technical support for all Oracle product lines. These Technical Support Policies may be referred to in former PeopleSoft agreements as the "Software Support Services Terms and Conditions", in former Siebel agreements as the "Maintenance Services Policy", in former Hyperion agreements as the "Standard Maintenance Program", in former Agile agreements as the "product support policy" and in former BEA agreements as the "Support Services" policies.

"You" and "your" refers to the individual or entity that has ordered technical support from Oracle or an authorized distributor.

To receive technical support as provided by Oracle Support Services ("OSS") and described in the Oracle Technical Support Levels section below, all programs must be properly licensed.

Technical support is provided for issues (including problems created by you) that are demonstrable in the currently supported release(s) of an Oracle licensed program, running unaltered, and on an appropriate hardware, database and operating system configuration, as specified in your order or program documentation.

Product release and supported platforms information for all Oracle programs, other than Cimmetry AutoVue and Vuelink programs ("Cimmetry programs"), Crystal Ball programs, and AdminServer programs, is available through Oracle's web-based customer support systems as described in the Web-Based Customer Support Systems section below. Product release and supported platforms information for Cimmetry programs is available in the AutoVue Administration Guide that is included with the Cimmetry program documentation.

Product release and supported platforms information for the following programs will be provided to you in writing:

Crystal Ball
AdminServer
Skywire (programs not included on the Skywire Online Support Portal)

Oracle will provide technical support in accordance with Oracle's privacy policy available at <http://www.oracle.com/html/privacy.html>.

These Technical Support Policies are subject to change at Oracle's discretion, however the services provided will not be materially reduced during the support period (defined below).

To view changes that have been made, please refer to the attached Statement of Changes (PDF).

Technical Support Fees

Technical support fees are due and payable annually in advance of a support period, unless otherwise stated in the relevant ordering document or financing or payment contract with Oracle or an Oracle affiliate. Your commitment to pay is required to process your technical support order with Oracle (e.g., purchase order, actual payment, or other approved method of payment). An invoice will be issued only upon receipt of your commitment to pay, and will be sent to a single billing address as designated by you. Failure to submit payment will result in the termination of support.

Support Period

Technical support is effective upon the effective date of your ordering document unless stated otherwise in your ordering document. If your order was placed through the Oracle Store, the effective date is the date your order was accepted by Oracle. Unless otherwise stated in the ordering document, Oracle technical support terms, including pricing, reflect a 12 month support period (the "support period"). All technical support services ordered for a support period and the related fees are non-cancelable and non-refundable. Oracle is not obligated to provide technical support beyond the end of the support period unless your technical support contract is renewed on or before the service expiration date.

License Set

A license set consists of (i) all of your licenses of a program, including any options* (e.g., Database Enterprise Edition and Enterprise Edition Options; Purchasing and Purchasing Options), Enterprise Manager* (e.g., Database Enterprise Edition and Diagnostics Pack), or self-service module* (e.g., Human Resources and Self-Service Human Resources) licensed for such programs, or (ii) all of your licenses of a program that share the same source code**. Development and demonstration licenses available through the Oracle Partner Network or the Oracle Technology Network are not included in the definition of a license set. For Crystal Ball programs, a license set is defined as the same licenses of a program contained on a single order.

*As specified on Oracle's price list.

**Programs that share the same source code are:

- Database Enterprise Edition, Database Standard Edition, Database Standard Edition One, and Personal Edition, and
- Internet Application Server Enterprise Edition, Internet Application Server Standard Edition, Internet Application Server Standard Edition One, and Internet Application Server Java Edition.

Matching Service Levels

When acquiring technical support, all licenses in any given license set must be supported under the same technical support service level (e.g., Software Update License & Support or unsupported). You may not support a subset of licenses within a license set; the license set must be reduced by terminating any unsupported licenses. You will be required to document license terminations via a termination letter.

Reinstatement of Oracle Technical Support

In the event that technical support lapses or was not originally purchased, upon the commencement of technical support a reinstatement fee will be assessed. The reinstatement fee is equal to 150% of the last-paid support fee, or 150% of the last-published list technical support price for the licensed program less the applicable standard discount as published on the Oracle Store ("standard discount") in effect at the time of reinstatement if support was not originally purchased for the relevant programs, prorated from the date technical support is being ordered back to the date technical support lapsed (or the license order date if technical support was never purchased). Applicable renewal adjustments are applied. Once the reinstatement fee has been assessed, technical support for the year following the reinstatement period may be purchased for an additional technical support fee as calculated based on how long the licensed program has been unsupported ("go-forward support fee"). If the lapsed support period is less than 6 months, the go-forward support fee is calculated based on the last-published list technical support price less the applicable standard discount in effect at the time of reinstatement. If the lapsed support period is 6 months or greater, the go-forward support fee is calculated based on the last-paid support fee. If support is not reinstated for the entire license set or if support for a subset of licenses from an ordering document is reinstated, then the "License Set", "Matching Service

Levels", and "Pricing following Reduction of Licenses or Support Level" policies will apply. Applicable renewal adjustments are applied to the reinstatement fee and go-forward support fee.

Pricing following Reduction of Licenses or Support Level

Pricing for support is based upon the level of support and the volume of licenses for which support is ordered. In the event that a subset of licenses on a single order is terminated or if the level of support is reduced, support for the remaining licenses on that license order will be priced at Oracle's list price for support in effect at the time of termination or reduction minus the applicable standard discount. Such support price will not exceed the previous support fees paid for both the remaining licenses and the licenses being terminated or unsupported, and will not be reduced below the previous support fees paid for the licenses continuing to be supported. If the license order from which licenses are being terminated established a price hold for additional licenses, support for all of the licenses ordered pursuant to the price hold will be priced at Oracle's list price for support in effect at the time of reduction minus the applicable standard discount.

Custom Application Bundles

Technical support may not be discontinued for a single program module within a custom application bundle.

Unsupported Programs

Customers with unsupported programs do not receive updates, maintenance releases, patches, telephone assistance, or any other technical support services for the unsupported programs. CD packs or programs purchased or downloaded for trial use, use with other supported programs, or purchased or downloaded as replacement media may not be used to update any unsupported programs.

Technical Contacts

Your technical contacts are the sole liaisons between you and OSS for technical support of programs. It is the recommended standard that your technical contacts are trained representatives of your company. Such training shall include initial basic product training and, as needed, supplemental training appropriate for specific role or implementation phase, specialized product usage, and/or migration. Your technical contacts should be knowledgeable about the Oracle programs and your Oracle environment in order to help resolve system issues and to assist Oracle in analyzing and resolving service requests. When submitting a service request, your technical contact should have a baseline understanding of the problem you are encountering and an ability to reproduce the problem in order to assist Oracle in diagnosing and triaging the problem. To avoid interruptions in support services, you must notify OSS whenever technical contact responsibilities are transferred to another individual.

With the order of Software Update License & Support, you may designate one (1) primary and four (4) backup individuals ("technical contact") per license set, to serve as liaisons with OSS. With each USD\$250,000 in net support fees per license set, you have the option to designate an additional two (2) primary and four (4) backup technical contacts. Your primary technical contact shall be responsible for (i) overseeing your service request activity, and (ii) developing and deploying troubleshooting processes within your organization. The backup technical contacts shall be responsible for resolving user issues. You may be charged a fee to designate additional technical contacts.

Oracle may review service requests logged by your technical contacts, and may recommend specific training to help avoid service requests that would be prevented by such training.

Program Updates

"Update" means a subsequent release of the program which Oracle generally makes available for program licenses to its supported customers at no additional license fee, other than shipping

charges if applicable, provided you have ordered a technical support offering that includes software updates for such licenses for the relevant time period. Updates do not include any release, option or future program that Oracle licenses separately. Updates are provided when available, and Oracle is under no obligation to develop any future programs or functionality. Any updates made available will be delivered to you, or made available to you for download. If delivered, you will receive one update copy for each supported operating system for which your program licenses were ordered. You shall be responsible for copying, downloading and installing the updates.

Oracle Configuration Manager

Oracle provides Oracle Configuration Manager (OCM) with some of its programs. The OCM is a tool that assists in the collection and transmission of your configuration data to Oracle to enable us to respond more efficiently to your service requests. The OCM tool will connect to Oracle over the internet. You may not receive a separate notice upon connection. You may turn the OCM tool off, however we strongly discourage this as it impedes our ability to provide services to you. More information on the tool is available at <http://www.oracle.com/technology/documentation/ocm.html>. By using this tool, you consent to the transmission of your configuration information to Oracle.

OCM will not access, collect or store any personally identifiable information (except for technical support contact information) or business data files residing in your software environment. Configuration data provided to Oracle by software tools will be stored in password-protected repositories. It will be used to assist in resolving service requests and to provide recommendations regarding configuration of your environment and deployment of programs. In addition, because the configuration information will be updated, it may be used by Oracle to assist you in managing your Oracle product portfolio, for license and services compliance and to help Oracle improve upon product and service offerings for you.

Payment Plan, Financing and Leasing Agreements

Technical support fees due under payment plans, financing or leasing agreements between you and Oracle or an Oracle affiliate ("payment plan") are due and payable in accordance with the terms and conditions of such payment plan, but the technical support shall be ordered pursuant to the terms of the applicable ordering document.

Lifetime Support

Lifetime Support consists of the following service levels:

- "Premier Support" which refers to the first 5 years of basic technical support services (also referred to as, and will be documented on your ordering document as, "Software Update License & Support")
- Extended Support (if offered)
- Sustaining Support

A description of the services available under Premier Support, Extended Support and Sustaining Support is included in the Oracle Technical Support Levels section below.

When offered, Premier Support will be available for five years from the date a release of the Oracle program becomes generally available, except as noted below.

Based on availability, support may be extended for an additional three years with Extended Support for specific releases.

Alternatively, support may be extended with Sustaining Support which will be available for as long as you maintain technical support for your Oracle licenses.

Refer to the attached document titled "Lifetime Support Policy: Coverage for Server Technologies" (PDF) for specific server technology programs that are, or will be, covered by the Lifetime Support policy.

Refer to the attached document titled "Lifetime Support Policy: Coverage for Applications" (PDF) for specific application programs that are, or will be, covered by the Lifetime Support policy.
Refer to the attached document titled "Lifetime Support Policy: Coverage for Retail Applications" (PDF) for specific Retail application programs that are, or will be, covered by the Lifetime Support policy.

Notes:

1. Active Reasoning, ContextMedia, Crystal Ball, Notiva, Sigma Dynamics, AdminServer, and Skywire and other programs and releases that have already had desupport dates posted on OracleMetaLink are excluded from the Lifetime Support policy.
2. For PeopleSoft Enterprise programs that have been retired under the previous 4-year support policy, Sustaining Support will be available for as long as you maintain technical support for these programs.
3. Tax updates and regulatory changes* will be made available for up to six (6) years from the release date of the licensed software for PeopleSoft Enterprise, JD Edwards EnterpriseOne and JD Edwards World programs. Upgrade scripts, new software patches, and fixes to the latest release will be made available for five (5) years from the release date of the licensed software for PeopleSoft Enterprise, JD Edwards EnterpriseOne and JD Edwards World programs.

*Tax updates and regulatory changes refers to those updates that address tax and/or regulatory changes which are generally made available to similarly situated licensees of PeopleSoft software, on a when and if available basis only.

4. Oracle's PeopleTools program, which was purchased in conjunction with an application program release, will be supported for as long as such application program release is supported. PeopleTools fixes are delivered in minor releases and patches; patches are provided on the current minor release only. Patches and platform certifications for a PeopleTools minor release are created when that release becomes generally available and will be supported for twelve (12) months after the next minor release becomes generally available.

To receive technical support, you may be required to apply a minor release upgrade of PeopleTools to remain current with versions of third party technologies and products as supported by the provider of the third party product.

5. For certain Oracle Retail application program releases* prior to release 11, limited Premier Support will be available for seven years from when that release became generally available. For Oracle Retail applications for which Premier Support is not available, Sustaining Support will be available for as long as you maintain technical support for these programs.

*formerly Retek, ProfitLogic, and 360 Commerce

6. For Oracle's Cimmetry programs, Oracle generally will make Premier Support available for 2 years following general availability of a release, after which Sustaining Support will be available for as long as you maintain technical support for your Oracle licenses. Premier

Support for Cimmetry programs will be documented on your ordering document as Software Update License & Support or Cimmetry Maintenance.

7. For supported customers whose Oracle application programs are only certified on Oracle9i Database Release 9.2 and the release for such application programs is currently supported under Premier Support or Extended Support, the Extended Support fee for Oracle9i Database Release 9.2 has been waived for the period August 1, 2008 to July 31, 2010. During this period, you will receive access to generally available fixes and critical patch updates ("CPUs") for such supported application programs running on the Oracle9i Database Release 9.2, at no additional cost other than your fees for Software Update License & Support (or any successor technical support offering to Software Update License & Support). A list of applications that are certified on Oracle9i Database Release 9.2 is available at <http://www.oracle.com/support/collateral/tsp-certified-applications.pdf>.
8. For the first year of Sustaining Support for Oracle E-Business Suite Release 11i, Oracle will provide fixes for Severity 1 production bugs. No legislative updates will be provided with the exception of U.S. Tax Form 1099 updates for the 2008 tax year. The period for the first year of Sustaining Support for Oracle E-Business Suite Release 11i is July 1, 2008 - June 30, 2009.
9. Extended Support for the Hyperion Pre-System 9 programs will be offered for the period October 1, 2008 to September 30, 2009. The Extended Support fee for this period has been waived for those program licenses for which customers have paid the System 9 Enablement Fee and for which technical support is continuously maintained.

Right to Desupport

It may become necessary as a part of Oracle's product lifecycle to desupport certain program releases and, therefore, Oracle reserves the right to desupport certain program releases. Program releases that are designated as subject to Premier Support under Oracle's Lifetime Support policy are excluded. If Cimmetry, Crystal Ball, Skywire, or AdminServer programs are desupported, you will be notified of such desupport directly by OSS. For all other Oracle programs, desupport information, including desupport dates, information about availability of Extended Support and Sustaining Support, and information about migration paths for certain features, is posted on OracleMetaLink, Customer Connection, eSupport Portal and BID Portal. Desupport information is subject to change. For Cimmetry, Crystal Ball, Skywire, and AdminServer programs, updated desupport information will be provided to you in writing. For all other Oracle programs, Oracle will provide updated desupport information on OracleMetaLink, Customer Connection, eSupport Portal and BID Portal as necessary.

First and Second Line Support

It is the recommended standard that you establish and maintain the organization and processes to provide "First Line Support" for the supported programs directly to your users. First Line Support shall include but not be limited to (i) a direct response to users with respect to inquiries concerning the performance, functionality or operation of the supported programs, (ii) a direct response to users with respect to problems or issues with the supported programs, (iii) a diagnosis of problems or issues of the supported programs, and (iv) a resolution of problems or issues of the supported programs.

If after reasonable commercial efforts you are unable to diagnose or resolve problems or issues of the supported programs, you shall contact Oracle for "Second Line Support". You shall use commercially reasonable efforts to provide Oracle with the necessary access (e.g., access to repository files, log files, or database extracts) required to provide Second Line Support. Oracle

does not ensure its performance of the technical support described herein if such access is not provided by you when requested by Oracle.

Second Line Support shall include but not be limited to (i) a diagnosis of problems or issues of the supported programs and (ii) reasonable commercial efforts to resolve reported and verifiable errors in supported programs so that such supported programs perform in all material respects the functions described in the associated documentation.

Oracle may review service requests logged by your technical contacts, and may recommend specific organization and process changes to assist you with the above recommended standard practices.

Third Party Vendor-Specific Support Terms

You must remain on a supported environment – including applications and platforms – to receive technical support. If a vendor retires support for its product, you may be required to upgrade to a current certified application, hardware platform, framework, database and/or operating system configuration to continue receiving technical support services from Oracle.

PeopleSoft and JD Edwards Release Information

Release information for PeopleSoft Enterprise and JD Edwards EnterpriseOne programs is available in the attached table titled, "Release Types for PeopleSoft Enterprise and JD Edwards EnterpriseOne Applications" (PDF).

Hyperion-Specific and Agile-Specific Support Terms

For orders placed pursuant to a Hyperion master agreement or to an Agile master agreement, the following terms apply with respect to the technical support services you have ordered.

Warranties, Disclaimers, and Exclusive Remedies

Oracle warrants that technical support services will be provided in a professional manner consistent with industry standards. You must notify Oracle of any technical support services warranty deficiencies within 90 days from performance of the defective technical support services.

FOR ANY BREACH OF THE ABOVE WARRANTIES, YOUR EXCLUSIVE REMEDY, AND ORACLE'S ENTIRE LIABILITY, SHALL BE THE REPERFORMANCE OF THE DEFICIENT TECHNICAL SUPPORT SERVICES, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT A BREACH IN A COMMERCIALY REASONABLE MANNER, YOU MAY END THE RELEVANT TECHNICAL SUPPORT SERVICES AND RECOVER THE FEES PAID TO ORACLE FOR THE DEFICIENT TECHNICAL SUPPORT SERVICES.

TO THE EXTENT PERMITTED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Limitation of Liability

NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS, REVENUE, DATA, OR DATA USE. ORACLE'S MAXIMUM LIABILITY FOR ANY DAMAGES ARISING OUT OF OR RELATED TO YOUR ORDER, WHETHER IN CONTRACT OR TORT, OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNT OF THE FEES YOU PAID ORACLE UNDER YOUR ORDER, AND IF SUCH DAMAGES RESULT FROM YOUR USE OF TECHNICAL SUPPORT SERVICES, SUCH LIABILITY SHALL BE LIMITED TO THE FEES

YOU PAID ORACLE FOR THE DEFICIENT TECHNICAL SUPPORT SERVICES GIVING RISE TO THE LIABILITY.

For orders placed pursuant to a Hyperion master agreement, the following terms also apply with respect to the technical support services you have ordered.

Nondisclosure

By virtue of your order, the parties may have access to information that is confidential to one another ("confidential information"). We each agree to disclose only information that is required for the performance of obligations under your order. Confidential information shall be limited to the terms and pricing under your order and all information clearly identified as confidential at the time of disclosure.

A party's confidential information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party.

We each agree to hold each other's confidential information in confidence for a period of three years from the date of disclosure. Also, we each agree to disclose confidential information only to those employees or agents who are required to protect it against unauthorized disclosure. Nothing shall prevent either party from disclosing the terms or pricing under your order in any legal proceeding arising from or in connection with your order or disclosing the confidential information to a federal or state governmental entity as required by law.

Software Update License & Support

Program releases in the Premier Support phase of Oracle's product support lifecycle will receive Software Update License & Support. Software Update License & Support is the standard level for all Oracle support services and consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Tax, legal, and regulatory updates
- Upgrade scripts
- Certification with most new third-party products/versions
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests 24 hours per day, 7 days a week
- Access to OracleMetaLink, Customer Connection, eSupport Portal, BID Portal or Skywire Online Support Portal (24 x 7 web-based customer support systems), including the ability to log service requests online, unless stated otherwise
- Non-technical customer service during normal business hours
- For PeopleSoft Enterprise, JD Edwards EnterpriseOne and JD Edwards World programs, web-based support is provided through Customer Connection. For BEA programs, web-based support is provided through the eSupport Portal and BID Portal. For Skywire programs, web-based support is provided through the Skywire Online Support Portal. For all other Oracle programs, unless stated otherwise, web-based support is provided through OracleMetaLink.

Due to the unique constraints of the early releases of former Retek, ProfitLogic, and 360 Commerce retail applications, limited Software Update License & Support will be available for

certain releases prior to release 11. The limited Software Update License & Support will consist of:

- Program updates and fixes
- Major product and technology releases
- Assistance with service requests 24 hours per day, 7 days per week
- Access to OracleMetaLink (24 x 7 web-based customer support systems), including the ability to log service requests online
- Non-technical customer service during normal business hours

Please review the Oracle Retail chart included in the "Lifetime Support Policy: Coverage for Retail Applications" (PDF) document for coverage information on your specific release.

Limited Software Update License & Support will be available for Cimmetry programs ("Cimmetry Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 9:00 A.M. to 5:00 P.M. Eastern Time of the North America region
- Ability to log service requests online using the web based form available at <http://www.cimmetry.com/techsup.nsf/WebTechsupForm?OpenForm>
- Non-technical customer service during local business hours

Limited Software Update License & Support will be available for Crystal Ball programs ("Crystal Ball Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:00 A.M. to 5:00 P.M. Mountain Time of the North America region
- Ability to log service requests via online template located at <http://www.crystalball.com/helpdesk.html> or via telephone at 800.373.5885 (toll free in US) or 1.303.334.7599 (International)
- Non-technical customer service during local business hours

Limited Software Update License & Support will be available for the following Moniforce programs: webSensor Enterprise and webProbe ("Moniforce Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:00 A.M. to 6:00 P.M. Central European Time
- Access to OracleMetaLink (24 x 7 web-based customer support system), including the ability to log service requests online
- Non-technical customer service during local business hours

Limited Software Update License & Support will be available for BEA programs ("BEA Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- 7x24 Support Center Coverage for Severity 1 errors (Regional Time Zone)
- Assistance with service requests 24 hours per day, 7 days a week
- Access to eSupport Portal (AskBEA, Newsgroups, Case management, FAQ's, Product News and Updates, Product Documentation) and BID Portal
- Non-technical customer service during normal business hours
- Access to Customer First / Product Retirement support policy via eSupport Portal
- Ability to log service requests via email and telephone.

Limited Software Update License & Support will be available for AdminServer programs ("AdminServer Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:30 A.M. to 8:00 P.M. Eastern Time of the North America region
- Ability to log service requests via telephone at 1.800.586.5064
- Non-technical customer service during normal business hours

Limited Software Update License & Support will be available for Skywire programs ("Skywire Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 7:00 A.M. to 7:00 P.M. Central Time of the North America region except as follows:
 - 7:30 A.M. to 4:30 P.M. Eastern Time of the North America region for the following programs: Whitehill One, Enterprise, Elite Document Studio, XML Transport and Transform Suite
 - 9:00 A.M. to 5 P.M. GMT for the following programs: Documaker, Docuflex and PPS (EMEA and Asia Pacific only)
- Access to Skywire Online Support Portal (24 x 7 web-based customer support system)
- Ability to log service requests as follows:

Program	Online	Telephone	Email
Insbridge, Ingage, INSight, Documaker, Docuflex and PPS	http://skywiresoftware.com/Support/Support.aspx	866.4-SKYWIRE	support@skywiresoftware.com
Documaker, Docuflex and PPS (EMEA and Asia Pacific only)	http://skywiresoftware.com/Support/Support.aspx	44.0.1372.366.222	eurosupport@skywire-software.co.uk
GA, IDX and QuickView	Not available	866.466.4663	cssg@skywiresoftware.com
Whitehill One (formerly BP1), Enterprise, Elite	Not available	866.944.8344	monclonsupport@skywiresoftware.com

Document Studio, XML Transport and Transform Suite			
IStream Document Manager, IStream Publisher, IStream Communicator, Tracker and Launcher	Not available	877.363.7027 x 3225	markhamdirectsupport@skywiresoftware.com

- Non-technical customer service during normal business hours

Enterprise Linux Support Services

Effective October 25, 2006, Oracle will offer Enterprise Linux support services to customers, regardless of whether or not they are using Oracle programs. For information about the available services, please refer to the Enterprise Linux and Oracle VM Support Policies available at <http://www.oracle.com/support/collateral/enterprise-linux-support-policies.pdf>.

Oracle VM Support Services

Effective November 14, 2007, Oracle will offer Oracle VM support services to customers, regardless of whether or not they are using Oracle programs. For information about the available services, please refer to the Enterprise Linux and Oracle VM Support Policies available at <http://www.oracle.com/support/collateral/enterprise-linux-support-policies.pdf>.

Priority Service

Priority Service is available for program releases eligible to receive Premier, Extended, or Sustaining Support. Priority Service consists of:

- Prioritization of Service Requests: Service requests will be prioritized above service requests of the same severity level submitted by Premier Support customers
- Service Request Response Guidelines: Reasonable efforts will be made to respond to service requests per the following guidelines:
 - 90% of Severity 1 service requests submitted by you will be responded to within 1 hour (available 24x7)
 - 90% of Severity 2 service requests submitted by you will be responded to within 2.5 local business hours
 - 90% of Severity 3 service requests submitted by you will be responded to within the next local business day
 - 90% of Severity 4 service requests submitted by you will be responded to within the next local business day
- Time-based internal escalations for Severity 1 and Severity 2 service requests
- Designated Oracle service manager who is responsible for assisting in the management of service requests, and providing service reviews
- Priority response from Oracle's Product Development team for product bugs initiated for the resolution of service requests
- 24x7 access to a customer-specific web portal
- Quarterly service reviews
- Pre-recorded orientation session
- Priority access to Oracle-sponsored events, as made available to Priority Service customers
- Access to monthly web conference sessions featuring Oracle executives and/or Oracle product technology experts
- Quarterly live chats with senior Oracle product technology experts and/or management, available exclusively to Priority Service customers

In order to acquire Priority Service for a license set, you must acquire Software Update License & Support for that license set. If you have maintained Software Update License & Support and want to purchase Priority Service for a license set, the licenses do not need to be migrated to current license metrics to do so.

Priority Service is not subject to the Reinstatement policies stated above. Priority Service is not available for all programs. Please contact your Support Sales Representative for service availability.

Incident Server Support Package

Incident Server Support provides web-based technical support on a per server basis in packages of 10 service requests, and is available for as long as Premier Support is available for your Oracle licenses. The Incident Server Support Packages do not include updates and may not be used, purchased, or sold in conjunction with any other support offering. If you want to obtain Software Update License & Support, it will be subject to Oracle's reinstatement policies in effect at the time of reinstatement. Incident Server Support is available for the following limited product sets, across all platforms:

- Oracle Database Server Support Package: Oracle Database Enterprise Edition, Oracle Database Standard Edition, Oracle Database Standard Edition One, Partitioning, Real Application Clusters
- Oracle Application Server Support Package: Internet Application Server Enterprise Edition, Internet Application Server Standard Edition, Internet Application Server Java Edition

Incident Server Support Packages are valid for one year from the date of purchase. Any unused service request(s) expire at the end of such term. Access to OracleMetaLink expires at the same time the final service request is resolved. Your service request total will not be decreased by the number of service requests initiated for the resolution of a product bug. Incident Server Support includes:

- Access to OracleMetaLink (24x7 web-based technical support system), including the ability to log service requests online
- Access to downloadable software patches and patchsets

JDeveloper Support

JDeveloper Support is made available for Oracle JDeveloper that has been downloaded from the Oracle Technology Network after June 28, 2005. JDeveloper Support consists of:

- Assistance with service requests 24 hours per day, 7 days a week
- Access to OracleMetaLink (24 x 7 web-based technical support system), including the ability to log service requests online
- Non-technical customer service during normal business hours (e.g., assistance with support identification numbers, assistance with logging into OracleMetaLink)

Service Request Packages

Service Request Packages are made available to members of the Oracle Partner Network. Service Request Packages provide web-based technical support in packages of 10 or 25 service requests, do not include updates, and are not available for all programs. Please contact your OPN Interaction Center (<http://partner.oracle.com/>) for program availability.

Service Request Packages are valid for one year from the date of purchase. Any unused service request(s) will expire at the earlier of (i) the end of such year, or (ii) the end of your OPN

membership term if such membership is not renewed. Access to log service requests will be restricted at the same time the final service request is resolved.

Extended Support

Extended Support may be available for certain Oracle program releases after Premier Support expires. When Extended Support is offered, it is generally available for three years following the expiration of Premier Support and only for the terminal patchset release of a program.

Program releases eligible for Extended Support will receive Software Update License & Support limited to the following:

- Program updates, fixes, security alerts, and critical patch updates
- Tax, legal and regulatory updates
- Upgrade scripts
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests 24 hours per day, 7 days per week
- Access to OracleMetaLink, Customer Connection, e-Support, Customer Portal, or Customer Center Portal (24 x 7 web-based customer support systems), including the ability to log service requests online
- Non-technical customer service during normal business hours

Extended Support does not include:

- Certification with new third party products/versions

Sustaining Support

Sustaining Support will be available after Premier Support expires. Program releases eligible for Sustaining Support will receive Software Update License & Support limited to the following:

- Program updates, fixes, security alerts, and critical patch updates created during the Premier Support period, and created during the Extended Support period for those customers who purchased Extended Support.
- Tax, legal, and regulatory updates created during the Premier Support period
- Upgrade scripts created during the Premier Support period
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests, on a commercially reasonable basis, 24 hours per day, 7 days a week
- Access to OracleMetaLink, Customer Connection, e-Support, Customer Portal, or Customer Center Portal (24 x 7 web-based customer support systems), including the ability to log service requests online
- Non-technical customer service during normal business hours

Sustaining Support does not include:

- New program updates, fixes, security alerts, and critical patch updates
- New tax, legal and regulatory updates
- New upgrade scripts
- Certification with new third party products/versions
- 24 hour commitment and response guidelines for Severity 1 service requests as defined in the Severity Level section below

Because program releases supported by Sustaining Support are no longer fully supported, information and skills regarding those releases may be limited. The availability of hardware systems to run such program releases may also be limited.

North American Payroll Tax Updates

North American Payroll Tax Updates is available for programs eligible to receive Sustaining Support. Customers who acquire North American Payroll Tax Updates will receive a tax year of tax updates for Oracle payroll applications.

In order to acquire North American Payroll Tax Updates, your licensed programs must be currently supported with Software Update License & Support. If you have maintained Software Update License & Support and want to acquire North American Payroll Tax Updates, the licenses do not need to be migrated to current license metrics to do so.

North American Payroll Tax Updates will be delivered through Customer Connection (for PeopleSoft Enterprise, JD Edwards EnterpriseOne and JD Edwards World programs), or through OracleMetaLink (for all other Oracle programs).

When offered, North American Payroll Tax Updates may be acquired for up to two (2) years from the availability of Sustaining Support for the applicable Oracle program release. North American Payroll Tax Updates is not subject to the Reinstatement policies stated above. North American Payroll Tax Updates is not available in all countries or for all programs. Please contact your Support Sales Representative for service availability.

Cimmetry Support

Cimmetry Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 9:00 A.M. to 5:00 P.M. Eastern Time of the North America region
- Ability to log service requests online using the web based form available at <http://www.cimmetry.com/techsup.nsf/WebTechsupForm?OpenForm>
- Non-technical customer service during local business hours

Moniforce Support

Moniforce Support applies to technical support services for the following Moniforce programs: webSensor Enterprise and webProbe and consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:00 A.M. to 6:00 P.M. Central European Time
- Access to OracleMetaLink (24 x 7 web-based customer support system), including the ability to log service requests online
- Non-technical customer service during local business hours

Crystal Ball Support

Crystal Ball Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates

- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:00 A.M. to 5:00 P.M. Mountain Time of the North America region
- Ability to log service requests via online template located at <http://www.crystalball.com/helpdesk.html> or via telephone at 800.373.5885 (toll free in US) or 1.303.334.7599 (International)
- Non-technical customer service during local business hours

BEA Support

BEA Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- 7x24 Support Center Coverage for Severity 1 errors (Regional Time Zone)
- Assistance with service requests 24 hours per day, 7 days a week
- Access to eSupport Portal (AskBEA, Newsgroups, Case management, FAQ's, Product News and Updates, Product Documentation) and BID Portal
- Non-technical customer service during normal business hours
- Access to Customer First / Product Retirement support policy via eSupport Portal
- Ability to log service requests via email and telephone.

AdminServer Support

AdminServer Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:30 A.M. to 8:00 P.M. Eastern Time of the North America region
- Ability to log service requests via telephone at 1.800.566.5064
- Non-technical customer service during normal business hours

Skywire Support

Skywire Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 7:00 A.M. to 7:00 P.M. Central Time of the North America region except as follows:
 - 7:30 A.M. to 4:30 P.M. Eastern Time of the North America region for the following programs: Whitehill One, Enterprise, Elite Document Studio, XML Transport and Transform Suite
 - 9:00 A.M. to 5 P.M. GMT for the following programs: Documaker, Docuflex and PPS (EMEA and Asia Pacific only)
- Access to Skywire Online Support Portal (24 x 7 web-based customer support system)
- Ability to log service requests as follows:

Programs	Online	Telephone	Email
Insbridge, Ingage,	http://skywiresoftware.com	866.4-SKYWIRE	support@skywiresoftware.com

INSight, Documaker, Docuflex and PPS	com/Support/Support.aspx		
Documaker, Docuflex and PPS (EMEA and Asia Pacific only)	http://skywiresoftware.com/Support/Support.aspx	44.0.1372.366.222	eurosupport@skywire-software.co.uk
GA, IDX and QuickView	Not available	888.486.4683	cssg@skywiresoftware.com
Whitehill One (formerly BPI), Enterprise, Elite Document Studio, XML Transport and Transform Suite	Not available	888.944.8344	monctonsupport@skywiresoftware.com
IStream Document Manager, IStream Publisher, IStream Communicator, Tracker and Launcher	Not available	877.363.7027 x 3225	markhamdirectsupport@skywiresoftware.com

- Non-technical customer service during normal business hours

A list of technical support offerings that were previously offered by Oracle, or a company acquired by Oracle, is available at <http://www.oracle.com/support/collateral/tsp-previous-offerings.pdf>. The information contained within this list consists of a description of the service offering, date when new sales of the services was eliminated, and renewal options.

The following policy for Web-Based Customer Support Systems applies to all Oracle product lines except PeopleSoft Enterprise, JD Edwards EnterpriseOne, JD Edwards World, Cimmetry, Crystal Ball, BEA, AdminServer, and Skywire programs:

OracleMetaLink is one of Oracle's five customer support web sites. Access to OracleMetaLink is governed by the Terms of Use posted on the OracleMetaLink web site, which are subject to change. A copy of these terms is available upon request. Access to OracleMetaLink is limited to your designated technical contacts. Access to OracleMetaLink is included with Software Update License & Support, Priority Service, Incident Server Support, JDeveloper Support, Extended Support, and Sustaining Support. For customers with a current Software Updates service contract, limited access to OracleMetaLink is included for patches and bug fix information.

The following policy for Web-Based Customer Support Systems applies to PeopleSoft Enterprise, JD Edwards EnterpriseOne, and JD Edwards World programs only:

Customer Connection is Oracle's second customer support web site. Access to Customer Connection is governed by the Terms of Use (PDF) posted on the Customer Connection web site at <http://www.peoplesoft.com/corp/en/login.jsp>, which are subject to change. A copy of these terms is available upon request. Access to Customer Connection is included with Software Update License & Support, Extended Support, Sustaining Support, and PeopleSoft World Support Service and is limited to your designated technical contacts.

The following policy for eSupport Portal applies to 'Classic' BEA programs only:

eSupport Portal is Oracle's third customer support web site. Access to eSupport is governed by the Terms of Use posted on the eSupport Portal web site at <http://support.bea.com>, and are subject to change. A copy of these terms is available upon request. Access to eSupport Portal is limited to your designated technical contacts. Access to eSupport Portal is included with Software Update License & Support, Extended Support, and Sustaining Support.

The following policy for BID Portal applies to 'BID' BEA programs only:

BID Portal is Oracle's fourth customer support web site. Access to BID Portal is governed by the Terms of Use posted on the BID Portal web site at <http://one.bea.com/support>, and are subject to change. A copy of these terms is available upon request. Access to BID Portal is limited to your designated technical contacts. Access to BID Portal is included with Software Update License & Support, Extended Support, and Sustaining Support.

The following policy for Skywire Online Support Portal applies to Insbridge, Ingage, and INSight programs and Documaker, Docuflex and PPS (EMEA and Asia Pacific excluded) programs only:

Skywire Online Support Portal is Oracle's fifth customer support web site. Access to Skywire Online Support Portal is governed by the Terms of Use posted on the Skywire Online Support Portal web site at <http://skywiresoftware.com/Support/Support.aspx>, and are subject to change. A copy of these terms is available upon request. Access to Skywire Online Support Portal is limited to your designated technical contacts. Access to Skywire Online Support Portal is included with Software Update License & Support.

Oracle is deeply committed to the security of its technical support services. In providing standard technical support services, Oracle will adhere to the Global Customer Support Security Practices, which are available [here](#). The Global Customer Support Security Practices are subject to change at Oracle's discretion; however, Oracle will not materially reduce the level of security specified in the Security Practices during the period for which fees for technical support have been paid.

Oracle may make available software tools (such as tools to assist in the collection and transmission of configuration data) and web-based tools (such as tools that enable Oracle, with your consent, to access your computer system) to aid in the resolution of service requests. Such tools may be used only in connection with supported program licenses, and use of the tools will be subject to any additional license and other terms provided with the tools.

Service requests for supported Cimmetry programs may be submitted by you either online using the web form available at <http://www.cimmetry.com/techsup.nsf/WebTechsupForm?OpenForm> or by telephone by dialing 1.514.735.9941. Service requests for supported Crystal Ball programs may be submitted by you either online using the template at <http://www.crystalball.com/helpdesk.html> or by telephone by dialing 1.800.373.5885 (toll free in the U.S.) or 1.303.334.7599 (International). Service requests for all other supported Oracle programs may be submitted by you online through Oracle's web-based customer support systems, by email, or by telephone. The service request severity level is selected by you and Oracle and should be based on the following severity definitions:

Severity 1

Your production use of the supported programs is stopped or so severely impacted that you cannot reasonably continue work. You experience a complete loss of service. The operation is mission critical to the business and the situation is an emergency. A Severity 1 service request has one or more of the following characteristics:

- Data corrupted
- A critical documented function is not available
- System hangs indefinitely, causing unacceptable or indefinite delays for resources or response

- System crashes, and crashes repeatedly after restart attempts

For all supported Oracle programs other than Cimmetry, Crystal Ball, Moniforce webSensor Enterprise and webProbe, reasonable efforts will be made to respond to Severity 1 service requests within one (1) hour.

For Crystal Ball programs, the Severity 1 service request definition does not apply and thus no response guidelines are available for Crystal Ball programs.

For Moniforce webSensor Enterprise and webProbe programs, reasonable efforts will be made to respond to Severity 1 service requests within one (1) business day during local business hours, excluding holidays; local business hours are Monday through Friday 8:00 A.M. to 6:00 P.M. Central European Time.

24 Hour Commitment to Severity 1 Service Requests for all supported Oracle programs other than Cimmetry, Crystal Ball, Moniforce webSensor Enterprise and webProbe, AdminServer, and Skywire programs: OSS will work 24x7 until the issue is resolved or as long as useful progress can be made. You must provide OSS with a contact during this 24x7 period, either on site or by pager, to assist with data gathering, testing, and applying fixes. You are requested to propose this severity classification with great care, so that valid Severity 1 situations obtain the necessary resource allocation from Oracle.

Severity 2

You experience a severe loss of service. Important features are unavailable with no acceptable workaround; however, operations can continue in a restricted fashion.

Severity 3

You experience a minor loss of service. The impact is an inconvenience, which may require a workaround to restore functionality

Severity 4

You request information, an enhancement, or documentation clarification regarding your software but there is no impact on the operation of the software. You experience no loss of service. The result does not impede the operation of a system.

Phone numbers and contact information can be found on Oracle's support web site at <http://www.oracle.com/support/contact.html>.

EXHIBIT 3

ADVANCED CUSTOMER SERVICES: RATES

ACS – Assisted Services	Days	Amount	Estimated Travel and Expenses
Field Engineer	31	\$58,592.00	\$10,800.00

Should you purchase the services listed in this Exhibit 3 a separate Ordering Document will be sent subsequently for execution.

EXHIBIT 4

TRAINING: RATES

For a period of 24 months from the effective date of this Agreement, Oracle University is able to provide the Oracle Training products and services at the discounted rate of 25% provided that a minimum purchase order of \$250,000 is submitted for training. Oracle University training can be ordered by Nassau County as you require, and only invoiced after actual delivery. Nassau County can purchase training products and services as listed at www.oracle.com/education under standard terms and conditions.

EXHIBIT 5

FUNCTIONALITY AND REQUIREMENTS MATRIX

Exhibit 5

**FUNCTIONALITY AND REQUIREMENTS MATRIX
WHICH INCLUDES
RESPONSE CODE INTERPETATIONS,
PRODUCT NAME CROSS-REFERENCE
AND
ORACLE FUNCTIONALITY AND REQUIREMENTS MATRIX CLARIFICATIONS**

Notes:

1. Oracle's Proposal included program not ordered in the initial purchase of Software under this Agreement; therefore are not part of this Agreement; such products include:

Real Estate Management – Real Estate Management, Enterprise Manager Grid Control – Oracle Database Enterprise Edition, SOA Suite – SOA Suite for Non Oracle Middleware, Oracle Imaging and Process Management (Stellent/Content Management) – Imaging and Process Management, PeopleSoft Directory Interface – Directory Interface, Oracle Identity Management – Identity Manager, BPEL – SAO Suite

2. The following Software is being ordered in the initial purchase but does not appear on the Functionality and Requirements Matrix (Exhibit 5) Oracle Business Intelligence Management Pack and Business Intelligence Server Administration.

Exhibit 5 Functionality and Requirements Matrix-Response Code Interpretations

Set forth below is the Fit-Gap Response code from the RFP and Oracle's interpretation that was used to complete the functional matrices:

Fit-Gap Response	Additional Comment provided by Oracle
F = Fully Provided "Out-of-the-Box"	Oracle interprets these requirements to be satisfied if the functionality is provided out of the box or through the completing of a task associated with a routine configurable area. These routine configurable areas include, but are not limited to, user-defined fields, delivered or configurable workflows, alerts or notifications, table driven setups and standard reports with no changes. These routine configurable areas would be addressed as part of any implementation and the responsibilities of performing all the tasks associated with all these routine configurable areas are the responsibility of the County or its Implementor.
R = Provided with Reporting Tool	Oracle interprets these requirements to be satisfied by the reports generated using Reporting Tools. (See the Product Name Crosswalk tab for a list of the modules that comprise Reporting Tools.) The responsibilities of performing all the tasks associated with the generation of reports are the responsibility of the County or its Implementor.
CO = Configuration (no changes to underlying source code)	Oracle interprets these requirements to be satisfied if the functionality is provided through an extension to the application, the development of a new page to the application or logic added to the application through the use of PeopleTools. The responsibilities of performing all the tasks associated with configuration are the responsibility of the County or its Implementor.

TP = Third Party Software Required	Oracle's response in the "Module(s) Required to Fulfill Requirements" or Fit-Gap Notes / Closure Recommendations (or any updated thereto) may have made mention to third party products; however, this should not be construed as a recommendation of any particular third party product provider/third party product and should the County elect to purchase any such third party products, the County must contract directly with the third party product provider for the third party product.
IM = Modification/Customization (change to source code)	The responsibilities of performing all the tasks associated with modifications/customizations are the responsibility of the County or its Implementor.
W = Workflow Required	Oracle interprets these requirements to be satisfied if the functionality is provided either through the creation of a new workflow or a significant modification to a standard work flow that is contained in the proposed product(s). The responsibilities of performing all the tasks associated with the creation of new workflows or the modification of existing workflows are the responsibility of the County or its Implementor.
I = Interface Required	The responsibilities of performing all the tasks associated with interfaces are the responsibility of the County or its Implementor.
CF = Custom Fields Required	Oracle interprets these requirements to be satisfied by the creation of a new field being added to the product using PeopleTools. The responsibilities of performing the tasks associated with the creation of a new field are the responsibility of the County or its Implementor.

U = Unable to Meet Requirement

For any requirement marked as U, Oracle does not meet the requirement. Furthermore, Oracle has not provided any indication if or when a future version would meet these requirements. Oracle's response in the "Module(s) Required to Fulfill Requirements" or "Fit-Gap Notes / Closure Recommendations" (or any updated thereto) may have made mention to Oracle's modules or third party products and provide a comment to help the County understand why Oracle is unable to meet the requirement.

Exhibit 5 Functionality And Requirements Matrix-Product Name Cross-Reference

Module Names as Referenced in Matrix	Licensed Program name per Price List/Supplement	Software Version
General Ledger	Financials (PeopleSoft)	9.0
eProcurement	eProcurement (PeopleSoft)	9.0
Purchasing	Purchasing (PeopleSoft)	9.0
Strategic Sourcing	Strategic Sourcing (PeopleSoft)	9.0
eSupplier Connection	eSupplier Connection (PeopleSoft)	9.0
Supplier Contract Management	Supplier Contract Management (PeopleSoft)	9.0
Payables	Financials (PeopleSoft)	9.0
Expenses	Expenses (PeopleSoft)	9.0
Cash Management	Financials (PeopleSoft)	9.0
Grants	Grants (PeopleSoft)	9.0
Program Management	Program Management (PeopleSoft)	9.0
Project Costing	Project Costing (PeopleSoft)	9.0
Contracts	Contracts (PeopleSoft)	9.0
Billing	Financials (PeopleSoft)	9.0
Receivables	Financials (PeopleSoft)	9.0
Bill/Pay (Pay/Bill Management)	Financials (PeopleSoft)	9.0
Asset Management	Financials (PeopleSoft)	9.0
Inventory	Inventory (PeopleSoft)	9.0
Maintenance Management	Enterprise Asset Management (PeopleSoft)	9.0
Deal Management	Treasury (PeopleSoft)	9.0
Planning and Budgeting	Planning and Budgeting (PeopleSoft)	9.0
UPK	User Productivity Kit	9.0
Real Estate Management	Real Estate Management	9.0
Hyperion Planning System 9	Hyperion Planning Plus	11.1.1
Hyperion Workforce planning	Hyperion Workforce Planning	11.1.1

Hyperion Performance Scorecard- system 9	Hyperion Performance Scorecard Plus	11.1.1
Hyperion Capital Expense planning	Hyperion Capital Asset Planning	11.1.1
HR	Human Resources (PeopleSoft)	9.0
Payroll for North America	Payroll (PeopleSoft)	9.0
Absence Management	Absence Management (PeopleSoft)	9.0
Benefits Administration	Benefits Administration (PeopleSoft)	9.0
eBenefits	Human Resources (PeopleSoft)	9.0
ePay	Payroll Interface (PeopleSoft)	9.0
ELM	Enterprise Learning Management (PeopleSoft)	9.0
eCompensation Manager	eCompensation (PeopleSoft)	9.0
eCompensation.	eCompensation (PeopleSoft)	9.0
ePerformance	ePerformance (PeopleSoft)	9.0
eProfile	Human Resources (PeopleSoft)	9.0
eProfile Manager	Human Resources (PeopleSoft)	9.0
Talent Acquisition Manager	Recruiting Solutions (PeopleSoft)	9.0
Candidate Gateway	Recruiting Solutions (PeopleSoft)	9.0
eDevelopment	Human Resources (PeopleSoft)	9.0
Time & Labor	Time and Labor (PeopleSoft)	9.0
PeopleSoft Performance Management Warehouse	Performance Management Warehouse (PeopleSoft)	9.0
Oracle BI Enterprise Edition Suite	Business Intelligence Suite Enterprise Edition Plus	10.1.3
OBIEE	Business Intelligence Suite Enterprise Edition Plus	10.1.3
Enterprise Scorecard (7.0 - 7.4)	Scorecard (PeopleSoft)	9.0
EPM Portal Pack	EPM Portal Pack (PeopleSoft)	9.0
Workforce Scorecard	Workforce Scorecard (PeopleSoft)	9.0
Supplier Rating System	Supplier Rating System (PeopleSoft)	9.0
PeopleTools	PeopleTools (included with all PeopleSoft deals)	8.49
Enterprise Portal	Enterprise Portal (PeopleSoft)	9.0

Portal	Enterprise Portal (PeopleSoft)	9.0
Human Resources Portal Pack	HRMS Portal Pack (PeopleSoft)	9.0
Financial Portal Pack	Financial Portal Pack (PeopleSoft)	9.0
Enterprise Manager Grid Control	Oracle Database - Enterprise Edition	10.2
Application Management Pack for PeopleSoft	Application Manager Pack for PeopleSoft (PeopleSoft)	8.49.0.3.0
Diagnostic Pack for Oracle DB	Diagnostic Pack for Oracle Database	10gR3
SOA Suite	SOA Suite for Non Oracle Middleware	10.1.3
Oracle Imaging and Process Management (aka Stellent or Content Management)	Imaging and Process Management	10gR3
PeopleSoft Directory Interface	Directory Interface (PeopleSoft)	8.49
Oracle Identity Management	Identity Manager	10gR3
BPEL	SOA Suite	10.1.0.2
Crystal	Crystal Reports and Crystal Enterprise (PeopleSoft)	9.00
Query	PeopleTools (included with all PeopleSoft deals)	8.49
XML Publisher (aka BI Publisher)	PeopleTools (included with all PeopleSoft deals)	8.49
System Administrator	PeopleTools (included with all PeopleSoft deals)	8.49
Archive Manager	PeopleTools (included with all PeopleSoft deals)	8.49
Data Archive Manager	PeopleTools (included with all PeopleSoft deals)	8.49
Workflow (aka Workflow Tools)	PeopleTools (included with all PeopleSoft deals)	8.49
Security Administrator	PeopleTools (included with all PeopleSoft deals)	8.49
PeopleTools Security	PeopleTools (included with all PeopleSoft deals)	8.49

Process Scheduler	PeopleTools (included with all PeopleSoft deals)	8.49
Process Monitor	PeopleTools (included with all PeopleSoft deals)	8.49
Ascential Data Stage	Performance Management Warehouse (PeopleSoft)	9.0
IBM/Ascential MetaStage	Performance Management Warehouse (PeopleSoft)	9.0
Reporting Tools	Query, nVision, SQR, XML/BI Publisher (all part of PeopleTools), OBIEE, Crystal Reports,	See individual line item
Integration Tools	Component Interface, Application Engine, Integration Broker, Application Messaging (all part of PeopleTools), BPEL	See individual line item
Application Development Tools	Application Designer (Part of PeopleTools)	See individual line item

Exhibit 5 Oracle Functionality and Requirements Matrix Clarification

Item	Requirement	Response	Comments	Reference	Notes	Comments	Reference	Notes
F - BP 18.03	Ability to view: Current year adjusted budget (e.g., FY 06)	PeopleSoft Planning and Budgeting	PeopleSoft Planning and Budgeting					The budget worksheet or starting budget can be seeded through multiple methods down to individual object classes.
F - BP 18.04	Ability to view: Current year's original budget	PeopleSoft Planning and Budgeting	PeopleSoft Planning and Budgeting					The budget worksheet or starting budget can be seeded through multiple methods down to individual object classes.
F - BP 19.03	Produces budget worksheet information including: Current Year Original Budget (e.g., FY06)	PeopleSoft Planning and Budgeting	PeopleSoft Planning and Budgeting					Budget worksheets are completely configurable to provide information from past budget, actuals, and forecast data.
F - BP 19.04	Produces budget worksheet information including: Current Year Adjusted Budget (e.g., FY 06)	PeopleSoft Planning and Budgeting	PeopleSoft Planning and Budgeting					Budget worksheets are completely configurable to provide information from past budget, actuals, and forecast data.
F - BP 2	System can track the process of approvals and modifications	PeopleSoft Planning and Budgeting	PeopleSoft Planning and Budgeting					PeopleSoft Planning and Budgeting provides complete tracking of all budget changes and approval processing.
F - BP 35	Associates narrative to a given decision package for historical/trail purposes.	PeopleSoft Planning and Budgeting	PeopleSoft Planning and Budgeting					The proposed method for decision package support includes a narrative justification text field.
F - FA 10	Provide bar code associations to individual assets	Asset Management, 3rd Party Barcode Scanning	Asset Management					The Asset Management application provides the ability to interface to third party bar code reading devices. However, we are not including the third party hardware and software to meet this requirement. The County may work with a certified partner to meet this requirement.
F - FA 11	Support the fixed assets inventory process with handheld bar code reader capability.	Asset Management, 3rd Party Barcode Scanning	Asset Management					The Asset Management application provides the ability to interface to third party bar code reading devices. However, we are not including the third party hardware and software to meet this requirement. The County may work with a certified partner to meet this requirement.

Item #	Item Description	Item Category	Item Subcategory	Item Code	Item Unit	Item Price	Item Quantity	Item Status	Item Location	Item Date	Item Time	Item User	Item Action	Item Comment
F-FA 14	Manually assign specific asset number(s) that are generated from the third-party bar coding system.	Purchasing, Asset Management, 3rd Party Barcode Scanning	Purchasing, Asset Management		U									The Asset Management application provides the ability to interface to third party bar code reading devices. However, we are not including the third party hardware and software to meet this requirement. The County may work with a certified partner to meet this requirement.
F-FA 24	Capture the market value of an individual asset.	Asset Management	Asset Management		F									Market Value can be captured using one of the user-defined Asset attributes.
F-FA 31	Provide a useful life in whole years value.	Asset Management	Asset Management		CO									As defined, useful life is specified by number of months, not years. PeopleTools can be used to change this to years.
F-FA 42	Bar Code Number Export reports into popular desktop applications (i.e., Microsoft Office). Support report definitions with user-defined data tables. Track MS03 inventory items in a table driven format to include: Personal Protective Equipment	Asset Management, 3rd Party Barcode Scanning All Applications All Applications Inventory	Asset Management Purchasing, Inventory Purchasing, Inventory		U									The Asset Management application provides the ability to interface to third party bar code reading devices. However, we are not including the third party hardware and software to meet this requirement. The County may work with a certified partner to meet this requirement.
F-IN 18.05	Provide the following inventory costing methods, at a minimum: FIFO average	Inventory	Inventory		F									As defined, useful life is specified by number of months, not years. PeopleTools can be used to change this to years.
F-IN 21	Support 'kit' issuance for inventory items that are always linked together (e.g., light bar, MOT, gun rack, etc. for a squad car).	Purchasing, Inventory	Purchasing, Inventory		F									The Asset Management application provides the ability to interface to third party bar code reading devices. However, we are not including the third party hardware and software to meet this requirement. The County may work with a certified partner to meet this requirement.
F-IN 22	'Kit' issuance performs an available inventory sell across all kit items prior to issuing a pick order to assemble the kit.	Purchasing, Inventory	Purchasing, Inventory		F									The Asset Management application provides the ability to interface to third party bar code reading devices. However, we are not including the third party hardware and software to meet this requirement. The County may work with a certified partner to meet this requirement.
F-IN 23	'Kit' backorder possible on out of stock item from an overall kit.	Purchasing, Inventory	Purchasing, Inventory		F									The Asset Management application provides the ability to interface to third party bar code reading devices. However, we are not including the third party hardware and software to meet this requirement. The County may work with a certified partner to meet this requirement.

F - IN 48.02	Generate cycle count lists by location in the warehouse according to the following priority categories (only one category can be assigned per inventory item): Priority code based upon sales unit volume threshold (e.g., over 12 turns per year is priority 'A')	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process	
F - IN 48.03	Generate cycle count lists by location in the warehouse according to the following priority categories (only one category can be assigned per inventory item): Priority code based upon nature of inventory item (e.g., syringes are priority 'A')	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process	
F - IN 48.04	Generate cycle count lists by location in the warehouse according to the following priority categories (only one category can be assigned per inventory item): Priority code based upon nature of inventory item (e.g., syringes are priority 'A')	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process	

F - IN 48.08	Generate cycle count list by location in the warehouse according to the following priority categories (only one category can be assigned per inventory item): Priority code assigned upon an expiration date of an inventory item (e.g., -synthes are priority /A)	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process	Inventory cycle count process
F - IN 48.08	Prompt warehousemen to perform cycle counts based upon priority code assigned to inventory item via hard copy count sheet.	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process	Inventory cycle count process
		Inventory	Inventory	F		
F - IN 49 F - IN 5.02	Support business rules for surplus disposal.	Inventory	Inventory	F		
	Inventory status categories to include:	Inventory	Inventory			
	Obsolete	Inventory	Inventory	R		
F - IN 58	Generate a transaction listing, by item, over a defined date range.	Inventory	Inventory	CO	Inventory costs can be captured that include labor as a limited cost component. An integration to a third party application capturing those costs would be required.	Inventory costs can be captured that include labor as a limited cost component. An integration to a third party application capturing those costs would be required.
F - IN 7.01 F - IN 7.02	Inventory parts with a labor cost component. Exclude parts from a cost element (e.g., alternator)	Inventory	Inventory	CO	Inventory costs can be captured that include labor as a limited cost component. An integration to a third party application capturing those costs would be required.	Inventory costs can be captured that include labor as a limited cost component. An integration to a third party application capturing those costs would be required.
	Inventory parts with a labor cost component. Parts built with inventoried material	Purchasing	Purchasing	F	PeopleSoft does not capture the Grant Expiration Date on procurement transactions. This is stored as part of the Grant/Project profile.	PeopleSoft does not capture the Grant Expiration Date on procurement transactions. This is stored as part of the Grant/Project profile.
F - PUR 48.08	Grant expiration date (if applicable)					

Item	Requirement	Functional Area	Category	Priority	Comments
F - TR 28.01	Fixed to variable rate analysis	Deal Management, Risk Management	F	U	Risk Management is a data-driven application for evaluating risk. You define how the application works with risk data and model it through capture mechanisms. Risk Management can accommodate the models you define to address the dynamic nature of the market and the varying effects of the types of risk. You can use delivered, predefined functions and analytic programs through our partnership with FEA. You can access and communicate with third-party analysis through three methods: Microsoft Excel, Component Object Model (COM), Flat File Export. See 28.01 above
F - TR 28.02	Variable to fixed rate analysis	Deal Management, Risk Management	F	U	See 28.01 above
F - TR 28.03	Inclusion of issuances / contract fees	Deal Management, Risk Management	F	U	See 28.01 above
F - TR 28.04	Sensitivity analysis to interest rate changes	Deal Management, Risk Management	F	U	See 28.01 above
F - AP 10	Can customer refund checks via system interface (property tax refunds) without creating a vendor file.	Payables	F	F	
F - AP 40	Provide an authorization listing of approved vendor claims for funding prior to releasing checks or electronic payments.	Payables	F	F	
F - AP 40.02	Allow a transaction for refund County fund (e.g., services rendered on a special transaction) without generating a remittance to the County.	Payables	F	F	
F - AR 17	Preserve customer history (i.e., payment transaction history) that is able to be accessed via inquiring on the customer record file.	Purchasing, Payables/Receivables/Billing	F	F	
F - AR 38	Allow a user to put delinquent letters on hold at the invoice level.	Receivables, Billing	CO	U	A hold at the invoice level may be added via PeopleTools
F - AR 40	Preclude generation of delinquent letters to a customer with "bankrupt" as status in the customer record	Receivables, Billing	CO	U	The ability to preclude delinquent letters to customers in a bankrupt status may be added via PeopleTools

F-PR-4.1	Credit analysis, including NSF check	Receivables, Billing Project Costing					The delivered PeopleTools can be used to create functionality that tracks revolving loan funds including associated interest and terms.	
F-GR-4.00	Track revolving loan funds including associated interest and terms.	General Ledger					PeopleSoft General Ledger delivers the ability to spread costs across projects and project activities based on a variety of allocation methodologies. However, most customers enter transactions at the project/activity level and use allocations for items such as overhead allocations.	
F-PR-15.00	Spread project costs in a hierarchical structure using business amounts							
F-PR-15.01	"Triller" function to capture each date at the grant header level, Grant application deadline	Grants					The delivered workflow tools can be used to create a workflow notification based on a grant application deadline.	
F-PR-15.02	"Triller" function to capture each date at the grant header level, Grant closing date	Grants					The delivered workflow tools can be used to create a workflow notification based on a grant closing date.	
F-PR-15.03	"Triller" function to capture each date at the grant header level, Reimbursement deadline	Grants					The delivered workflow tools can be used to create a workflow notification based on a grant reimbursement deadline.	
F-PR-15.04	"Triller" function to capture each date at the grant header level, Report deadline	Grants					The delivered workflow tools can be used to create a workflow notification based on a grant report deadline.	
F-PR-28.02	Project manager contact information	Project Costing					The Project Costing application delivers user-definable fields associated with a project. The delivered PeopleTools can be used to re-label and format the user-definable fields, as needed.	
F-PR-28.03	Department head	Project Costing					The Project Costing application delivers user-definable fields associated with a project. The delivered PeopleTools can be used to re-label and format the user-definable fields, as needed.	
F-PR-28.04	Unit head	Project Costing					The Project Costing application delivers user-definable fields associated with a project. The delivered PeopleTools can be used to re-label and format the user-definable fields, as needed.	
F-PR-48.02	Pay variances including overtime, sick days, holidays, etc.	Project Costing					The Project Costing application delivers user-definable fields associated with a project. The delivered PeopleTools can be used to re-label and format the user-definable fields, as needed.	

HR - HR 142	Ability to notify an employee's supervisor when a license or certification is going to expire in enough time to go through the renewal process (for positions where the license or certificate is required).	Human Resources	Human Resources	R				
HR - HR 22	Ability for a system to list positions to recruit for and to ensure that positions must exist to create a recruitment action.	Human Resources	Human Resources	F				
HR - HR 280	Ability to produce required OSHA/PESH (Public Employee Safety & Health Act) logs & accident reports from data in system.	Human Resources	Human Resources	F				
HR - HR 280	Ability to report on equipment expense data (i.e., qualifications for licenses).	Human Resources	Human Resources	F				
HR - PAV 37	Ability to flag those employees requiring employee's annual re-licensing of V-As in order to maintain W-4 non-accepted status.	Human Resources	Human Resources	R				
HR - PAV 37	Ability to process expense reimbursements (e.g., travel) through the time & leave aspect of the HRMS system.	Human Resources	Human Resources	F				
HR - TA 7	Ability to incorporate sick leave usage into the generation of group schedule planning (e.g., not call, call).	Time and Expense	Time and Expense	I				
HR - TA 93	Ability to track equipment usage by hour and associate that time with one or more projects/programs.	Project Costing, Asset Management, General Ledger	Project Costing, Asset Management, General Ledger	F				
HR - TA 93	System uses real-time and/or batch processing of data.	All modules	All modules	F				
IT 10.00	Is backward compatible to Oracle 10G RAC.	All modules	All modules	F				
IT 101	Report all revisions created by a single individual, or set of individuals.	Query (effort report writer)	Query (effort report writer)	R				
IT 104.00	Report any revision with a revision comment that contains a given text string.	All modules	All modules	R				
IT 105.00	All location-based information conforms to the GIS standards; all GIS data is indexed by street address, assessor's parcel number or physical location.	All modules	All modules	F				
IT 105.00	Location indices can be GIS defined.	All modules	All modules	F				
IT 105.00	Ability to generate report files in delimited, ASCII or XML format.	All modules	All modules	F				

IT 12.00	Uses a Web GUI interface with ability to customize the standard look and feel through common standards CSS or XML.	All modules	Proprietary / Proprietary	F	F	F	This solution was completely rewritten for the Internet back in 1999. Common standards like the ones mentioned would be used to change the GUI.	This solution was completely rewritten for the Internet back in 1999. Common standards like the ones mentioned would be used to change the GUI.
IT 13.00	Provides field level edits to ensure validity of the data being entered into the system.	All modules	Proprietary / Proprietary	F	F	F		
IT 14.00	Editable on-line user help to make County-specific changes to help text, graphics.	All modules	Proprietary / Proprietary	F	F	F	The online help, which is placed on every page within the solution, are HTML pages which can be edited with any standard text editor.	The online help, which is placed on every page within the solution, are HTML pages which can be edited with any standard text editor.
IT 15.00	Browser compatibility IE 6 and greater, Firefox.	All modules	Proprietary / Proprietary	F	F	F	Current certified versions for these browsers are IE 6, 7 and Firefox 2.0.	Current certified versions for these browsers are IE 6, 7 and Firefox 2.0.
IT 17.00	Display for user inquiry the related item preceding and/or following the current item on screen, within the flow of a process. (e.g. display previous / display next).	All modules	Proprietary / Proprietary	F	F	F	This is standard functionality. The County can use our online help for this, but our online training tool, User Productivity Kit (UPK), is an additional charge.	This is standard functionality. The County can use our online help for this, but our online training tool, User Productivity Kit (UPK), is an additional charge.
IT 18.00 IT 2	On-line training and demo module included with application software.	All modules	Proprietary / Proprietary	F	F	F	This is standard functionality with the Proprietary security model. The only exception is it secures down to the page level. Field level security is accomplished with configuration.	This is standard functionality with the Proprietary security model. The only exception is it secures down to the page level. Field level security is accomplished with configuration.

EXHIBIT 6

APPENDIX L – CERTIFICATE OF COMPLIANCE

Appendix L

Certificate of Compliance

In compliance with Local Law 1-2006, as amended (the "Law"), the Contractor hereby certifies the following:

The responses and representations provided on this document only apply to Oracle USA, Inc. and its employees located within the United States who will provide services in accordance with a resulting contract.

1. The chief executive officer of the Contractor's parent company is:

Larry Ellison

(Name)

500 Oracle Parkway, Redwood Shores, CA 94065

(Address)

1-800-ORACLE1

(Telephone Number)

2. The Contractor agrees to either (1) comply with the requirements of the Nassau County Living Wage Law or (2) as applicable, obtain a waiver of the requirements of the Law pursuant to section 9 of the Law. In the event that the contractor does not comply with the requirements of the Law or obtain a waiver of the requirements of the Law, and such contractor establishes to the satisfaction of the Department that at the time of execution of this agreement, it had a reasonable certainty that it would receive such waiver based on the Law and Rules pertaining to waivers, the County will agree to terminate the contract without imposing costs or seeking damages against the Contractor

Oracle clarifies its response by stating that its Technical Support services (on-call, as needed software support and maintenance) and Advanced Product Support services are incidental to the delivery of its software program licenses. Oracle further states that it is a large company offering support for its software products 24 hours a day, seven days a week. Support is provided from Oracle's support centers located around the world. Oracle's support centers operate according to the normal business hours and laws and regulations of their individual locations.

3. In the past five years, Contractor X has _____ has not been found by a court or a government agency to have violated federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If a violation has been assessed against the Contractor, describe below:

Oracle was cited for one violation by OSHA, issued on January 5, 2007. The citation was reclassified as a level "other" of seriousness. Oracle paid the fine and the abatement of all items has been accomplished within the required amount of time.

4. In the past five years, an administrative proceeding, investigation, or government body-initiated judicial action X has _____ has not been commenced against or relating to the Contractor in connection with federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If such a proceeding, action, or investigation has been commenced, describe below:

In the past five years, Oracle has been the subject of various routine administrative charges filed by current or former employees alleging potential violation of applicable federal and state laws. There are currently no such federal or state charges pending in the State of New York.

In September of 2004, the U.S. Department of Labor concluded an audit of the Oracle 401(k) Savings Plan. No action was taken by the DOL as a result of this audit; the DOL identified certain areas for remediation under ERISA, as well as the adequacy of the remedial steps taken.

5. Contractor agrees to permit access by work sites within Nassau County and relevant payroll records by authorized County representatives for the purpose of monitoring compliance with the Living Wage Law and investigating employee complaints of non-compliance.

I hereby certify that I have read the foregoing statement and, to the best of my knowledge and belief, it is true, correct and complete. Any statement or representation made herein shall be accurate and true as of the date stated below.

April 1, 2008
Date

[Signature]
Group Vice President, Public Sector
Kerry Curry
Group Vice President, Public Sector

Sworn to before me this

1st day of April, 2008.

[Signature] #153800
Notary Public

My Commission Expires

December 31, 2008



**AMENDMENT #1
TO THE
SOFTWARE LICENSE AND SERVICES AGREEMENT
BETWEEN
NASSAU COUNTY, NEW YORK AND ORACLE AMERICA, INC.**

THIS AMENDMENT, dated as of October 22, 2014 (together with the schedules, appendices, attachments and exhibits, if any, this "Amendment"), is entered into by and between (i) Nassau County, a municipal corporation having its principal office at 1550 Franklin Avenue, Mineola, New York 11501 (the "County"), acting on behalf of the County Department of Information Technology, having its principal office at 240 Old Country Road, Mineola, New York 11501 (the "Department"), and (ii) Oracle America, Inc. (as successor in interest to Oracle USA, Inc.), a Delaware corporation, having its principal office at 500 Oracle Parkway, Redwood Shores, California 94065 (the "Contractor").

WITNESSETH:

WHEREAS, pursuant to County contract number CFIT09000001 between the County and the Contractor, executed on behalf of the County on May 29, 2009 (the "Original Agreement"), the Contractor performs maintenance and support services for the County in connection with the Enterprise Resource Planning ("ERP") software, which services are more fully described in the Original Agreement (the "Services" or "Technical Support Services"); and

WHEREAS, the term of the Original Agreement was from May 29, 2009, until May 28, 2012 (the "Original Term"); and

WHEREAS, the annual cost of maintenance pursuant to the Original Agreement was \$358,458.35;

WHEREAS, the County and the Contractor desire to amend the Original Agreement to extend the Original Term to May 31, 2019, and to amend the Payment terms and add a Maximum Amount; and

WHEREAS, the Services contemplated by this Amendment are personal services within the context and purview of Section 2206 of the County Government Law of Nassau County.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained in this Amendment, the parties agree as follows:

1. Term Extension of the Original Agreement. The termination date of the Original Agreement shall be extended to May 31, 2019, for the purpose of annual renewal of Technical Support for the ERP software purchased under the Original Agreement, unless sooner terminated as provided for in the Original Agreement.
2. Payment.

- (a) Amount of Consideration for Technical Support Services. The maximum amount to be paid to the Contractor as full consideration for the Contractor's Services under this Agreement shall not exceed One Million, Seven Hundred and Twenty-Six Thousand, Two Hundred and Ninety-One Dollars and Seventy-Five Cents (\$1,726,291.75) ("Maximum Amount") payable in accordance with the schedule below. If the County elects to renew the Services, such Services will become effective on June 1st of each year. The annual cost of Services will be capped at 0% for a period of five years and will be paid in accordance with the fee schedule listed below:

Renewal Year	Period of Maintenance	Maintenance Cost	Total Cost of Maintenance
5th	June 1, 2014 - May 31, 2015	\$345,258.35	\$ 345,258.35

If the County elects to renew maintenance:

Renewal Year	Period of Maintenance	Maintenance Cost	Total Cost of Maintenance
6th	June 1, 2015 - May 31, 2016	\$345,258.35	\$ 690,516.70
7th	June 1, 2016 - May 31, 2017	\$345,258.35	\$1,035,775.05
8th	June 1, 2017 - May 31, 2018	\$345,258.35	\$1,381,033.40
9th	June 1, 2018 - May 31, 2019	\$345,258.35	\$1,726,291.75

- (b) Encumbrance. The Contractor understands that only Three Hundred and Forty-Five Thousand, Two Hundred and Fifty Eight and Dollars and Thirty-Five Cents (\$345,258.35) is encumbered at this time under this Agreement for Services. The Contractor is cautioned not to perform services that would cause billings to exceed this amount unless additional funds are encumbered pursuant to the Agreement. The County shall not be liable for payment of any amounts which have not been encumbered and approved for this agreement by the County Comptroller.
- (c) Payments will be made in accordance with the terms set forth in the Original Agreement. Technical Support will be invoiced quarterly in arrears.
3. Technical Support Policies. The second and third sentences of the first paragraph of Article VI.A of the Original Agreement are deleted and replaced with the following:
- Technical Support Policies will not change for each annual period of service, but shall be updated to current policies on an annual basis upon renewal of the Technical Support services for the ERP software purchased under the Original Agreement ; however, Oracle policy changes will not result in a material reduction in the level of services provided for supported programs during the period for which fees for technical support have been paid.

4. Governing Law. Article XVIII. L is deleted and replaced with the following:

This procurement, the resulting contract and any purchase orders issued herewith shall be

governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise, and actions or proceedings shall be heard in a court of competent jurisdiction in Nassau County. Actions or proceedings arising under the Federal supremacy clause shall be heard in United States District Court for the Eastern District of New York.

5. Full Force and Effect. All the terms and conditions of the Original Agreement not expressly amended by this Amendment shall remain in full force and effect and govern the relationship of the parties for the term of the Amended Agreement.

The Remainder of this Page Intentionally Left Blank

IN WITNESS WHEREOF, the Contractor and the County have executed this Amendment as of the date first above written.

ORACLE AMERICA, INC.

By: [Signature]

Name: David T. Atkins

Title: Contracts Manager

Date: October 23, 2014

NASSAU COUNTY

By: [Signature]

Name: 2/10/15

Title: Deputy County Executive

Date:

PLEASE EXECUTE IN BLUE INK

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Santa Clara

On Oct. 23, 2014 before me, Celeste Young, Notary Public
(Here insert name and title of the officer)

personally appeared David T. Atkins

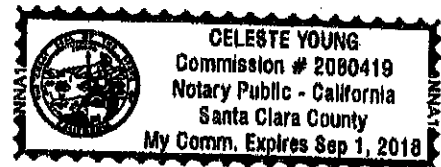
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Celeste Young
Signature of Notary Public

(Notary Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Amendment #1

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages 5 Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- ☒ Individual (s)
☐ Corporate Officer

(Title)

- ☐ Partner(s)
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they- is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - Indicate title or type of attached document, number of pages and date.
 - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary)
- Securely attach this document to the signed document

STATE OF CALIFORNIA)

) ss.:

COUNTY OF SAN CLARA)

On the _____ day of _____ in the year _____ before me personally came _____ to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of _____; that he or she is the _____ of _____, the corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto by authority of the board of directors of said corporation.

NOTARY PUBLIC

see attached

STATE OF NEW YORK)

) ss.:

COUNTY OF NASSAU)

On the 10 day of February in the year 2015 before me personally came Richard R. Walker to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Nassau; that he or she is a Deputy County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

NOTARY PUBLIC

Concetta A. Petrucci

CONCETTA A. PETRUCCI
Notary Public, State of New York
No. 01PE6259026
Qualified in Nassau County
Commission Expires April 02, 2016

**SOFTWARE LICENSE AND SERVICES AGREEMENT 2008
BETWEEN
NASSAU COUNTY, NEW YORK
AND
ORACLE USA, INC.**

May _____, 2009

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XVIII	MISCELLANEOUS
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EXHIBIT 4	TRAINING: Rates
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EXHIBIT 6	LIVING WAGE LAW CERTIFICATION
APPENDIX A	STANDARD CLAUSES FOR NEW YORK STATE CONTRACTS

**SOFTWARE LICENSE AND SERVICES AGREEMENT
BETWEEN
NASSAU COUNTY, NEW YORK
AND
ORACLE USA, INC.**

THIS SOFTWARE LICENSE AND SERVICES AGREEMENT (hereinafter "Agreement") is entered into between Nassau County, New York (hereinafter, "Nassau") whose address is 160 Old County Road, Mineola, New York, 11501, and Oracle USA, Inc. (hereinafter "Oracle"), a Colorado corporation whose main office and principal place of business is 500 Oracle Parkway, Redwood Shores, California 94065 and is effective as of the date set forth with the final signature below (the effective date). Orders may be placed under this Agreement for up to three (3) years after its effective date or as otherwise extended by amendment.

WITNESSETH:

WHEREAS, Nassau has determined that its current and future administrative systems needs require that its current aging and diverse systems be replaced; and

WHEREAS, Nassau has determined that the upgrade and replacement of its administrative systems requires the acquisition of a new commercial off-the-shelf integrated information system using Enterprise Resource Planning (hereinafter "ERP") software, and the retention of related services for such software; and

WHEREAS, Nassau issued a Request for Proposal seeking such software and services and thereafter supplemented this with a Request for Clarification, (collectively, the "RFP"); and

WHEREAS, Oracle submitted a proposal, Clarifications, and Best and Final Offers in response to the RFP (hereinafter "Proposal"); and

WHEREAS, based upon the competitive solicitation and evaluation of proposals for the provision of the ERP Software and for the performance of the Services (as hereinafter defined), Nassau has determined that Oracle possesses the qualifications necessary to provide such Software and Services; and that the Proposal offers the best value to Nassau from among the competing proposals received by Nassau, and that Nassau awards this Agreement to Oracle on the basis of the merits of the Proposal; and

WHEREAS, Nassau desires to retain Oracle to provide the Software and Services as set forth hereinafter, and Oracle agrees to provide such Software and perform such Services;

NOW, THEREFORE, in consideration of the terms and the mutual covenants and obligations of the parties set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

I. DEFINITIONS

Advanced Customer Services: On-site services, set forth in Exhibit 3, that Nassau may purchase from Oracle under this Agreement.

Agreement: The writing(s) which contain the agreement of Nassau and Oracle setting forth the total legal obligation between the parties as determined by applicable rules of law.

Ancillary Programs: Third party materials specified in the Documentation, which may only be used for the purposes of installing or operating the programs with which the Ancillary Programs are delivered.

Documentation or Program Documentation: Program user manual(s) and Program Installation manual(s) for the Software.

Emergency: An urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk.

Enterprise License: A license grant that permits a defined entity (the "Enterprise") to use the acquired the Software across its Enterprise, where the numerical limits of the license is calculated by reference to its employee count or its operating budget or other agreed upon metric. The specific terms of the Enterprise License are set forth in the Ordering Document.

Error Corrections: Machine executable software code furnished by Oracle which corrects the Software so as to conform to the applicable Documentation of Oracle.

Incremental Licenses: An increase in the number of licenses for Software previously acquired by Nassau. Such Incremental License purchases are accepted upon delivery.

License Effective Date: The date Software is delivered to Nassau. Where a License involves Software which was previously licensed by Nassau, the License Effective Date for the additional licenses shall be deemed to be the date on which the Purchase Order is executed.

Material: Any information, design, specification, instruction, Software, data, or material furnished by Oracle and used by Nassau.

Ordering Document: The Oracle form, signed by both parties, that sets forth the Software and/or Services to be purchased, Software metrics, prices, discounts, and specific terms relevant to the purchase.

New Software Releases (Software Revisions): Any commercially released revisions to the licensed version of the Software as may be generally offered and available to Nassau, if current on technical support. New releases involve a substantial revision of functionality from a previously released version of the Software. Updates are provided when available, and Oracle is under no obligation to develop any future Software or functionality.

Proprietary: Created and / or owned by Oracle, which may be protected by confidentiality, secrecy, patent, copyright or trademark against commercial competition.

Purchase Order: Nassau's fiscal form or format that is used when making a purchase (e.g., formal written Purchase Order, electronic Purchase Order, or other authorized instrument).

Services: Technical support (also referred to as "Maintenance"), training, or Advanced Customer Services that Nassau purchases under this Agreement.

Site: The location (street address) where the Software will be used or Services delivered.

Software or Programs: Software acquired under the terms and conditions set forth in the Agreement. "Software" or "Programs" includes error corrections, upgrades, enhancements, new releases, and updates delivered to Oracle's current subscribers under Technical Support or Maintenance.

Source Code: The programming statements or instructions written and expressed in any language understandable by a human being skilled in the art which are translated by a language compiler to produce executable machine Object Code.

Supported Program License: Programs for which Oracle offers Technical Support.

Technical Support or Maintenance: Technical support services for the Software that are offered by Oracle under this Agreement.

Training: The services provided by Oracle University, as set forth in Exhibit 4.

II. SOFTWARE

Oracle shall provide the Programs in accordance with the following terms and conditions.

A. License Scope: Following delivery of the Software, Nassau is granted a non-exclusive, non-assignable, royalty free, perpetual, limited right to use the Software ordered for its governmental and business operations subject to the terms of this Agreement, including the license definitions and rules and Documentation. For Software that is specifically designed to allow a third party to interact with Nassau in furtherance of Nassau's governmental or business operations, such use is allowed under this Agreement. Nassau may make a sufficient number of copies of the Software for its licensed use and one copy of each software media.

B. Documentation: Documentation is delivered with the Software or Nassau may access the Documentation online at <http://oracle.com/contracts>. Oracle hereby grants to Nassau a perpetual license right to make, reproduce and distribute, either electronically or otherwise, copies of Documentation in accordance with the terms of

the license, and the Documentation fully describes the proper procedure for using the Software.

C. Permitted License Transfers: Upon prior written notice to Oracle, the following license transfers are permitted under this Agreement, at no cost to Nassau, unless the license type specifically prohibits such a transfer:

1. Nassau may transfer Software internally within its own entity;
2. If Nassau is subject to a governmental reorganization or otherwise mandated by its governing body to convey any of its specific functions to another governmental entity, the Software used to support the conveyed functions may be transferred to the entity acquiring the transferred functions. The transferor must discontinue its use of the transferred Software.
3. If Nassau merges with another governmental entity, the Software acquired may be used by the merged entity.

Nothing in this section shall be deemed to relieve Nassau or the transferee entity of the obligation to use the Software in accordance with the terms and conditions of this Agreement and all applicable Ordering Documents placed hereunder, including, without limitation, limiting usage of the Software to the quantity and license type for which such software is licensed.

D. Restricted Use By Outsourcers / Facilities Management, Service Bureaus / or Other Third Parties: Outsourcers, facilities management, consultants and agents (collectively, "Agents") retained by Nassau shall have the limited right to use the Software to maintain Nassau's internal business operations subject to the terms of this Agreement, including data processing, for the time period that they are engaged in such activities, provided that Nassau is responsible for the compliance of its Agents with the terms and conditions of this Agreement and their use of the Software.

E. Archival Back-Up and Disaster Recovery Nassau shall be entitled to use and copy the Software and related Documentation for archival backup and disaster recovery and shall have the rights under "Cold", "Warm" or "Hot" Backup, as defined below, to initiate disaster recovery on such backup systems testing up to four times annually, up to two day per testing, at no charge other as set forth below:

1. "Cold Backup" is a backup copy of the Software, which is retained on Oracle's software media only. In the event of failure of a primary machine, Nassau may download the Software from Oracle's website or it may use the software media to load Oracle's Software on a second machine of Nassau of the same hardware/operating system combination. There is no additional fee for maintaining a Cold Backup.
2. "Warm Backup" is a backup copy of the Software, which is loaded on a machine, which is accessed for the processing of data and/or applications only in the event of a failure of the primary machine. In the event of a failure of the primary machine, the secondary machine is accessed and used to run the Software. There is no additional fee for maintaining a Warm Backup.

3. "Hot Backup" is a copy of the Software, which is loaded on a machine and operated simultaneously with the primary machine. No processing of data or applications takes place on the backup machine. In the event of a failure of the primary machine, all processing is switched to the backup machine in real time. The fee for a Hot Backup is 25% of the contract price of the primary license and/or technical support.

F. Confidentiality Restrictions: The Software is a trade secret, copyrighted and proprietary product of Oracle. Nassau and its employees will keep the Software strictly confidential, and Nassau will not disclose or otherwise distribute or reproduce any Software to anyone other than as authorized under the terms of Agreement. Nassau will not remove or destroy any proprietary markings or notice of Oracle's or its licensors' proprietary rights. Oracle or its licensors retain all ownership and intellectual property rights to the Software.

G. Restricted Use by Nassau: Except as expressly authorized by the terms of this Agreement, Nassau shall not:

1. Copy the Software;
2. Cause or permit reverse engineering (unless required by law for interoperability), disassembly or decompilation of the Software (the foregoing prohibition includes but is not limited to review of data structures or similar materials produced by the Software);
3. Make the Software or Materials resulting from Services available in any manner to any third party for use in the third party's business operations (unless such access is expressly permitted for the specific software license or Materials from the services acquired);
4. Export the Software in violation of any U.S. Department of Commerce export administration regulations;
5. Release benchmarking results: unless required by law or compelled by court order or subpoena, Nassau shall not disclose to third parties not authorized by it to implement or maintain its systems, results of any Software benchmark test without Oracle's prior written consent. The foregoing restriction shall not apply to benchmark results of non-Oracle software which accessed the Software or to benchmark results of an overall system, provided such results: (a) are released only as the benchmark results of such non-Oracle software or of the total system and (b) do not make any reference to Oracle Software. Nassau shall notify Oracle of requests for the release of benchmarking results under the New York State Freedom of Information Law (FOIL) or applications for court orders or subpoenas and give Oracle an opportunity to oppose disclosure.

H. Open Source Software: Open source software is developed independently of Oracle and may be governed by a separate license ("open source software"). If the open source software is governed by a separate license, Oracle shall provide a copy of that license in the applicable Documentation and Nassau's license rights and obligations with respect to that open source software shall be defined by those separate license terms and subject to the conditions, if any, therein. Nothing in this Agreement shall restrict, limit, or otherwise affect any rights or obligations Nassau

may have, or conditions to which Nassau may be subject, under such separate open source license terms.

III. SOFTWARE DELIVERY

Oracle has made available to Nassau for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com>. Through the Internet URL, Nassau can access and electronically download the Software and related Documentation. Provided that Nassau has continuously maintained technical support for the Software, Nassau may continue to download the software and related Documentation. Please be advised that not all programs are available on all hardware / operating system combinations. For current program availability please check the electronic delivery web site. Nassau acknowledges that Oracle's delivery obligation under this Agreement is met by the provision of the electronic delivery web site URL. Provided Nassau continuously maintains Technical Support, CD Packs for the Software provided under the Ordering Document may be ordered through the Oracle Store independent of this Agreement. If Nassau loses or damages the media containing a Program licensed here under, upon Nassau's written notice Oracle will provide a replacement copy thereof, for a media and shipping charge. The following shipping terms shall apply: FCA Shipping Point, Prepaid, and Add. These terms shall also apply to any options exercised by Nassau. Unless otherwise agreed to by Nassau and Oracle, Nassau shall be responsible for installation of the Software.

Nassau acknowledges that, unless otherwise provided for in this Agreement, it accepts sole responsibility for (i) its system configuration, design and requirements, (ii) the selection of the Programs to achieve its intended results, and (iii) modifications, changes or alterations to the Programs.

IV. SOFTWARE ACCEPTANCE

- A. Unless otherwise provided by mutual agreement of Nassau and Oracle, Nassau shall have sixty (60) days from the date of delivery to accept all Software. Where Oracle is responsible for installation, acceptance shall be from completion of installation. Failure to provide notice of acceptance or rejection to Oracle by the end of the period provided for under this clause constitutes acceptance by Nassau as of the expiration of that period. Nassau may, in writing, waive the Acceptance Period, or any part thereof, at any time.

If Nassau rejects the Software, it shall (a) cease using the applicable Software, and (b) certify to Oracle that it has destroyed or has returned to Oracle the Software, Documentation and all copies. This requirement applies to copies in all forms, partial and complete, in all types of media and computer memory, and whether or not modified or merged into other materials.

Oracle may offer Nassau a free trial of the Software pursuant to (B) immediately below. If Nassau accepts such free trial license for the Software, the length of the trial shall count toward the sixty (60) day acceptance period and such trial license will grant to Nassau the right to examine the Software for at least sixty (60) days (unless the parties thereto agree otherwise). Upon the expiration of such period,

Nassau must either issue a Purchase Order to Oracle for purchase of the Software or portions thereof in accordance with this Agreement, or forthwith discontinue all use and return the Software to Oracle. Nassau shall be deemed to have tested the Software to its satisfaction and accepted the Software upon its issuance of the Purchase Order.

If any agreed trial license period is less than sixty (60) days, then in addition to the trial license period, Nassau shall have the number of days to accept the Software that is the difference between sixty (60) days and the length of the agreed trial license, provided Nassau notifies Oracle in writing of its intention to use such acceptance period at the time Nassau issues its Purchase Order. Notwithstanding the foregoing, this provision does not apply to purchases which merely increase the number of licenses for software previously acquired by Nassau ("incremental licenses"). Such incremental license purchases are accepted upon delivery.

- B. Trial Software.** Nassau may order trial Software, or Oracle may include additional trial Software with the order which Nassau may use for trial, non-production purposes only. Nassau may not use the trial Software to provide or attend third party training on the content and/or functionality of the Software. Nassau has sixty (60) days from delivery to evaluate such trial Software. If it decides to use any of this trial Software after the sixty (60) day trial period, Nassau must obtain a license for such trial Software from Oracle. If it decides not to obtain a license for the trial Software after the sixty (60) day trial period, Nassau will cease using and will delete any such trial Software from its computer systems. Software licensed for trial purposes is provided "as is" and Oracle does not provide technical support or offer any warranties for these programs.

V. SERVICES

- A.** Nassau may acquire Technical Support (maintenance), Advanced Customer Services, and Training, under this Agreement. The rates for the purchase of Advanced Customer Services and Training are set forth in Exhibits 3 and 4, respectively. The terms for the purchase of Technical Support are set forth in the Article immediately below and in the Technical Support policies attached as Exhibit 1.
- B.** Upon payment for Services, Nassau will have a perpetual, non-exclusive, non-assignable, royalty free license to use for its internal business operations, anything developed by Oracle and delivered to Nassau. Nassau may allow its agents and contractors to use the deliverables for such purpose and Nassau is responsible for their compliance with this Agreement and the Ordering Document. Oracle retains ownership and all intellectual property rights to anything developed by it and delivered by it under the applicable Ordering Document resulting from the Services, except as stated in (C) immediately below.
- C. Advanced Customer Services ("ACS").** The only consulting services offered by Oracle under this Agreement are Advanced Customer Services ("ACS"). Oracle states that no development or customization work can be provided pursuant to the performance of the ACS.

To the extent that Oracle may produce incidental deliverables in the performance of ACS and following payment of all fees for the applicable ACS order: (a) the allocation of ownership and license rights to such incidental deliverables shall be the Joint Property (as defined below) of both Oracle and Nassau; and (b) Oracle grants to Nassau a non-exclusive, non-assignable, royalty free, perpetual, internal-use license to use Oracle Works (as defined below) that are embodied in the Joint Property.

1. "Incidental Deliverables" shall mean those deliverables developed by Oracle solely for Nassau in the performance of the applicable Ordering Document, except for any Oracle Works (as defined below).
2. "Oracle Works" shall mean: (a) anything provided by or on behalf of Oracle from a repository; (b) any software code generated by computer aided software engineering (CASE) tools; (c) any tools, interfaces, and utilities developed by or on behalf of Oracle; and (d) any derivative works of (a), (b), or (c) above. Nothing in this section shall be construed to grant, amend, or modify any license for any Software or Documentation owned or distributed by Oracle.
3. "Joint Property" shall mean the Incidental Deliverables which are those deliverables developed using ACS and shall be owned jointly by Oracle and Nassau; Joint Property does not include any Oracle Works (as defined above). Oracle and Nassau agree that each party jointly shall own the copyright interest in the Joint Property and that each party may freely use, share, license or sub-license the Joint Property without requiring the approval of the other party, and shall have no duty of accounting to the other party for use of the Joint Property.

Oracle retains all right, title and interest, including all copyrights, in any Oracle Works and Software. Any property or material furnished by Nassau to Oracle hereunder is and will remain the property of Nassau.

- D. At Nassau's request, Oracle shall provide Nassau with the resumes of all Oracle's employees, consultants, and subcontractors who shall perform Services at Nassau's site under this Agreement. Nassau shall have the right to conduct interviews, unless otherwise agreed to by the parties, of all such employees, consultants, or subcontractors provided such interview occurs before the commencement of Services by the relevant employees, consultants or subcontractors. Nassau shall have the right to reject assignment of any Oracle employee, consultant, or subcontractor to a particular Service by providing Oracle a reasonable and non-discriminatory basis for such rejection. This paragraph shall not apply to the provision of Technical Support Services.
- E. The Services provided under this Agreement may be related to Nassau's license to use Programs which it acquires under a separate order. The Agreement referenced in that order shall govern Nassau's use of such Programs. Any Services acquired from Oracle are bid separately from such Program licenses, and Nassau may acquire either Services or such Program licenses without acquiring the other.

VI. TECHNICAL SUPPORT & MAINTENANCE

- A. Technical Support** consists of annual technical support services ordered by Nassau for the Software. Payment shall be due quarterly in arrears or as otherwise agreed to by the parties. If ordered, annual Technical Support (including first year and all subsequent years) is provided under Oracle's Technical Support Policies that are attached to this Agreement at the time the Services are ordered. The Technical Support Policies shall be updated annually by amendment to this Agreement. Nassau should review the Technical Support Policies prior to ordering the applicable services.

Technical support is effective upon the effective date of the Ordering Document unless otherwise stated therein. The effective date of an order is when the Ordering Document is fully signed and Oracle receives the Purchase Order; provided however, if the order is subject to an acceptance period, the effective date will be upon acceptance.

The Technical Support service level, which may also be referred to as Software Update License & Support, (or any successor technical support offering to Software Update License & Support, "SULS") acquired with Nassau's order may be renewed annually and, if Nassau renews SULS for the same number of licenses for the same Software, Nassau will be entitled to receive the caps on fee increases which are set forth in Exhibit 1.

If Nassau decides to purchase Technical Support for any Software within a license set, Nassau is required to purchase Technical Support at the same level for all Software within that license set. Nassau may desupport a subset of Software in a license set only if there is also agreement to terminate that subset of licenses. The Technical Support fees for the remaining licenses will be priced in accordance with the Technical Support Policies in effect at the time of termination. The applicable discount to be used in the event of support re-pricing is set forth in Exhibit 2. Oracle's license set definition is available in the Technical Support Policies. If Nassau decides not to purchase Technical Support, Nassau may not update any unsupported Software with new versions of the Software.

Technical Support term(s) and any renewal(s) thereof are independent of the expiration of this Agreement and will not automatically renew. Nassau may discontinue Technical Support at the end of any current Technical Support term. In the event that Nassau discontinues Technical Support of Software, it may, at any time thereafter, reinstate Technical Support for the Software without any additional penalties or other charges, by paying Oracle the amount which would have been due under the order for the period of time that such Technical Support had lapsed.

- B. Oracle's Technical Support offering, entitled "Lifetime Support", is comprised of the following:**
- 1. Premier Support:** Premier Support provides updates, fixes and security alerts; tax, legal, and regulatory updates; upgrade scripts; technical support; major product and technology releases, access to Oracle's Customer Service Website, and certification with new third-party products/versions.

2. **Extended Support:** Oracle may grant Nassau the right to acquire an additional three years of Extended Support. Extended Support provides updates, fixes and security alerts; tax, legal, and regulatory updates; upgrade scripts; technical support; access to its Customer Service Website; and major product and technology releases. Extended Support does not include certification with new third-party products/versions.
3. **Sustaining Support:** As an alternative to Extended Support, Oracle grants Nassau the right to acquire Sustaining Support for as long as it licenses the Software. Sustaining Support provides access to Oracle's Customer Service Support Website, pre-existing fixes, and major product and technology releases. Sustaining Support does not include Updates, fixes, and security alerts; Tax, legal, and regulatory updates; Certification with new third-party products/versions; and Certification with other Oracle products.

Additional information about Oracle's Lifetime Support offering may be found in the Technical Support Policies, attached as Exhibit 1.

C. Successor Products and Re-Named Programs.

1. **Successor Products.** If Oracle makes successor products available for Oracle's product lines ("New Software") that includes substantially similar functionality and features as a Program for which Nassau has purchased a Program License ("Old Software"), Oracle will provide Nassau with a migration path from the Old Software to the New Software and the right to use the New Software under this Agreement at no additional charge, provided that (i) Nassau is current on Technical Support for the Old Software; (ii) this right shall only apply to New Software that is available in production release status on the operating system identified by Nassau at the time of the request; and (iii) Oracle is currently making available, such migration path from the Old Software to the New Software to all of its other supported customers without additional charge.

If Oracle does not provide to all of its supported customers a migration path from the Old Software to the New Software free of additional charge, then Oracle will provide Nassau with the right to use only the functionality and features contained in the New Software that is substantially similar to the functionality and features contained in the Old Software. Nassau shall not have the right to use nor shall it use any additional functionality or features in such New Software. All use of New Software shall otherwise be subject to this Agreement.

2. **Re-Named Programs.** If any Program licensed under this Agreement ("Original Program") is re-named or divided into two or more separate Programs ("Re-Named Program") and the functionality of the Re-Named Program is and remains the same as the functionality of the Original Program, and Oracle makes such Re-Named Program generally available at no additional license fees to all of its customers who have maintained Technical Support for the Original Program, then Oracle shall provide the Re-Named Program to Nassau for no additional license fees, provided that the Re-Named Program is available in production release and that Nassau is current on Technical Support for the Original Program pursuant to Oracle's Technical

Support Policies (or reinstated Technical Support for such Program pursuant to Oracle's then current Technical Support Policies).

In the event that Oracle offers successor or renamed programs, as referenced above, Oracle will notify Nassau of the affected Software to the same extent and in the same manner that it provides notification to its other supported customers of the affected Software. The parties acknowledge that Oracle offers Lifetime Support for many of its Programs; if Lifetime Support is offered for a Program, such Program is not deemed to be discontinued under the meaning of this section.

VII. SOURCE CODE

Oracle shall retain in escrow a copy of the source code necessary to support the Software (not including any Software for which source code is delivered with such Software). The escrowed material shall be maintained under an agreement which provides that if Oracle ceases to be in the business of supporting the Software, the escrow agent shall furnish Nassau with a copy of the escrowed material that has become unsupported. Nassau shall pay the escrow agent a nominal fee sufficient to cover the cost of reproduction and distribution of source materials, including reasonable administrative expenses thereto. Any escrowed material furnished under this provision shall be considered licensed subject to the terms of this Agreement and shall be used solely to maintain the Software. If Oracle replaces Iron Mountain Intellectual Property Management with a substitute escrow agent, Nassau will receive notice of the name and address of the substitute agent.

VIII. COMPENSATION / PAYMENTS / INVOICES

- A. Upon acceptance of Software or as otherwise provided by Agreement, Oracle may invoice for payment. The required payment date shall be thirty (30) calendar days, excluding legal holidays, from the receipt and approval by the County Comptroller of a proper invoice and County Claim Voucher, in accordance with paragraph B.
- B. All payment Invoices shall include, at a minimum, the following terms:
 - 1. Delivery on official form of Oracle;
 - 2. Name, Address and Remittance Address of Oracle if different from that contained in the introductory paragraph of this Agreement;
 - 3. Agreement Number;
 - 4. An executed County Claim Voucher detailing of the Programs or Services for which Oracle requests payment;
 - 5. Total amount to be Invoiced.
- C. Oracle shall submit all payment Invoices to the designated payment office for this Agreement, which shall be, unless Oracle receives written notification to the contrary, the address listed in the first paragraph of this Agreement.
- D. The fees due under an Ordering Document signed by Nassau and Oracle shall be non-cancelable and the sums paid nonrefundable, except as expressly provided therein or in this Agreement.
- E. Nassau's signature on an Ordering Document referencing this Agreement and Nassau's issuance of a purchase order are its representations to Oracle

that the purchase has been fully authorized and that all funds for the purchase have been fully appropriated.

- F. Nassau agrees that it has not relied on the future availability of any Programs or Updates in entering into the payment obligations arising under this Agreement; however, (a) if Nassau orders SULS for programs, the preceding sentence does not relieve Oracle of its obligation to provide Updates under this Agreement or the relevant Ordering Document, if-and-when available, in accordance with Oracle's then current Technical Support Policies, and (b) the preceding sentence does not change the rights granted to Nassau for any program licensed under this Agreement or the relevant Ordering Document, per the terms of this Agreement and/or the Ordering Document.
- G. Submission of an invoice and payment thereof shall not preclude Nassau from reimbursement or demanding a price adjustment where the billing was inaccurate. Oracle shall provide, upon request of Nassau, the information reasonably necessary to verify the accuracy of the billings. Such information shall be provided in the format reasonably requested by Nassau and in a media commercially available from Oracle.
- H. If Nassau is exempt from sales tax, Oracle will not invoice it for applicable sales tax provided a copy of a valid sales tax certificate of exemption is provided to Oracle on or before the effective date of this Agreement. Also, Nassau will reimburse Oracle for reasonable expenses related to providing the Services. Fees for Services listed in an Ordering Document are exclusive of taxes and expenses.

IX. WARRANTY

- A. **Title and Ownership Warranty.** Oracle warrants that it possesses (i) full ownership, clear title free of all liens, or (ii) the right to transfer or deliver perpetual or term license rights to the Software. Oracle shall be solely liable for its costs of acquisition of such ownership rights and/or clear title. Notwithstanding any language to the contrary in this Agreement, Article X(A), *Intellectual Property Infringement Indemnification*, of this Agreement states Nassau's exclusive remedy and Oracle's entire liability for any breach of this particular warranty.
- B. **Software Warranty.** Software offered shall be a current production release. Oracle warrants that the Software will perform in all material respects as described in the Documentation for eighteen (18) months from the date of acceptance. Nassau must notify Oracle of any Program warranty deficiency within eighteen (18) months after acceptance.

For Nassau's initial purchase of Software under this Agreement only, Oracle also warrants that the Software will perform in all material respects in accordance with Oracle's response to the functional and technical requirements attached as Exhibit 5 for eighteen (18) months from the date of acceptance. Nassau must notify Oracle of any Software warranty deficiency under this paragraph within eighteen (18) months year after acceptance of the initial purchase of the Software.

- C. **Virus Warranty.** Oracle represents and warrants that prior to delivery Oracle shall use commercially reasonable methods to test and protect the Software against viruses and other harmful elements designed to disrupt the orderly operation of, or impair the integrity of data files resident on, any data processing system. Oracle represents and warrants that it will not deliver Software that contains any known virus. Oracle will also maintain a master copy of the appropriate versions of the Software, free of viruses. If Nassau believes a virus may be present in the delivered Software, then upon its request, Oracle will provide a master copy to Nassau for comparison with and correction of its copy of the Software.
- D. **Date/Time Warranty.** Oracle represents that during the term of this Agreement, including any extension or renewal hereof, the Software shall, when used in accordance with the Program Documentation, be able to accurately process (including, but not limited to, calculating, comparing, and sequencing) date/time data transitions, including leap year and daylight savings time calculations.
- E. **Services Warranty.** Oracle warrants that the Services will be provided in a professional manner in accordance with industry standards. Nassau must notify Oracle of any Services warranty deficiencies within ninety (90) days from performance of the Service that gave rise to the warranty claim.
- F. **Survival of Warranties.** All warranties contained in this Agreement, which have not expired by their terms, shall survive the termination of this Agreement.
- G. **NO IMPLIED WARRANTIES.**
TO THE EXTENT PERMITTED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- H. Oracle does not warrant or guarantee that the Software will be error free or operate without interruption or that Oracle will correct all Software errors. Oracle is not obliged to develop error corrections or updates for Nassau's benefit but, in the event such corrections or updates are made generally commercially available by Oracle at no additional charge, Oracle shall provide them to Nassau at no additional charge. Nassau acknowledges that the Software has not been prepared to meet its individual requirements; it is Nassau's responsibility to ensure that the facilities and functions described in its specification meet its requirements, and Nassau is solely responsible for results obtained from its use of the Software.
- I. **EXCLUSIVE REMEDIES.** FOR ANY BREACH OF THE WARRANTIES IN B, D AND E ABOVE, NASSAU'S EXCLUSIVE WARRANTY REMEDY, AND ORACLE'S ENTIRE WARRANTY LIABILITY, SHALL BE: (A) THE CORRECTION OF SOFTWARE ERRORS THAT CAUSE BREACH OF THE WARRANTY, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT SUCH BREACH IN A COMMERCIALY REASONABLE TIME AND MANNER, NASSAU MAY END ITS SOFTWARE LICENSE AND RECOVER THE FEES PAID TO ORACLE FOR THE SOFTWARE LICENSE; OR (B) THE REPERFORMANCE OF THE DEFICIENT SERVICES, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT A BREACH

IN A COMMERCIALLY REASONABLE TIME AND MANNER, NASSAU MAY END THE RELEVANT SERVICES AND RECOVER THE FEES PAID TO ORACLE FOR THE DEFICIENT SERVICES.

X. INDEMNIFICATION AND LIABILITY

- A. Intellectual Property Infringement Indemnification.** Oracle will also indemnify and hold Nassau harmless from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs that may be finally assessed against Nassau in any action for infringement of a United States Letter Patent, or of any copyright, trademark, trade secret or other third party proprietary right based upon Materials provided to Nassau by Oracle and except to the extent such claims arise from Nassau's negligence or willful misconduct, provided that Nassau shall give Oracle: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, no later than 30 days after it receives notice of the claim (or sooner if required by law) (ii) sole control to settle or defend such action, claim or suit at Oracle's sole expense, and (iii) assistance in the defense of any such action at the expense of Oracle. Nassau reserves the right to join such action, at its sole expense, when it determines there is an issue involving a significant public interest.

If usage shall be enjoined for any reason or if Oracle believes that it may be enjoined, Oracle shall have the right, at its own expense and sole discretion: (i) to procure for Nassau the right to continue Usage (ii) to modify the material so that usage becomes non-infringing, while preserving its utility or functionality, or if these alternatives are not commercially reasonable, Oracle may terminate the license for, and require return of, the Material and refund any fees Nassau may have paid for it. Oracle will not indemnify Nassau if it alters the Material or uses it outside the scope of use identified in the Documentation or if Nassau uses a version of the Materials which has been superseded, to the extent the infringement claim could have been avoided by using an unaltered current version of the Material which was provided to Nassau and Nassau either has actual knowledge or is notified by Oracle to use such version due to a potential or existing infringement claim; any such notice will be in writing or, for any software licensed under this Agreement, may be posted at Oracle's customer support web site or included with a software update. Oracle will not indemnify Nassau to the extent that an infringement claim is based upon any information, design, specification, instruction, software, data, or material not furnished by Oracle. Oracle will not indemnify Nassau to the extent that an infringement claim is based upon the combination of any Material with any products or services not provided by Oracle except where such combinations are expressly specified by Oracle in the Documentation. Oracle will not indemnify Nassau for infringement caused by its actions against any third party if the Program(s) as delivered to Nassau and used in accordance with the terms of this Agreement would not otherwise infringe any third party intellectual property rights.

In the event that an action at law or in equity is commenced against Nassau arising out of a claim that Nassau's use of the Material under the Agreement infringes any patent, copyright or proprietary right, and Oracle is of the opinion that the allegations in such action in whole or in part are not covered by the indemnification and defense

provisions set forth in the Agreement, Oracle shall promptly notify Nassau in writing and shall specify to what extent Oracle believes it is obligated to defend and indemnify under the terms and conditions of the Agreement. Oracle shall in such event attempt to secure a continuance to permit Nassau to appear and defend its interests in cooperation with Oracle, as is appropriate, including any jurisdictional defenses Nassau may have. This Article X(A) constitutes Nassau's sole and exclusive remedy for any infringement claims or damages.

B. Personal Injury / Property Damage Indemnification. Oracle shall be fully liable for any act or omission of Oracle, its employees, Subcontractors and agents, and shall fully indemnify and hold harmless Nassau from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or tangible personal property caused by fault or negligence of Oracle, its employees, Subcontractors or agents arising from Oracle's performance of this Agreement, **without limitation**; provided, however, that Oracle shall not be obligated to indemnify Nassau for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of Nassau or the acts of third parties, other than those provided by Oracle to perform under the Agreement. In connection with the foregoing, Nassau shall give Oracle: (i) prompt written notice of any action, claim or threat of suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Oracle's sole expense, and (iii) assistance in the defense of any such action at the expense of Oracle. This paragraph does not apply to any claims arising from damage to "intangible personal property," which includes documentation, software, data or data files that are in electronic format.

C. Limitation on Liability. EXCEPT AS OTHERWISE SET FORTH IN THE INDEMNIFICATION PARAGRAPHS ABOVE, THE LIMIT OF LIABILITY SHALL BE AS FOLLOWS:

- 1. ORACLE'S LIABILITY FOR ANY DAMAGES ARISING OUT OF, OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, SHALL IN NO CASE EXCEED DIRECT DAMAGES IN: (I) AN AMOUNT EQUAL TO TWO (2) TIMES THE CHARGES SPECIFIED IN THE PURCHASE ORDER FOR THE SOFTWARE AND SERVICES, OR PARTS THEREOF FORMING THE BASIS OF NASSAU'S CLAIM, (SAID AMOUNT NOT TO EXCEED A TOTAL OF TWELVE (12) MONTHS CHARGES PAYABLE UNDER THE APPLICABLE PURCHASE ORDER) OR (II) ONE MILLION DOLLARS (\$1,000,000), WHICHEVER IS GREATER. NOTWITHSTANDING THE LIMITATION IN THE FIRST SENTENCE OF THIS PARAGRAPH (1), ORACLE'S LIABILITY TO NASSAU FOR DAMAGES RESULTING FROM THE WRONGFUL DISCLOSURE OF PERSONAL DATA BY ORACLE IN ITS PERFORMANCE OF TECHNICAL SUPPORT SERVICES IN BREACH OF ORACLE'S OBLIGATIONS UNDER ARTICLE XI(D) (CONFIDENTIALITY AND NON-DISCLOSURE) SHALL NOT EXCEED THE GREATER OF: (A) \$1,000,000 OR (B) TWO TIMES THE FEES PAID BY NASSAU UNDER THIS AGREEMENT FOR TECHNICAL SUPPORT WITHIN THE TWO (2) YEARS IMMEDIATELY PRECEDING THE ACTION THAT GAVE RISE TO THE BREACH.**

- 2. NOTWITHSTANDING THE ABOVE, NEITHER ORACLE OR NASSAU SHALL BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM LOSS OF USE OR LOSS OF PROFIT BY NASSAU, ORACLE, OR BY OTHERS.**

XI. CONFIDENTIALITY AND NON-DISCLOSURE

- A.** As used in this Section, "Disclosing Party" means Nassau when disclosing its Confidential Information (defined below) to Oracle, or Oracle when disclosing its Confidential Information to Nassau, and "Receiving Party" means Nassau when receiving disclosure of Confidential Information from Oracle, or Oracle when receiving disclosure of Confidential Information from Nassau. "Confidential Information" means all confidential information disclosed by a party (the "Disclosing Party") to the other party (the "Receiving Party") after the effective date of this Agreement including, without limitation, information relating to the Disclosing Party's operations, processes, plans or intentions, know-how, design rights, trade secrets or business affairs. Confidential Information shall be clearly marked as "confidential," "proprietary," "restricted" or some similar designation. Except as provided in this Agreement and specifically in Article XI(B) hereunder, the Receiving Party further agrees that any Confidential Information obtained by the Receiving Party from the Disclosing Party, its agents, subcontractors, officers, or employees in the course of performing its obligations, including without limitation, security procedures, business operations information, or commercial proprietary information in the possession of the Disclosing Party hereunder, will not be divulged to any third parties. Nassau acknowledges that the Source Code to the Software and the Documentation are Confidential Information of Oracle.
- B. The Receiving Party:**
1. may not use any Confidential Information for any purpose other than in accordance with, and in the performance of, its obligations under this Agreement;
 2. may not disclose any Confidential Information to any person except with the prior written consent of the Disclosing Party or in accordance with Section C; and
 3. shall make every reasonable effort to prevent the use or disclosure, other than as expressly permitted herein, of Confidential Information.
- C. The Receiving Party may disclose information, which would otherwise be Confidential Information if and to the extent that:**
1. it is required by law (such as the New York State Freedom of Information Law);
 2. the information has come into the public domain, otherwise than through (a) a breach of this Clause by the Receiving Party, (b) a third party's breach of any duty of confidentiality owed to the Disclosing Party of which the Receiving Party was aware, or (c) a violation of law;

3. it was in the Receiving Party's lawful possession prior to the disclosure and had not been obtained by the Receiving Party either directly or indirectly from the Disclosing Party;
4. it is required by existing contractual obligations of which the Disclosing Party is aware;
5. it is independently developed by the Receiving Party without reliance on the Confidential Information;
6. it is required by any securities exchange or regulatory or governmental body to which it is subject or by judicial process;
7. it is otherwise obtained under the Freedom of Information Law or other applicable New York State laws or regulations; or
8. the disclosure is to its professional advisers, auditors or banker; or to any of its directors, other officers, employees and subcontractors (a "Recipient") to the extent that disclosure is reasonably necessary for the purposes of this Agreement.

D. In addition to the foregoing, Nassau represents that it has certain obligations with regard to the use and protection of Personal Data. "Personal Data" means non-public, personally identifiable information of Nassau's employees or citizenry. Oracle will not store, maintain or process any Personal Data on Nassau's behalf connection with the provision of programs, related technical support and other services under the Agreement. Any access by Oracle to Personal Data will be incidental to the software and related services provided by Oracle to Nassau. Nassau agrees that it will endeavor not to unnecessarily provide any Personal Data to Oracle under the Agreement. To the extent that Oracle has any incidental access to Personal Data in providing its Software and services to Nassau, Oracle agrees that (1) it shall not disclose or use Personal Data except to the extent reasonably required to carry out its obligations under the Agreement; and (2) it shall maintain appropriate information security measures to protect such Personal Data from unauthorized disclosure or use. The obligations set forth in this paragraph shall survive termination of this Agreement.

XII. BREACH

- A. **Breach, Generally.** If either party breaches a material term of this Agreement and fails to correct the breach within 30 days of written specification of the breach, then the breaching party is in default and the non-breaching party may terminate this Agreement, subject to the Dispute Resolution process set forth in the Article immediately below.
- B. **Failure to Make Payment.** In the event Nassau fails to make payment to Oracle for Software or Services delivered and accepted, and invoiced as set forth herein, within thirty (30) days of such delivery and acceptance, Oracle may, upon 10 days advance written notice to Nassau's purchasing official, suspend additional shipments of Software or provision of Services to Nassau until such time as reasonable arrangements have been made and assurances given by such entity for current and future payments. If the breach is for the failure to pay for Software and the breach continues unabated, upon written notice of termination, Oracle may terminate

Nassau's license for the unpaid-for Software. Notwithstanding the foregoing, Oracle shall, at least 10 days prior to declaring a breach of contract by Nassau, by certified or registered mail, notify the purchasing official of Nassau of the specific facts, circumstances and grounds upon which a breach will be declared. It is understood, however, that if Oracle's basis for declaring a breach is insufficient, Oracle's declaration of breach and failure to service Nassau shall constitute a breach of its Agreement and Nassau may thereafter seek any remedy available at law or equity.

C. Remedies for Breach. It is understood and agreed that all rights and remedies afforded below shall be in addition to all remedies or actions otherwise authorized or permitted by law, except where expressly limited in this Agreement:

1. **Cover/Substitute Performance.** In the event of Oracle's material, uncured breach, Nassau may, with or without formally bidding: (i) purchase from other sources; or (ii) if Nassau is unsuccessful after making reasonable attempts, under the circumstances then existing, to timely obtain acceptable service or acquire replacement software of equal or comparable quality, Nassau may acquire acceptable replacement software of lesser or greater quality. Such purchases may, in the discretion of Nassau, be deducted from the Agreement quantity and payments due Oracle.
2. **Withhold Payment.** In any case where a reasonable question of material non-performance by Oracle arises, payment may be withheld in whole or in part at the discretion of Nassau.
3. **Bankruptcy.** In the event that Oracle files a petition under the U.S. Bankruptcy Code during the term of this Agreement, Nassau may, at its discretion, make application to exercise its right to set-off against monies due the Debtor or, under the Doctrine of Recoupment, credit Nassau the amounts owed by Oracle arising out of the same transactions.
4. **Reimbursement of Costs Incurred.** Oracle agrees to reimburse Nassau promptly for any and all additional costs incurred for acquiring acceptable services, and/or replacement software. Should the cost of cover be less than the price charged under this Agreement, Oracle shall have no claim to the difference.
5. **Deduction/Credit.** Sums due as a result of these remedies may be deducted or offset by Nassau from payments due, or to become due, Oracle on the same or another transaction. If no deduction or only a partial deduction is made in such fashion Oracle shall pay to Nassau the amount of such claim or portion of the claim still outstanding, on demand.

XIII. DISPUTE RESOLUTION

- A. In the event there is a dispute or controversy under this Agreement, the parties agree to exercise their best efforts to resolve the dispute as soon as possible. The parties shall, without delay, continue to perform their respective obligations under this Agreement, which are not affected by the dispute.
- B. In the event Nassau is dissatisfied with Oracle's Software or Services provided under this Agreement, Nassau shall notify Oracle in writing. In the event Oracle has any disputes with Nassau, Oracle shall so notify Nassau in writing. If either party notifies the other of such dispute or controversy, the other party shall then make

good faith efforts to solve the problem or settle the dispute amicably, including meeting with the party's representatives to attempt diligently to reach a satisfactory result.

- C. If negotiation between such persons fails to resolve any such dispute to the satisfaction of the parties within 14 business days or as otherwise agreed to by the parties, of such notice, then the matter shall be submitted to Nassau's senior county executive and Oracle's senior officer of the rank of Vice President or higher as its representative. Such representatives shall meet in person and shall attempt in good faith to resolve the dispute within the next 14 business days or as otherwise agreed to by the parties. This meeting must be held before either party may seek any other method of dispute resolution, including judicial or governmental resolutions. Notwithstanding the foregoing, this Article shall not be construed to prevent either party from seeking and obtaining temporary equitable remedies, including injunctive relief.
- D. Oracle shall extend the dispute resolution period for so long as Nassau continues to make reasonable efforts to cure the breach, except with respect to disputes about the breach of payment of fees or infringement of its or its licensors' intellectual property rights.
- E. This Article XIII does not apply to any breach by Nassau of Oracle's or its licensor's intellectual property rights.

XIV. TERMINATION

The following termination provisions are subject to the Dispute Resolution provision, to terms of the Technical Support Policies, and other provisions of this Agreement. Termination under this Article does not relieve Nassau of its obligation to pay for Programs or Services delivered by Oracle under this Agreement.

- A. **For Cause:** For a material breach that remains uncured for more than thirty (30) days or other specified period after written notice to Oracle, the Agreement or Purchase Order may be terminated by Nassau at Oracle's expense where Oracle becomes unable or incapable of performing, or meeting any requirements or qualifications set forth in the Agreement, or for non-performance, or upon a determination that Oracle is non-responsible. Such termination shall be upon written notice to Oracle. In such event, Nassau may complete the contractual requirements in any manner it may deem advisable and pursue available legal or equitable remedies for breach. If the Agreement is terminated pursuant to this subdivision, Nassau shall remain liable for all accrued but unpaid fees and charges incurred through the date of the termination.
- B. **For Convenience:** By written notice, this Agreement may be terminated at any time by Nassau for convenience upon sixty (60) days written notice or other specified period without penalty or other early termination charges due. Such termination of the Agreement shall not affect any Purchase Order that has been issued under the Agreement prior to the date of such termination. If the Agreement is terminated pursuant to this subdivision, Nassau shall remain liable for all accrued but unpaid

charges incurred through the date of the termination. Oracle shall use due diligence and provide any outstanding deliverables.

XV. FORCE MAJEURE

A force majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled. Force majeure includes, but is not limited to, acts of God, acts of war, acts of public enemies, strikes, fires, explosions, actions of the elements, floods, or other similar causes beyond the control of Nassau or Oracle in the performance of the Agreement which non-performance, by exercise of reasonable diligence, cannot be prevented. Oracle shall provide Nassau with written notice of any force majeure occurrence as soon as the delay is known.

Neither Nassau nor Oracle shall be liable to the other for any delay in or failure of performance under the Agreement due to a force majeure occurrence. Any such delay in or failure of performance shall not constitute default or give rise to any liability for damages. The existence of such causes of such delay or failure shall extend the period for performance to such extent as determined by Oracle or Nassau to be necessary to enable complete performance by Oracle if reasonable diligence is exercised after the cause of delay or failure has been removed.

If such event continues for more than 90 days, either party may cancel unperformed Services upon written notice. This section does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures or Nassau's obligation to pay for Software delivered or Services provided.

XVI. AUDIT OF SOFTWARE USAGE

Upon 45 days written notice, Oracle may audit Nassau's use of the Software. Oracle agrees not to audit Nassau's use more frequently than once annually. Nassau agrees to cooperate with Oracle's audit and provide reasonable assistance and access to information during its normal business hours. Nassau shall be entitled to designate a representative who shall be entitled to participate in such audit. Nassau agrees that Oracle shall not be responsible for any of Nassau's reasonable costs incurred in cooperating with the audit.

Oracle shall provide Nassau with a report of any such audit, and Nassau shall have the right to provide a written response to the report to Oracle. All such audit reports and responses to such audit reports shall be considered confidential and subject to the non-disclosure obligations in this Agreement. In the event such audit discloses that Nassau exceeds the scope of the permissible use of the licenses for the Software, Nassau agrees to immediately cease its impermissible use of such Software. To continue its use of such licenses, Nassau agrees to pay within thirty (30) days of the receipt of written notification and provision of an invoice.

Notwithstanding the foregoing, if Nassau in good faith provides Oracle with written notice of an alleged error in the amount of underpaid fees reported in the audit and agrees to pay any amounts not in dispute, Nassau may invoke the Dispute Resolution Process provided in Article XIII of this Agreement. If Nassau pays the undisputed

amounts and provides the aforementioned notice of error, Nassau is not obligated to cease its alleged impermissible use of the Software during the Dispute Resolution process. During the Dispute Resolution process, Oracle agrees not to terminate the Software or any associated Technical Support services, nor commence formal proceedings for the judicial resolution of such dispute, except for the seeking of equitable relief, until an amicable resolution of the dispute through continued negotiation of the matter at issue does not appear likely.

XVII. POLICIES AND SECURITY

In performing this Agreement, Oracle warrants, covenants and represents that it will comply fully with Nassau's rules, procedures and protocols ("Procedures"), including but not limited to physical, facility, documentary, information security and cyber security, provided that such Procedures do not violate any state, local or federal law. Nassau shall make available the relevant Procedures and Oracle shall be responsible for distributing to its representatives and assessing and ensuring compliance. If any part of the Procedures should violate Oracle's Code of Ethics and Business Conduct or Oracle is otherwise unable to comply, Oracle shall notify Nassau in writing. Nassau shall be responsible for acquiring the necessary approvals for the waiver from the entity that issued the Procedure. Oracle and Nassau agree that the Procedures do not modify or amend the other terms and conditions of the Agreement.

XVIII. MISCELLANEOUS

- A. Cooperation Between Contractors.** Oracle shall be responsible for fully cooperating with any third party, including but not limited to other contractors or subcontractors of Nassau, as necessary to ensure delivery of Software or coordination of performance of Services.
- B. Independent Contractors.** It is understood and agreed that the legal status of Oracle, its agents, officers and employees under this Agreement is that of an independent contractor, and in no manner shall they be deemed employees of Nassau, and therefore are not entitled to any of the benefits associated with such employment. Oracle agrees, during the term of this Agreement, to maintain at Oracle's expense those benefits to which its employees would otherwise be entitled by law, including health benefits, and all necessary insurance for its employees, including worker's compensation, disability and unemployment insurance, and to provide Nassau with certification of such insurance upon request. Oracle remains responsible for all applicable federal, state and local taxes, and all FICA contributions.
- C. No Hard Stop / Passive License Monitoring.** Unless Nassau is otherwise specifically advised to the contrary in writing at the time of order and prior to purchase, Oracle hereby warrants and represents that either: (1) the Software and all Updates do not and will not contain any computer code that would disable the Software or Updates or impair in any way its operation based on the elapsing of a period of time, exceeding an authorized number of copies, advancement to a particular date or other numeral, or other similar self-destruct mechanisms (sometimes referred to as "time bombs," "time locks," or "drop dead" devices) or that would permit Oracle to access the Software to cause such disablement or impairment (sometimes referred to as a "trap door" device); or (2) if the Software or

Updates does contain any such computer code, such computer code shall not be enabled. Oracle agrees that in the event of a breach or alleged breach of this provision, Nassau may seek a temporary restraining order, injunction, or other form of equitable relief against the continuance of such breach, in addition to any and all remedies to which Nassau shall be entitled.

- D. Proof of License.** The fully signed Ordering Document, Nassau's corresponding Purchase Order and payment of Oracle's invoice shall serve as Nassau's proof of License.
- E. Severability.** If any provision of this Agreement is deemed invalid or unenforceable, such determination shall have no effect on the balance of the Agreement, which shall be enforced and interpreted as if such provision was never included in the Agreement.
- F. Entire Agreement and Modification of Agreement Terms.** This Agreement and the referenced appendices constitute the entire agreement between the parties thereto and no statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained herein shall be binding or valid, and the Agreement shall not be changed, modified or altered in any manner except by an instrument in writing executed by both parties hereto. No preprinted terms or conditions on a Purchase Order issued by Nassau, which seek to vary the terms of this Agreement or impose new duties or obligations on Oracle, shall have any force or effect.
- G. Assignments and Mergers, Acquisitions, Divestitures.** Upon notice to Oracle, the Agreement may be assigned without the consent of Oracle to another Nassau subdivision pursuant to a governmental reorganization or assignment of functions under which the functions are transferred to a successor entity that assumes Nassau's responsibilities for the Agreement. If Nassau grants a security interest in the Programs and/or any Services deliverables, the secured party has no right to use or transfer the Programs and/or any Services deliverables, and if Nassau decides to finance an acquisition of the programs and/or any services, it will follow Oracle's policies regarding financing which are at <http://oracle.com/contracts>. Except in the event of a merger, consolidation, acquisition, internal restructuring, or sale of all or substantially all of the assets of Oracle, Oracle may not assign this Agreement without Nassau's prior written consent. Oracle's obligation to perform under this Agreement shall not be affected or impaired by any reorganization, consolidation or merger to which Oracle is, or may become, a party.
- H. Press Releases / Publicity.** Oracle shall obtain the prior written approval of Nassau relative to the Agreement for press or other media releases.
- I. UCITA.** The Uniform Computer Information Transactions Act does not apply to this Agreement or orders placed under it.
- J. Legal Compliance.** Oracle represents it will pay at its sole expenses for all applicable permits, licenses, tariffs, tolls and fees and that it shall secure all notices and comply with all laws, ordinances, rules and regulations of any governmental

entity applicable to the performance of obligations under the Agreement or seek waiver therefrom. Prior to award and during the Agreement term and any renewals thereof, Oracle must establish to the satisfaction of Nassau that it meets or exceeds all requirements of the Agreement and any applicable laws, including but not limited to, permits, insurance coverage, licensing, and proof of coverage for workers' compensation, and shall provide such proof as required by Nassau. Failure to comply or failure to provide proof may constitute grounds for Nassau to cancel or suspend the Agreement, in whole or in part or to take any other action deemed necessary by Nassau.

- K. Captions.** The captions contained in this Agreement are intended for convenience and reference purposes only and shall in no way be deemed to define or limit any provision thereof.
- L. Governing Law.** This procurement, the resulting contract and any purchase orders issued hereunder shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise, and actions or proceedings arising from the contract shall be heard in a court of competent jurisdiction in the State of New York.
- M. Order of Precedence.** The documents comprising this Agreement shall have the following order of precedence: (1) Appendix A; (2) Ordering Document(s); (3) this Agreement; and (4) all other exhibits.

XIX. NASSAU SPECIFIC LAWS, ORDINANCES, REQUIREMENTS

A. Insurance.

1. **Types and Amounts.** Oracle shall obtain and maintain throughout the term of this Agreement, at its own expense: (i) one or more policies for commercial general liability insurance, which policy(ies) shall name "Nassau County" as an additional insured and have a minimum single combined limit of liability of not less than two million dollars (\$2,000,000) per occurrence and four million dollars (\$4,000,000) aggregate coverage, (ii) compensation insurance for the benefit of Oracle's employees ("Workers' Compensation Insurance"), which insurance is in compliance with the New York State Workers' Compensation Law, and (iii) such additional insurance, including, without limitation, builder's all risk, if applicable, automobile liability insurance and umbrella liability insurance, as Nassau may from time to time specify.
2. **Acceptability; Deductibles; Subcontractors.** All insurance obtained and maintained by Oracle pursuant to this Agreement shall be (i) written by one or more commercial insurance carriers licensed or authorized to do business in New York State and acceptable to Nassau; and (ii) in form and substance acceptable to Nassau. Oracle shall be solely responsible for the payment of all deductibles to which such policies are subject. Oracle shall require any subcontractor hired in connection with this Agreement to carry insurance with the same limits and provisions required to be carried by Oracle under this Agreement.
3. **Delivery; Coverage Change; No Inconsistent Action.** Prior to the execution of this Agreement, copies of current certificates of insurance evidencing the

Insurance coverage required by this Agreement shall be delivered to the Nassau County Attorney's Office. Not less than thirty (30) days prior to the date of any expiration or renewal of, or actual, proposed or threatened reduction or cancellation of coverage under, any insurance required hereunder, Oracle shall provide written notice to the Nassau County Attorney's Office of the same and deliver to Nassau County Attorney's Office renewal or replacement certificates of insurance. Oracle shall cause all insurance to remain in full force and effect throughout the term of this Agreement and shall not take any action, or omit to take any action, which would suspend or invalidate any of the required coverages. The failure of Oracle to maintain Workers' Compensation Insurance shall render this contract void and of no effect. The failure of Oracle to maintain the other required coverages shall be deemed a material breach of this Agreement upon which Nassau reserves the right to consider this Agreement terminated as of the date of such failure.

- B. No Arrears or Default.** Oracle is not in arrears to Nassau upon any debt or contract and it is not in default as surety, contractor, or otherwise upon any obligation to Nassau, including any obligation to pay taxes to, or perform services for or on behalf of, Nassau.
- C. Nassau County Living Wage Law.** Pursuant to LL 12006, as amended, and to the extent that a waiver has not been obtained in accordance with such law or any rules of the County Executive, with respect to Services provided to Nassau which are performed within the United States, Oracle agrees as follows:
1. Oracle shall comply with the applicable requirements of the Living Wage Law, as amended;
 2. Failure to comply with the Living Wage Law, as amended, may constitute a material breach of this Agreement, the occurrence of which shall be determined solely by the County. Oracle has the right to cure such breach within thirty days of receipt of notice of breach from Nassau. In the event that such breach is not timely cured, Nassau may terminate this Agreement as well as exercise any other rights available to Nassau under applicable law.
 3. It shall be a continuing obligation of Oracle to inform Nassau of any material changes in the content of its certification of compliance, attached as Exhibit 6, and shall provide to Nassau any information necessary to maintain the certification's accuracy.
- C. Administrative Service Charge.** Oracle agrees to pay Nassau an administrative service charge of five hundred and thirty-three dollars (\$533.00) for the processing of this Agreement pursuant to Ordinance Number 741979, as amended by Ordinance Number 1282006.
- D. Executory Clause.** Notwithstanding any other provision of this Agreement:
1. Approval and Execution. Nassau shall have no liability under this Agreement (including any extension or other modification of this Agreement) to Oracle unless:
 - (i) all Nassau approvals have been obtained, including, if required, approval by the Nassau County Legislature, and

- (ii) this Agreement has been executed by the Nassau.
2. **Availability of Funds:** Nassau shall have no liability under this Agreement (including any extension or other modification of this Agreement) to Oracle beyond funds appropriated or otherwise lawfully available for this Agreement, and, if any portion of the funds for this Agreement are from the State and/or federal governments, then beyond funds available to Nassau from the State and/or federal governments. Notwithstanding the foregoing, (a) Nassau agrees to pay for all Software ordered and Services performed by Oracle prior to Oracle's receipt of Nassau's notice of the unavailability of funding or appropriations and (b) Nassau's issuance of a Purchase Order to Oracle is its representation to Oracle that funds for that purchase have been fully appropriated and are presently available.

XX. NOTICES

If Nassau has a dispute with Oracle or if Nassau wishes to provide a notice under the Indemnification section of this Agreement, or if Nassau becomes subject to insolvency or other similar legal proceedings, it will promptly send written notice to: Oracle USA, Inc., 500 Oracle Parkway, Redwood City, California, USA, Attention: General Counsel, Legal Department.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

ORACLE USA, INC.

NASSAU COUNTY, NEW YORK

Signature: [Signature]

Name: DOUGLAS W. DORAN

Title: DIRECTOR, LICENSE CONTRACTS

Date: 5/1/2009

Signature: [Signature]

Name: THOMAS W. STATES

Title: DEPUTY CO. EXEC.

Date: 5-29-09

Corporate Acknowledgement

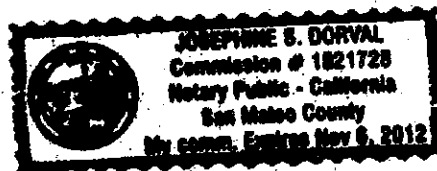
STATE OF CALIFORNIA

COUNTY OF SAN MATEO

)
) ss:
)

On this 1st day of May, 2009 before me personally came Douglas W. Doran, to me known, who, being duly sworn, did depose and say that he/she is Director of the corporation described in the foregoing instrument and that he/she executed the foregoing instrument as Director thereof.

[Signature]
Notary Public




STATE OF NEW YORK)

)ss.:

COUNTY OF NASSAU)

On the 29th day of MAY in the year 2009 before me personally came Thomas W Stokes to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Suffolk; that he or she is a Deputy County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

NOTARY PUBLIC



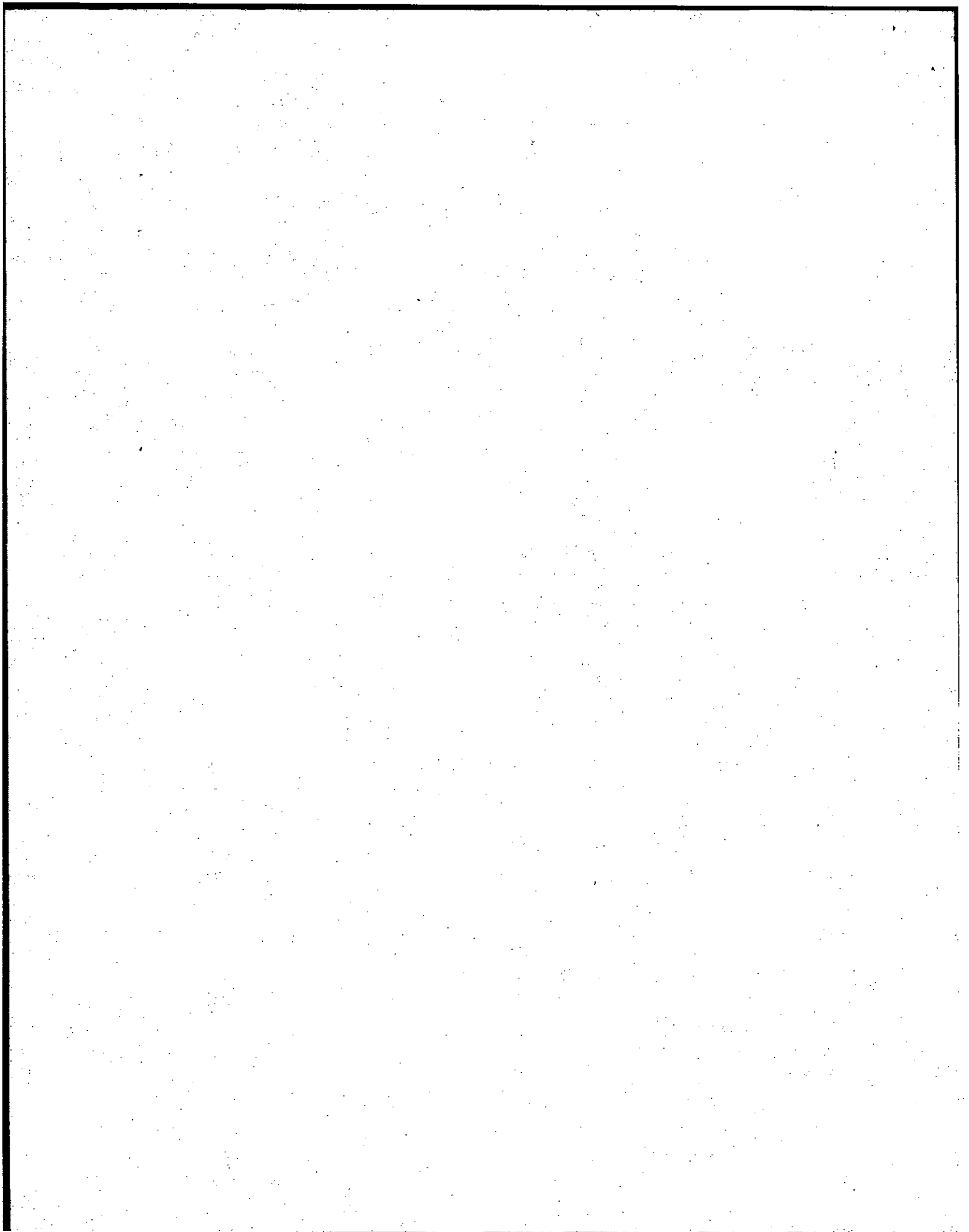
FREDERICK A. SUZEL JR.

NOTARY PUBLIC-STATE OF NEW YORK

No. 01304781488

Qualified in Queens County

My Commission Expires February 28, 2010





ORDERING DOCUMENT

Oracle USA, Inc.
500 Oracle Parkway
Redwood Shores, CA 94065

Your Name NASSAU COUNTY, NEW YORK
Your Location 240 Old Country Road
Mineola, NY 11501

Your Contact Keith Hill
Phone Number 516-571-4150
Email Address khill@nassaucountyny.gov

ORACLE CONTRACT INFORMATION

Agreement: Software License and Services Agreement

Agreement Name: _____ ("agreement")

This ordering document incorporates by reference the terms of the agreement specified above. The following defined and capitalized terms in the referenced agreement between you and Oracle USA, Inc. (as successor in interest to Oracle Corporation, hereinafter "Oracle") shall have the same meaning as the stated terms in this ordering document: "Agreement" and "agreement"; "Customer"/"Client" and "you"/"your"; "Program" and "program"; "Technical Support" and "technical support"; "Program Documentation"/"Documentation" and "program documentation"; and "Ordering Document"/"Order Form" and "ordering document".

A. Description and Fees for Ordered Programs and Services

Listed below is a summary of net fees due under the ordering document. These fees are in US Dollars and are exclusive of any applicable shipping charges or applicable taxes. You have ordered the program licenses and 12 months of technical support services described below:

A. 1 - Product Description / License Type	Quantity
PeopleSoft Enterprise Financials - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Treasury - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Purchasing - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Inventory - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise eSupplier Connection - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise eProcurement - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Strategic Sourcing - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Supplier Contract Management - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Asset Management - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Project Costing - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Contracts - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Grants - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Expenses - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Program Management - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise EPM Portal Pack - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Scorecard - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Performance Management Warehouse - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Portal - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Supplier Rating System - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Financials Portal Pack - Enterprise \$M In Operating Budget Perpetual	3200
PeopleSoft Enterprise Planning and Budgeting - Enterprise \$M In Operating Budget Perpetual	3200
Hyperion Planning - System 9 - Enterprise \$M In Operating Budget Perpetual	3200
Hyperion Workforce Planning - Enterprise \$M In Operating Budget Perpetual	3200
Hyperion Capital Asset Planning - Enterprise \$M In Operating Budget Perpetual	3200
Hyperion Performance Scorecard - Enterprise \$M In Operating Budget Perpetual	3200
A. 2 - Product Description / License Type	Quantity
PeopleSoft Enterprise Human Resources - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Payroll - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Absence Management - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Time and Labor - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Recruiting Solutions - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise ePerformance - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Benefits Administration - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise eCompensation - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Learning Management - Enterprise Employee Perpetual	9700

PeopleSoft Enterprise Workforce Rewards - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise Workforce Scorecard - Enterprise Employee Perpetual	9700
PeopleSoft Enterprise HRMS Portal Pack - Enterprise Employee Perpetual	9700

A.3 - Product Description / License Type	Quantity
User Productivity Kit - UPK Developer Perpetual	5
User Productivity Kit - UPK Employee Perpetual	9700
PeopleSoft Enterprise UPK Human Resources over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Payroll for North America over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Benefits Administration over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Time & Labor over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK ePay over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eProfile over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eBenefits over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK ePerformance over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Enterprise Learning Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK General Ledger over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Receivables over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Payables over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Asset Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Project Costing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Contracts over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Grants over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Expenses - over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Planning and Budgeting over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Billing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Purchasing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Inventory over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eProcurement over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eCompensation Manager Desktop over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK eProfile Manager Desktop over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Absence Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Talent Acquisition Manager over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Strategic Sourcing over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Enterprise Portal over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Reporting Tools for HRMS Software Modules over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Reporting Tools for Financials/ESA and Supply Chain over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Fundamentals for HRMS Software Modules over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Fundamentals for Financials and Supply Chain Management over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1
PeopleSoft Enterprise UPK Reporting Tools for PeopleTools over 4K employees and/or \$1 billion in revenue - UPK Module Perpetual	1

A.4 - Product Description / License Type	Quantity
Diagnostics Pack - Processor Perpetual	18
Application Management Pack for PeopleSoft - Named User Plus Perpetual	50
Application Management Pack for PeopleSoft - Processor Perpetual	18
Oracle Business Intelligence Management Pack - Named User Plus Perpetual	143
Oracle Business Intelligence Suite Enterprise Edition Plus - Named User Plus Perpetual	143
Business Intelligence Server Administrator - Named User Plus Perpetual	10

A.5 - Product Description / License Type	Quantity
Crystal Reports for PeopleSoft Enterprise for Unlimited Users (Mfr is Business Objects SA Third Party Program)	1
Crystal Enterprise/BusinessObjects Enterprise PeopleSoft Enterprise Concurrent Access License (bundles of 5) (Mfr is Business Objects SA Third Party Program)	1
Websphere for PeopleSoft Enterprise (Mfr is International Business Machines Corporation; Third Party Program)	1

	Net Fee
Oracle Programs License Fees	\$1,628,356.32
Oracle Programs Support Fees	\$358,458.35
Net Fee	\$1,987,814.67
Total Fees	\$1,987,814.67

B. General Terms

1. Commencement Date

All program licenses and the period of performance for all services are effective upon shipment of tangible media or upon the effective date of this ordering document if shipment of tangible media is not required.

2. Fees, Invoicing, and Payment Obligation

a. All fees due under this ordering document shall be non-cancelable and the sums paid nonrefundable, except as provided in the agreement.

b. In entering into payment obligations under this ordering document, you agree and acknowledge that you have not relied on the future availability of any program or updates. However, (a) if you order technical support for programs licensed under this ordering document, the preceding sentence does not relieve Oracle of its obligation to provide such technical support under this ordering document, if and when available, in accordance with Oracle's then current technical support policies, and (b) the preceding sentence does not change the rights granted to you for any program licensed under this ordering document, per the terms of this ordering document and the agreement.

c. In accordance with the agreement: (i) license fees are invoiced as of the commencement date; and (ii) service fees are invoiced after the performance of the service; specifically, technical support fees are invoiced quarterly in arrears from the commencement date.

d. In addition to the fees listed in section A, Oracle will invoice you for any applicable shipping charges or applicable taxes.

3. Delivery and Installation

a. You shall be responsible for installation of the software.

b. Oracle has made available to you for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com> the programs listed in section A. Through the Internet URL, you can access and electronically download to your location the software and related documentation for each program listed in section A. Provided that you have continuously maintained technical support for the programs listed in section A, you may continue to download the software and related program documentation for the programs listed in section A. Please be advised that not all programs are available on all hardware/operating system combinations. For current program availability please check the electronic delivery web site. You acknowledge that Oracle's delivery obligation under this ordering document is met by the provision of the electronic delivery web site URL.

4. Source Code

Oracle may deliver source code as part of its standard delivery for particular programs; all source code delivered by Oracle is subject to the terms of the agreement, ordering document and program documentation.

5. Segmentation

The program licenses provided in this ordering document are offered separately from any other proposal for consulting services you may receive or have received from Oracle and do not require you to purchase Oracle consulting services.

6. Order of Precedence

In the event of any inconsistencies between the agreement and this ordering document, this ordering document shall take precedence.

7. Customer Reference

In consideration of the discounts granted to you under this ordering document, Oracle may refer to you as a customer in sales presentations, marketing vehicles and activities. In addition you agree to become part of Oracle's reference program by working with a representative from Oracle Marketing to develop a customer profile for use on Oracle.com and for other promotional activities at Oracle's discretion. The profile will include a quote from an executive of your organization and your organization's logo.

8. Territory

The program licenses and services described in section A are for use in the U.S.

9. Limited Use Programs

The programs listed in section A-4 are limited use programs and maybe used only with the programs listed in section A.1, section A.2 and section A.3.

10. Technical Support Cap

Software Update License & Support (or any successor technical support offering to Software Update License & Support, "SULS") acquired with your order may be renewed annually and, if you renew SULS for the same number of licenses for the same programs, for the first, second, third and fourth renewal years, the fee for SULS will not increase over the prior year's fee. If you renew SULS for the same number of licenses for the same programs for the fifth, sixth, seventh, eighth or ninth renewal year, the fee for SULS will not increase by more than three percent (3%) over the prior year's fees.

C. Future Purchases

1. Expansion

a. If you exceed your licensed quantity you must order the programs (and first year Software Update License & Support for the programs) at the appropriate license and support fees specified on the attached Expansion Exhibit. The number of additional program licenses to be ordered shall be equal to the actual dollar amount of Enterprise \$M of Operating Budget listed in section A.1 and/or the actual number of Enterprise Employees listed in section A.2 as of the order date less the total number of licensed quantity (under this ordering document or other ordering documents) rounded up to the next increment on the attached Expansion Exhibit.

b. The license definitions and program specific terms contained in section D of this ordering document will apply to program licenses ordered pursuant to this section.

c. Oracle has no delivery obligation for program licenses ordered pursuant to this section.

D. Enterprise Application Specific Terms

1. Enterprise \$M Operating Budget

\$M Operating Budget is defined as one million US Dollars of your gross budget reflected in an audited statement from your external accounting firm.

2. Applicable to programs with the license type of Enterprise \$M Operating Budget

The value of these program licenses is determined by the amount of Enterprise \$M Operating Budget. For these program licenses, the licensed quantity purchased must, at a minimum, be equal to the amount of Enterprise \$M Operating Budget as of the effective date of your order. If at any time the amount of Enterprise \$M Operating Budget exceeds the licensed quantity, you are required to order additional licenses (and technical support for such additional licenses) such that the amount of Enterprise \$M Operating Budget is equal to or less than the licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the amount of Enterprise \$M Operating Budget. In addition, each year 90 days before the anniversary date (defined as the day and month of the ordering document effective date), you are required to report to Oracle the number of Enterprise \$M Operating Budget as of such date.

3. Enterprise Employee

Enterprise Employee is defined as all of your full-time, part-time, temporary employees and all of your agents, contractors and consultants. The quantity of the licenses required is determined by the number of Enterprise Employees and not the actual number of users. In addition, if you elect to outsource any business function(s) to another company, all of the company's full-time, part-time, temporary employees and agents, contractors and consultants that are providing the outsourcing services for you must be counted for the purposes of determining the number of Enterprise Employees.

4. Applicable to programs with the license type of Enterprise Employee

The value of these program licenses is determined by the number of Enterprise Employees. For these program licenses, the licensed quantity purchased must, at a minimum, be equal to the number of Enterprise Employees as of the effective date of your order. If at any time the number of Enterprise Employees exceeds the licensed quantity, you are required to order additional licenses (and technical support for such additional licenses) such that the number of Enterprise Employees is equal to or less than the licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the number of Enterprise Employees. In addition, each year 90 days before the anniversary date (defined as the day and month of the ordering document effective date), you are required to report to Oracle the number of Enterprise Employees as of such date.

5. Archival Back-Up and Disaster Recovery

The last sentence of Article II, Section E.3 of the agreement shall not apply to the programs listed in sections A.1, A.2 and A.3 of this ordering document.

F. Program Specific Terms for the Peoplesoft Product Lines

1. License Grant

Oracle grants to you a non-exclusive, nontransferable license for your UPK Developer(s) to: (i) use those User Productivity Kit ("UPK") products listed in Section A (collectively referred to as "materials") only as necessary to create and provide training solely for UPK to use the underlying programs for your benefit; (ii) make an unlimited number of copies of the materials only as necessary to create and provide training solely to UPK to use the underlying programs for your benefit; and (iii) develop modifications and customizations to the UPK programs licensed per UPK Module, if applicable, all subject to the terms and conditions set forth in the agreement, provided all copyright notices are reproduced as provided on the original. You are prohibited from reselling or distributing the materials to any other party or using the materials other than as explicitly permitted in this ordering document or in the agreement. Oracle represents that the materials and any content created by you using the program materials contain valuable proprietary information. Oracle (or its third-party program providers) retains title to all portions of the materials and any copies thereof. You shall use materials modifications created by you solely for your internal use in accordance with the terms of the agreement. You may provide access to and use of the materials only to those third parties that are licensed as UPK Users and that: (a) provide services to you concerning your use of the materials; (b) have a need to use and access the materials; and (c) have agreed to substantially similar non-disclosure obligations imposed by you as those contained in the agreement. NOTWITHSTANDING ANYTHING IN THE AGREEMENT TO THE CONTRARY, PROGRAMS LICENSED PER UPK MODULE ARE PROVIDED "AS IS" AND ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.

1. UPK Materials

For UPK content materials licensed under this ordering document, you represent and warrant that you have a valid license for the underlying program(s). All content materials are published in English language only.

2. UPK Module

UPK Module is defined as the functional software component described in the product documentation.

3. Included Programs - Crystal Reports for PeopleSoft Enterprise

This program is a third party program and it is also a supportable program. "Unlimited users" for purposes of this program means all users who are authorized by you to use such program. You may use this third party program solely in conjunction with PeopleSoft Enterprise programs licensed by you.

4. Included Programs - Crystal Enterprise/BusinessObjects Enterprise for PeopleSoft Enterprise

You acknowledge that this program requires a web application server. This third party program is a supportable program. A "concurrent access license" is a license for one person to access all features and functions of this program. A concurrent access license user is accessing the program from the time the concurrent access license user logs onto the program until the concurrent access license user exits or closes the program. You may use this third party program solely in conjunction with PeopleSoft Enterprise programs licensed by you.

5. Included Programs - WebSphere

Notwithstanding anything in the agreement to the contrary, Oracle shall not be obligated to indemnify you for any claims based on: (i) any third party products identified in the "README" AND "LICENSE.TXT" files included with WebSphere; (ii) open source code delivered with the WebSphere product; (iii) any trade secret embodied within WebSphere; and (iv) the combination, operation or use of WebSphere with any non-International Business Machine Corporation product, data, or apparatus. In addition to the terms set forth in the agreement and this ordering document, use of this program shall be subject to the terms and conditions set forth in the "README" and "LICENSE.TXT" files included with the WebSphere program, as those terms may change from time to time. Notwithstanding anything herein to the contrary: (a) source code is not included for this program and (b) this third party program is a supportable program.

By signing below, the parties agree that the agreement and this ordering document constitute the entire agreement between the parties with regard to the subject matter herein and as such, no other preprinted, non-negotiated or other terms and conditions, on the customer's purchase order or elsewhere, shall apply. The offer is valid through 30-NOV-2008 and shall become binding upon execution by you and acceptance by Oracle.

NASSAU COUNTY, NEW YORK

Signature

Name

Title

Signature Date

Effective Date

(to be completed by Oracle)

ORACLE USA, INC.

Signature

Name

Title

Signature Date

Expansion Exhibit

1. Listed below is the license fee and first year Software Update License & Support fee for additional program licenses for the program listed in section A.1 with the license type "Enterprise \$M in Operating Budget Perpetual" that may be purchased pursuant to section [C.1]:

Product Description	License Fee/ Increment	First Year Software Update License & Support/ Increment	Increment (In millions)
PeopleSoft Enterprise Financials - Enterprise \$M in Operating Budget Perpetual	94,264.19	20,738.12	320
PeopleSoft Enterprise Treasury - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Purchasing - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Inventory - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise eSupplier Connection - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise eProcurement - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Strategic Sourcing - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Supplier Contract Management - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Asset Management - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Project Costing - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Contracts - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Grants - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Expenses - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Program Management - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise EPM Portal Pack - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Scorecard - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Performance Management Warehouse - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Portal - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Supplier Rating System - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Financials Portal Pack - Enterprise \$M in Operating Budget Perpetual			
PeopleSoft Enterprise Planning and Budgeting - Enterprise \$M in Operating Budget Perpetual			
Hyperion Planning - System 9 - Enterprise \$M in Operating Budget Perpetual			
Hyperion Workforce Planning - Enterprise \$M in Operating Budget Perpetual			
Hyperion Capital Asset Planning - Enterprise \$M in Operating Budget Perpetual			
Hyperion Performance Scorecard - Enterprise \$M in Operating Budget Perpetual			

2. Listed below is the license fee and first year Software Update License & Support fee for additional program licenses for the program listed in section A.2 with the license type "Enterprise Employee Perpetual" that may be purchased pursuant to section [C.1]:

Product Description	License Fee/ Increment	First Year Software Update License & Support/ Increment	Increment
PeopleSoft Enterprise Human Resources - Enterprise Employee Perpetual	24,372.91	5,362.04	970
PeopleSoft Enterprise Payroll - Enterprise Employee Perpetual			
PeopleSoft Enterprise Absence Management - Enterprise Employee Perpetual			
PeopleSoft Enterprise Time and Labor - Enterprise Employee Perpetual			
PeopleSoft Enterprise Recruiting Solutions - Enterprise Employee Perpetual			
PeopleSoft Enterprise ePerformance - Enterprise Employee Perpetual			
PeopleSoft Enterprise Benefits Administration - Enterprise Employee Perpetual			
PeopleSoft Enterprise eCompensation - Enterprise Employee Perpetual			
PeopleSoft Enterprise Learning Management - Enterprise Employee Perpetual			
PeopleSoft Enterprise Workforce Rewards - Enterprise Employee Perpetual			
PeopleSoft Enterprise Workforce Scorecard - Enterprise Employee Perpetual			
PeopleSoft Enterprise HRMS Portal Pack - Enterprise Employee Perpetual			

APPENDIX A

**STANDARD CLAUSES FOR NEW YORK STATE
CONTRACTS**

APPENDIX A

STANDARD CLAUSES FOR NEW YORK STATE CONTRACTS

**PLEASE RETAIN THIS DOCUMENT
FOR FUTURE REFERENCE.**

June, 2006

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STANDARD CLAUSES FOR NYS CONTRACTS

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "the contract" or "this contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a contractor, licenser, licensee, lessor, lessee or any other party):

1. EXECUTORY CLAUSE. In accordance with Section 41 of the State Finance Law, the State shall have no liability under this contract to the Contractor or to anyone else beyond funds appropriated and available for this contract.

2. NON-ASSIGNMENT CLAUSE. In accordance with Section 138 of the State Finance Law, this contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the previous consent, in writing, of the State and any attempts to assign the contract without the State's written consent are null and void. The Contractor may, however, assign its right to receive payment without the State's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

3. COMPTROLLER'S APPROVAL. In accordance with Section 112 of the State Finance Law (or, if this contract is with the State University or City University of New York, Section 355 or Section 6218 of the Education Law), if this contract exceeds \$50,000 (or the minimum thresholds agreed to by the Office of the State Comptroller for certain S.U.N.Y. and C.U.N.Y. contracts), or if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amount, or if, by this contract, the State agrees to give something other than money when the value or reasonably estimated value of such consideration exceeds \$10,000, it shall not be valid, effective or binding upon the State until it has been approved by the State Comptroller and filed in his office. Comptroller's approval of contracts let by the Office of General Services is required when such contracts exceed \$85,000 (State Finance Law Section 163.6.a).

4. WORKERS' COMPENSATION BENEFITS. In accordance with Section 142 of the State Finance Law, this contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

5. NON-DISCRIMINATION REQUIREMENTS. To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex, or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the

performance of work under this contract. Contractor is subject to fines of \$50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

6. WAGE AND HOURS PROVISIONS. If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law.

7. NON-COLLUSIVE BIDDING CERTIFICATION. In accordance with Section 139-d of the State Finance Law, if this contract was awarded based upon the submission of bids, Contractor affirms, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further affirms that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to the State a non-collusive bidding certification on Contractor's behalf.

8. INTERNATIONAL BOYCOTT PROHIBITION. In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, the Contractor agrees, as a material condition of the contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2NYCRR 105.4).

9. SET-OFF RIGHTS. The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the State with regard to this contract, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Comptroller.

10. RECORDS. The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "the Records"). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of the Contractor.

within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. The State shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform an appropriate State official, in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the State's right to discovery in any pending or future litigation.

11. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION. (a) **FEDERAL EMPLOYER IDENTIFICATION NUMBER and/or FEDERAL SOCIAL SECURITY NUMBER.** All invoices or New York State standard vouchers submitted for payment for the sale of goods or services or the lease of real or personal property to a New York State agency must include the payee's identification number, i.e., the seller's or lessor's identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both such numbers when the payee has both such numbers. Failure to include this number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice or New York State standard voucher, must give the reason or reasons why the payee does not have such number or numbers.

(b) **PRIVACY NOTIFICATION.** (1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law.

(2) The personal information is requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. The information is maintained in New York State's Central Accounting System by the Director of Accounting Operations, Office of the State Comptroller, 110 State Street, Albany, New York 12236.

12. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN. In accordance with Section 312 of the Executive Law, if this contract is: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency; or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project, then:

(a) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment,

employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation;

(b) at the request of the contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the contractor's obligations herein; and

(c) the Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

Contractor will include the provisions of "a", "b", and "c" above, in every subcontract over \$25,000.00 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract; or (ii) employment outside New York State; or (iii) banking services, insurance policies or the sale of securities. The State shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The contracting agency shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the contracting agency shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulations of the Governor's Office of Minority and Women's Business Development pertaining hereto.

13. CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control.

14. GOVERNING LAW. This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

15. LATE PAYMENT. Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Article 11-A of the State Finance Law to the extent required by law.

16. NO ARBITRATION. Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized), but must, instead, be heard in a court of competent jurisdiction of the State of New York.

17. SERVICE OF PROCESS. In addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR"), Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the State's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the State, in writing, of each and every change of address to which service of process can be made. Service by the State to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

18. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS. The Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of State Finance Law §165. (Use of Tropical Hardwoods) which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the contractor to establish to meet with the approval of the State.

In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in §165 State Finance Law. Any such use must meet with the approval of the State; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the State.

19. MACBRIDE FAIR EMPLOYMENT PRINCIPLES. In accordance with the MacBride Fair Employment Principles (Chapter 807 of the Laws of 1992), the Contractor hereby stipulates that the Contractor either (a) has no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Section 165 of the New York State Finance Law), and shall permit independent monitoring of compliance with such principles.

20. OMNIBUS PROCUREMENT ACT OF 1992. It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development
Division for Small Business
30 South Pearl St - 7th Floor
Albany, New York 12245
Telephone: 518-292-5220
Fax: 518-292-5884
<http://www.empire.state.ny.us>

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development
Division of Minority and Women's Business Development
30 South Pearl St - 2nd Floor
Albany, New York 12245
Telephone: 518-292-5250
Fax: 518-292-5803
<http://www.empire.state.ny.us>

The Omnibus Procurement Act of 1992 requires that by signing this bid proposal or contract, as applicable, Contractors certify that whenever the total bid amount is greater than \$1 million:

(a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the State;

(b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;

(c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide said documentation to the State upon request; and

(d) The Contractor acknowledges notice that the State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

21. RECIPROCITY AND SANCTIONS PROVISIONS. Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. NOTE: As of May 15, 2002, the list of discriminatory jurisdictions subject to this provision includes the states of South Carolina, Alaska, West Virginia, Wyoming, Louisiana and Hawaii. Contact NYS Department of Economic Development for a current list of jurisdictions subject to this provision.

22. PURCHASES OF APPAREL. In accordance with State Finance Law 162 (4-a), the State shall not purchase any apparel from any vendor unable or unwilling to certify that: (i) such apparel was manufactured in compliance with all applicable labor and occupational safety laws, including, but not limited to, child labor laws, wage and hours laws and workplace safety laws, and (ii) vendor will supply, with its bid (or, if not a bid situation, prior to or at the time of signing a contract with the State), if known, the names and addresses of each subcontractor and a list of all manufacturing plants to be utilized by the bidder.

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EXHIBIT 1

ORACLE TECHNICAL SUPPORT POLICIES

Technical Support Policies

Effective Date: 27-October-2008

Unless otherwise stated, these Technical Support Policies apply to technical support for all Oracle product lines. These Technical Support Policies may be referred to in former PeopleSoft agreements as the "Software Support Services Terms and Conditions", in former Siebel agreements as the "Maintenance Services Policy", in former Hyperion agreements as the "Standard Maintenance Program", in former Agile agreements as the "product support policy" and in former BEA agreements as the "Support Services" policies.

"You" and "your" refers to the individual or entity that has ordered technical support from Oracle or an authorized distributor.

To receive technical support as provided by Oracle Support Services ("OSS") and described in the Oracle Technical Support Levels section below, all programs must be properly licensed.

Technical support is provided for issues (including problems created by you) that are demonstrable in the currently supported release(s) of an Oracle licensed program, running unaltered, and on an appropriate hardware, database and operating system configuration, as specified in your order or program documentation.

Product release and supported platforms information for all Oracle programs, other than Cimmetry AutoVue and Vuelink programs ("Cimmetry programs"), Crystal Ball programs, and AdminServer programs, is available through Oracle's web-based customer support systems as described in the Web-Based Customer Support Systems section below. Product release and supported platforms information for Cimmetry programs is available in the AutoVue Administration Guide that is included with the Cimmetry program documentation.

Product release and supported platforms information for the following programs will be provided to you in writing:

Crystal Ball
AdminServer
Skywire (programs not included on the Skywire Online Support Portal)

Oracle will provide technical support in accordance with Oracle's privacy policy available at <http://www.oracle.com/html/privacy.html>.

These Technical Support Policies are subject to change at Oracle's discretion, however the services provided will not be materially reduced during the support period (defined below).

To view changes that have been made, please refer to the attached Statement of Changes (PDF).

Technical Support Fees

Technical support fees are due and payable annually in advance of a support period, unless otherwise stated in the relevant ordering document or financing or payment contract with Oracle or an Oracle affiliate. Your commitment to pay is required to process your technical support order with Oracle (e.g., purchase order, actual payment, or other approved method of payment). An invoice will be issued only upon receipt of your commitment to pay, and will be sent to a single billing address as designated by you. Failure to submit payment will result in the termination of support.

Support Period

Technical support is effective upon the effective date of your ordering document unless stated otherwise in your ordering document. If your order was placed through the Oracle Store, the effective date is the date your order was accepted by Oracle. Unless otherwise stated in the ordering document, Oracle technical support terms, including pricing, reflect a 12 month support period (the "support period"). All technical support services ordered for a support period and the related fees are non-cancelable and non-refundable. Oracle is not obligated to provide technical support beyond the end of the support period unless your technical support contract is renewed on or before the service expiration date.

License Set

A license set consists of (i) all of your licenses of a program, including any options* (e.g., Database Enterprise Edition and Enterprise Edition Options; Purchasing and Purchasing Options), Enterprise Manager* (e.g., Database Enterprise Edition and Diagnostics Pack), or self-service module* (e.g., Human Resources and Self-Service Human Resources) licensed for such programs, or (ii) all of your licenses of a program that share the same source code**. Development and demonstration licenses available through the Oracle Partner Network or the Oracle Technology Network are not included in the definition of a license set. For Crystal Ball programs, a license set is defined as the same licenses of a program contained on a single order.

*As specified on Oracle's price list.

**Programs that share the same source code are:

- Database Enterprise Edition, Database Standard Edition, Database Standard Edition One, and Personal Edition, and
- Internet Application Server Enterprise Edition, Internet Application Server Standard Edition, Internet Application Server Standard Edition One, and Internet Application Server Java Edition.

Matching Service Levels

When acquiring technical support, all licenses in any given license set must be supported under the same technical support service level (e.g., Software Update License & Support or unsupported). You may not support a subset of licenses within a license set; the license set must be reduced by terminating any unsupported licenses. You will be required to document license terminations via a termination letter.

Reinstatement of Oracle Technical Support

In the event that technical support lapses or was not originally purchased, upon the commencement of technical support a reinstatement fee will be assessed. The reinstatement fee is equal to 150% of the last-paid support fee, or 150% of the last-published list technical support price for the licensed program less the applicable standard discount as published on the Oracle Store ("standard discount") in effect at the time of reinstatement if support was not originally purchased for the relevant programs, prorated from the date technical support is being ordered back to the date technical support lapsed (or the license order date if technical support was never purchased). Applicable renewal adjustments are applied. Once the reinstatement fee has been assessed, technical support for the year following the reinstatement period may be purchased for an additional technical support fee as calculated based on how long the licensed program has been unsupported ("go-forward support fee"). If the lapsed support period is less than 6 months, the go-forward support fee is calculated based on the last-published list technical support price less the applicable standard discount in effect at the time of reinstatement. If the lapsed support period is 6 months or greater, the go-forward support fee is calculated based on the last-paid support fee. If support is not reinstated for the entire license set or if support for a subset of licenses from an ordering document is reinstated, then the "License Set", "Matching Service

Levels", and "Pricing following Reduction of Licenses or Support Level" policies will apply. Applicable renewal adjustments are applied to the reinstatement fee and go-forward support fee.

Pricing following Reduction of Licenses or Support Level

Pricing for support is based upon the level of support and the volume of licenses for which support is ordered. In the event that a subset of licenses on a single order is terminated or if the level of support is reduced, support for the remaining licenses on that license order will be priced at Oracle's list price for support in effect at the time of termination or reduction minus the applicable standard discount. Such support price will not exceed the previous support fees paid for both the remaining licenses and the licenses being terminated or unsupported, and will not be reduced below the previous support fees paid for the licenses continuing to be supported. If the license order from which licenses are being terminated established a price hold for additional licenses, support for all of the licenses ordered pursuant to the price hold will be priced at Oracle's list price for support in effect at the time of reduction minus the applicable standard discount.

Custom Application Bundles

Technical support may not be discontinued for a single program module within a custom application bundle.

Unsupported Programs

Customers with unsupported programs do not receive updates, maintenance releases, patches, telephone assistance, or any other technical support services for the unsupported programs. CD packs or programs purchased or downloaded for trial use, use with other supported programs, or purchased or downloaded as replacement media may not be used to update any unsupported programs.

Technical Contacts

Your technical contacts are the sole liaisons between you and OSS for technical support of programs. It is the recommended standard that your technical contacts are trained representatives of your company. Such training shall include initial basic product training and, as needed, supplemental training appropriate for specific role or implementation phase, specialized product usage, and/or migration. Your technical contacts should be knowledgeable about the Oracle programs and your Oracle environment in order to help resolve system issues and to assist Oracle in analyzing and resolving service requests. When submitting a service request, your technical contact should have a baseline understanding of the problem you are encountering and an ability to reproduce the problem in order to assist Oracle in diagnosing and triaging the problem. To avoid interruptions in support services, you must notify OSS whenever technical contact responsibilities are transferred to another individual.

With the order of Software Update License & Support, you may designate one (1) primary and four (4) backup individuals ("technical contact") per license set, to serve as liaisons with OSS. With each USD\$250,000 in net support fees per license set, you have the option to designate an additional two (2) primary and four (4) backup technical contacts. Your primary technical contact shall be responsible for (i) overseeing your service request activity, and (ii) developing and deploying troubleshooting processes within your organization. The backup technical contacts shall be responsible for resolving user issues. You may be charged a fee to designate additional technical contacts.

Oracle may review service requests logged by your technical contacts, and may recommend specific training to help avoid service requests that would be prevented by such training.

Program Updates

"Update" means a subsequent release of the program which Oracle generally makes available for program licenses to its supported customers at no additional license fee, other than shipping

charges if applicable, provided you have ordered a technical support offering that includes software updates for such licenses for the relevant time period. Updates do not include any release, option or future program that Oracle licenses separately. Updates are provided when available, and Oracle is under no obligation to develop any future programs or functionality. Any updates made available will be delivered to you, or made available to you for download. If delivered, you will receive one update copy for each supported operating system for which your program licenses were ordered. You shall be responsible for copying, downloading and installing the updates.

Oracle Configuration Manager

Oracle provides Oracle Configuration Manager (OCM) with some of its programs. The OCM is a tool that assists in the collection and transmission of your configuration data to Oracle to enable us to respond more efficiently to your service requests. The OCM tool will connect to Oracle over the internet. You may not receive a separate notice upon connection. You may turn the OCM tool off, however we strongly discourage this as it impedes our ability to provide services to you. More information on the tool is available at <http://www.oracle.com/technology/documentation/ocm.html>. By using this tool, you consent to the transmission of your configuration information to Oracle.

OCM will not access, collect or store any personally identifiable information (except for technical support contact information) or business data files residing in your software environment. Configuration data provided to Oracle by software tools will be stored in password-protected repositories. It will be used to assist in resolving service requests and to provide recommendations regarding configuration of your environment and deployment of programs. In addition, because the configuration information will be updated, it may be used by Oracle to assist you in managing your Oracle product portfolio, for license and services compliance and to help Oracle improve upon product and service offerings for you.

Payment Plan, Financing and Leasing Agreements

Technical support fees due under payment plans, financing or leasing agreements between you and Oracle or an Oracle affiliate ("payment plan") are due and payable in accordance with the terms and conditions of such payment plan, but the technical support shall be ordered pursuant to the terms of the applicable ordering document.

Lifetime Support

Lifetime Support consists of the following service levels:

- "Premier Support" which refers to the first 5 years of basic technical support services (also referred to as, and will be documented on your ordering document as, "Software Update License & Support")
- Extended Support (if offered)
- Sustaining Support

A description of the services available under Premier Support, Extended Support and Sustaining Support is included in the Oracle Technical Support Levels section below.

When offered, Premier Support will be available for five years from the date a release of the Oracle program becomes generally available, except as noted below.

Based on availability, support may be extended for an additional three years with Extended Support for specific releases.

Alternatively, support may be extended with Sustaining Support which will be available for as long as you maintain technical support for your Oracle licenses.

Refer to the attached document titled "Lifetime Support Policy: Coverage for Server Technologies" (PDF) for specific server technology programs that are, or will be, covered by the Lifetime Support policy.

Refer to the attached document titled "Lifetime Support Policy: Coverage for Applications" (PDF) for specific application programs that are, or will be, covered by the Lifetime Support policy.
Refer to the attached document titled "Lifetime Support Policy: Coverage for Retail Applications" (PDF) for specific Retail application programs that are, or will be, covered by the Lifetime Support policy.

Notes:

1. Active Reasoning, ContextMedia, Crystal Ball, Notiva, Sigma Dynamics, AdminServer, and Skywire and other programs and releases that have already had desupport dates posted on OracleMetaLink are excluded from the Lifetime Support policy.
2. For PeopleSoft Enterprise programs that have been retired under the previous 4-year support policy, Sustaining Support will be available for as long as you maintain technical support for these programs.
3. Tax updates and regulatory changes* will be made available for up to six (6) years from the release date of the licensed software for PeopleSoft Enterprise, JD Edwards EnterpriseOne and JD Edwards World programs. Upgrade scripts, new software patches, and fixes to the latest release will be made available for five (5) years from the release date of the licensed software for PeopleSoft Enterprise, JD Edwards EnterpriseOne and JD Edwards World programs.

*Tax updates and regulatory changes refers to those updates that address tax and/or regulatory changes which are generally made available to similarly situated licensees of PeopleSoft software, on a when and if available basis only.

4. Oracle's PeopleTools program, which was purchased in conjunction with an application program release, will be supported for as long as such application program release is supported. PeopleTools fixes are delivered in minor releases and patches; patches are provided on the current minor release only. Patches and platform certifications for a PeopleTools minor release are created when that release becomes generally available and will be supported for twelve (12) months after the next minor release becomes generally available.

To receive technical support, you may be required to apply a minor release upgrade of PeopleTools to remain current with versions of third party technologies and products as supported by the provider of the third party product.

5. For certain Oracle Retail application program releases* prior to release 11, limited Premier Support will be available for seven years from when that release became generally available. For Oracle Retail applications for which Premier Support is not available, Sustaining Support will be available for as long as you maintain technical support for these programs.

*formerly Retek, ProfitLogic, and 360 Commerce

6. For Oracle's Cimmetry programs, Oracle generally will make Premier Support available for 2 years following general availability of a release, after which Sustaining Support will be available for as long as you maintain technical support for your Oracle licenses. Premier

Support for Cimmetry programs will be documented on your ordering document as Software Update License & Support or Cimmetry Maintenance.

7. For supported customers whose Oracle application programs are only certified on Oracle9i Database Release 9.2 and the release for such application programs is currently supported under Premier Support or Extended Support, the Extended Support fee for Oracle9i Database Release 9.2 has been waived for the period August 1, 2008 to July 31, 2010. During this period, you will receive access to generally available fixes and critical patch updates ("CPUs") for such supported application programs running on the Oracle9i Database Release 9.2, at no additional cost other than your fees for Software Update License & Support (or any successor technical support offering to Software Update License & Support). A list of applications that are certified on Oracle9i Database Release 9.2 is available at <http://www.oracle.com/support/collateral/tsp-certified-applications.pdf>.
8. For the first year of Sustaining Support for Oracle E-Business Suite Release 11i, Oracle will provide fixes for Severity 1 production bugs. No legislative updates will be provided with the exception of U.S. Tax Form 1099 updates for the 2008 tax year. The period for the first year of Sustaining Support for Oracle E-Business Suite Release 11i is July 1, 2008 - June 30, 2009.
9. Extended Support for the Hyperion Pre-System 9 programs will be offered for the period October 1, 2008 to September 30, 2009. The Extended Support fee for this period has been waived for those program licenses for which customers have paid the System 9 Enablement Fee and for which technical support is continuously maintained.

Right to Desupport

It may become necessary as a part of Oracle's product lifecycle to desupport certain program releases and, therefore, Oracle reserves the right to desupport certain program releases. Program releases that are designated as subject to Premier Support under Oracle's Lifetime Support policy are excluded. If Cimmetry, Crystal Ball, Skywire, or AdminServer programs are desupported, you will be notified of such desupport directly by OSS. For all other Oracle programs, desupport information, including desupport dates, information about availability of Extended Support and Sustaining Support, and information about migration paths for certain features, is posted on OracleMetaLink, Customer Connection, eSupport Portal and BID Portal. Desupport information is subject to change. For Cimmetry, Crystal Ball, Skywire, and AdminServer programs, updated desupport information will be provided to you in writing. For all other Oracle programs, Oracle will provide updated desupport information on OracleMetaLink, Customer Connection, eSupport Portal and BID Portal as necessary.

First and Second Line Support

It is the recommended standard that you establish and maintain the organization and processes to provide "First Line Support" for the supported programs directly to your users. First Line Support shall include but not be limited to (i) a direct response to users with respect to inquiries concerning the performance, functionality or operation of the supported programs, (ii) a direct response to users with respect to problems or issues with the supported programs, (iii) a diagnosis of problems or issues of the supported programs, and (iv) a resolution of problems or issues of the supported programs.

If after reasonable commercial efforts you are unable to diagnose or resolve problems or issues of the supported programs, you shall contact Oracle for "Second Line Support". You shall use commercially reasonable efforts to provide Oracle with the necessary access (e.g., access to repository files, log files, or database extracts) required to provide Second Line Support. Oracle

does not ensure its performance of the technical support described herein if such access is not provided by you when requested by Oracle.

Second Line Support shall include but not be limited to (i) a diagnosis of problems or issues of the supported programs and (ii) reasonable commercial efforts to resolve reported and verifiable errors in supported programs so that such supported programs perform in all material respects the functions described in the associated documentation.

Oracle may review service requests logged by your technical contacts, and may recommend specific organization and process changes to assist you with the above recommended standard practices.

Third Party Vendor-Specific Support Terms

You must remain on a supported environment – including applications and platforms – to receive technical support. If a vendor retires support for its product, you may be required to upgrade to a current certified application, hardware platform, framework, database and/or operating system configuration to continue receiving technical support services from Oracle.

PeopleSoft and JD Edwards Release Information

Release information for PeopleSoft Enterprise and JD Edwards EnterpriseOne programs is available in the attached table titled, "Release Types for PeopleSoft Enterprise and JD Edwards EnterpriseOne Applications" (PDF).

Hyperion-Specific and Agile-Specific Support Terms

For orders placed pursuant to a Hyperion master agreement or to an Agile master agreement, the following terms apply with respect to the technical support services you have ordered.

Warranties, Disclaimers, and Exclusive Remedies

Oracle warrants that technical support services will be provided in a professional manner consistent with industry standards. You must notify Oracle of any technical support services warranty deficiencies within 90 days from performance of the defective technical support services.

FOR ANY BREACH OF THE ABOVE WARRANTIES, YOUR EXCLUSIVE REMEDY, AND ORACLE'S ENTIRE LIABILITY, SHALL BE THE REPERFORMANCE OF THE DEFICIENT TECHNICAL SUPPORT SERVICES, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT A BREACH IN A COMMERCIALY REASONABLE MANNER, YOU MAY END THE RELEVANT TECHNICAL SUPPORT SERVICES AND RECOVER THE FEES PAID TO ORACLE FOR THE DEFICIENT TECHNICAL SUPPORT SERVICES.

TO THE EXTENT PERMITTED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Limitation of Liability

NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS, REVENUE, DATA, OR DATA USE. ORACLE'S MAXIMUM LIABILITY FOR ANY DAMAGES ARISING OUT OF OR RELATED TO YOUR ORDER, WHETHER IN CONTRACT OR TORT, OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNT OF THE FEES YOU PAID ORACLE UNDER YOUR ORDER, AND IF SUCH DAMAGES RESULT FROM YOUR USE OF TECHNICAL SUPPORT SERVICES, SUCH LIABILITY SHALL BE LIMITED TO THE FEES

YOU PAID ORACLE FOR THE DEFICIENT TECHNICAL SUPPORT SERVICES GIVING RISE TO THE LIABILITY.

For orders placed pursuant to a Hyperion master agreement, the following terms also apply with respect to the technical support services you have ordered.

Nondisclosure

By virtue of your order, the parties may have access to information that is confidential to one another ("confidential information"). We each agree to disclose only information that is required for the performance of obligations under your order. Confidential information shall be limited to the terms and pricing under your order and all information clearly identified as confidential at the time of disclosure.

A party's confidential information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party.

We each agree to hold each other's confidential information in confidence for a period of three years from the date of disclosure. Also, we each agree to disclose confidential information only to those employees or agents who are required to protect it against unauthorized disclosure. Nothing shall prevent either party from disclosing the terms or pricing under your order in any legal proceeding arising from or in connection with your order or disclosing the confidential information to a federal or state governmental entity as required by law.

Software Update License & Support

Program releases in the Premier Support phase of Oracle's product support lifecycle will receive Software Update License & Support. Software Update License & Support is the standard level for all Oracle support services and consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Tax, legal, and regulatory updates
- Upgrade scripts
- Certification with most new third-party products/versions
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests 24 hours per day, 7 days a week
- Access to OracleMetaLink, Customer Connection, eSupport Portal, BID Portal or Skywire Online Support Portal (24 x 7 web-based customer support systems), including the ability to log service requests online, unless stated otherwise
- Non-technical customer service during normal business hours
- For PeopleSoft Enterprise, JD Edwards EnterpriseOne and JD Edwards World programs, web-based support is provided through Customer Connection. For BEA programs, web-based support is provided through the eSupport Portal and BID Portal. For Skywire programs, web-based support is provided through the Skywire Online Support Portal. For all other Oracle programs, unless stated otherwise, web-based support is provided through OracleMetaLink.

Due to the unique constraints of the early releases of former Retek, ProfitLogic, and 360 Commerce retail applications, limited Software Update License & Support will be available for

certain releases prior to release 11. The limited Software Update License & Support will consist of:

- Program updates and fixes
- Major product and technology releases
- Assistance with service requests 24 hours per day, 7 days per week
- Access to OracleMetaLink (24 x 7 web-based customer support systems), including the ability to log service requests online
- Non-technical customer service during normal business hours

Please review the Oracle Retail chart included in the "Lifetime Support Policy: Coverage for Retail Applications" (PDF) document for coverage information on your specific release.

Limited Software Update License & Support will be available for Cimmetry programs ("Cimmetry Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 9:00 A.M. to 5:00 P.M. Eastern Time of the North America region
- Ability to log service requests online using the web based form available at <http://www.cimmetry.com/techsup.nsf/WebTechsupForm?OpenForm>
- Non-technical customer service during local business hours

Limited Software Update License & Support will be available for Crystal Ball programs ("Crystal Ball Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:00 A.M. to 5:00 P.M. Mountain Time of the North America region
- Ability to log service requests via online template located at <http://www.crystalball.com/helpdesk.html> or via telephone at 800.373.5885 (toll free in US) or 1.303.334.7599 (International)
- Non-technical customer service during local business hours

Limited Software Update License & Support will be available for the following Moniforce programs: webSensor Enterprise and webProbe ("Moniforce Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:00 A.M. to 6:00 P.M. Central European Time
- Access to OracleMetaLink (24 x 7 web-based customer support system), including the ability to log service requests online
- Non-technical customer service during local business hours

Limited Software Update License & Support will be available for BEA programs ("BEA Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- 7x24 Support Center Coverage for Severity 1 errors (Regional Time Zone)
- Assistance with service requests 24 hours per day, 7 days a week
- Access to eSupport Portal (AskBEA, Newsgroups, Case management, FAQ's, Product News and Updates, Product Documentation) and BID Portal
- Non-technical customer service during normal business hours
- Access to Customer First / Product Retirement support policy via eSupport Portal
- Ability to log service requests via email and telephone.

Limited Software Update License & Support will be available for AdminServer programs ("AdminServer Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:30 A.M. to 8:00 P.M. Eastern Time of the North America region
- Ability to log service requests via telephone at 1.800.586.5064
- Non-technical customer service during normal business hours

Limited Software Update License & Support will be available for Skywire programs ("Skywire Support"). The limited Software Update License & Support will consist of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 7:00 A.M. to 7:00 P.M. Central Time of the North America region except as follows:
 - 7:30 A.M. to 4:30 P.M. Eastern Time of the North America region for the following programs: Whitehill One, Enterprise, Elite Document Studio, XML Transport and Transform Suite
 - 9:00 A.M. to 5 P.M. GMT for the following programs: Documaker, Docuflex and PPS (EMEA and Asia Pacific only)
- Access to Skywire Online Support Portal (24 x 7 web-based customer support system)
- Ability to log service requests as follows:

Program	Online	Telephone	Email
Insbridge, Ingage, INSight, Documaker, Docuflex and PPS	http://skywiresoftware.com/Support/Support.aspx	866.4-SKYWIRE	support@skywiresoftware.com
Documaker, Docuflex and PPS (EMEA and Asia Pacific only)	http://skywiresoftware.com/Support/Support.aspx	44.0.1372.366.222	eurosupport@skywire-software.co.uk
GA, IDX and QuickView	Not available	866.466.4663	cssg@skywiresoftware.com
Whitehill One (formerly BPI), Enterprise, Elite	Not available	866.944.8344	monclonsupport@skywiresoftware.com

Document Studio, XML Transport and Transform Suite			
IStream Document Manager, IStream Publisher, IStream Communicator, Tracker and Launcher	Not available	877.363.7027 x 3225	markhamdirectsupport@skywiresoftware.com

- Non-technical customer service during normal business hours

Enterprise Linux Support Services

Effective October 25, 2006, Oracle will offer Enterprise Linux support services to customers, regardless of whether or not they are using Oracle programs. For information about the available services, please refer to the Enterprise Linux and Oracle VM Support Policies available at <http://www.oracle.com/support/collateral/enterprise-linux-support-policies.pdf>.

Oracle VM Support Services

Effective November 14, 2007, Oracle will offer Oracle VM support services to customers, regardless of whether or not they are using Oracle programs. For information about the available services, please refer to the Enterprise Linux and Oracle VM Support Policies available at <http://www.oracle.com/support/collateral/enterprise-linux-support-policies.pdf>.

Priority Service

Priority Service is available for program releases eligible to receive Premier, Extended, or Sustaining Support. Priority Service consists of:

- Prioritization of Service Requests: Service requests will be prioritized above service requests of the same severity level submitted by Premier Support customers
- Service Request Response Guidelines: Reasonable efforts will be made to respond to service requests per the following guidelines:
 - 90% of Severity 1 service requests submitted by you will be responded to within 1 hour (available 24x7)
 - 90% of Severity 2 service requests submitted by you will be responded to within 2.5 local business hours
 - 90% of Severity 3 service requests submitted by you will be responded to within the next local business day
 - 90% of Severity 4 service requests submitted by you will be responded to within the next local business day
- Time-based internal escalations for Severity 1 and Severity 2 service requests
- Designated Oracle service manager who is responsible for assisting in the management of service requests, and providing service reviews
- Priority response from Oracle's Product Development team for product bugs initiated for the resolution of service requests
- 24x7 access to a customer-specific web portal
- Quarterly service reviews
- Pre-recorded orientation session
- Priority access to Oracle-sponsored events, as made available to Priority Service customers
- Access to monthly web conference sessions featuring Oracle executives and/or Oracle product technology experts
- Quarterly live chats with senior Oracle product technology experts and/or management, available exclusively to Priority Service customers

In order to acquire Priority Service for a license set, you must acquire Software Update License & Support for that license set. If you have maintained Software Update License & Support and want to purchase Priority Service for a license set, the licenses do not need to be migrated to current license metrics to do so.

Priority Service is not subject to the Reinstatement policies stated above. Priority Service is not available for all programs. Please contact your Support Sales Representative for service availability.

Incident Server Support Package

Incident Server Support provides web-based technical support on a per server basis in packages of 10 service requests, and is available for as long as Premier Support is available for your Oracle licenses. The Incident Server Support Packages do not include updates and may not be used, purchased, or sold in conjunction with any other support offering. If you want to obtain Software Update License & Support, it will be subject to Oracle's reinstatement policies in effect at the time of reinstatement. Incident Server Support is available for the following limited product sets, across all platforms:

- Oracle Database Server Support Package: Oracle Database Enterprise Edition, Oracle Database Standard Edition, Oracle Database Standard Edition One, Partitioning, Real Application Clusters
- Oracle Application Server Support Package: Internet Application Server Enterprise Edition, Internet Application Server Standard Edition, Internet Application Server Java Edition

Incident Server Support Packages are valid for one year from the date of purchase. Any unused service request(s) expire at the end of such term. Access to OracleMetaLink expires at the same time the final service request is resolved. Your service request total will not be decreased by the number of service requests initiated for the resolution of a product bug. Incident Server Support includes:

- Access to OracleMetaLink (24x7 web-based technical support system), including the ability to log service requests online
- Access to downloadable software patches and patchsets

JDeveloper Support

JDeveloper Support is made available for Oracle JDeveloper that has been downloaded from the Oracle Technology Network after June 28, 2005. JDeveloper Support consists of:

- Assistance with service requests 24 hours per day, 7 days a week
- Access to OracleMetaLink (24 x 7 web-based technical support system), including the ability to log service requests online
- Non-technical customer service during normal business hours (e.g., assistance with support identification numbers, assistance with logging into OracleMetaLink)

Service Request Packages

Service Request Packages are made available to members of the Oracle Partner Network. Service Request Packages provide web-based technical support in packages of 10 or 25 service requests, do not include updates, and are not available for all programs. Please contact your OPN Interaction Center (<http://partner.oracle.com/>) for program availability.

Service Request Packages are valid for one year from the date of purchase. Any unused service request(s) will expire at the earlier of (i) the end of such year, or (ii) the end of your OPN

membership term if such membership is not renewed. Access to log service requests will be restricted at the same time the final service request is resolved.

Extended Support

Extended Support may be available for certain Oracle program releases after Premier Support expires. When Extended Support is offered, it is generally available for three years following the expiration of Premier Support and only for the terminal patchset release of a program.

Program releases eligible for Extended Support will receive Software Update License & Support limited to the following:

- Program updates, fixes, security alerts, and critical patch updates
- Tax, legal and regulatory updates
- Upgrade scripts
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests 24 hours per day, 7 days per week
- Access to OracleMetaLink, Customer Connection, e-Support, Customer Portal, or Customer Center Portal (24 x 7 web-based customer support systems), including the ability to log service requests online
- Non-technical customer service during normal business hours

Extended Support does not include:

- Certification with new third party products/versions

Sustaining Support

Sustaining Support will be available after Premier Support expires. Program releases eligible for Sustaining Support will receive Software Update License & Support limited to the following:

- Program updates, fixes, security alerts, and critical patch updates created during the Premier Support period, and created during the Extended Support period for those customers who purchased Extended Support.
- Tax, legal, and regulatory updates created during the Premier Support period
- Upgrade scripts created during the Premier Support period
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests, on a commercially reasonable basis, 24 hours per day, 7 days a week
- Access to OracleMetaLink, Customer Connection, e-Support, Customer Portal, or Customer Center Portal (24 x 7 web-based customer support systems), including the ability to log service requests online
- Non-technical customer service during normal business hours

Sustaining Support does not include:

- New program updates, fixes, security alerts, and critical patch updates
- New tax, legal and regulatory updates
- New upgrade scripts
- Certification with new third party products/versions
- 24 hour commitment and response guidelines for Severity 1 service requests as defined in the Severity Level section below

Because program releases supported by Sustaining Support are no longer fully supported, information and skills regarding those releases may be limited. The availability of hardware systems to run such program releases may also be limited.

North American Payroll Tax Updates

North American Payroll Tax Updates is available for programs eligible to receive Sustaining Support. Customers who acquire North American Payroll Tax Updates will receive a tax year of tax updates for Oracle payroll applications.

In order to acquire North American Payroll Tax Updates, your licensed programs must be currently supported with Software Update License & Support. If you have maintained Software Update License & Support and want to acquire North American Payroll Tax Updates, the licenses do not need to be migrated to current license metrics to do so.

North American Payroll Tax Updates will be delivered through Customer Connection (for PeopleSoft Enterprise, JD Edwards EnterpriseOne and JD Edwards World programs), or through OracleMetaLink (for all other Oracle programs).

When offered, North American Payroll Tax Updates may be acquired for up to two (2) years from the availability of Sustaining Support for the applicable Oracle program release. North American Payroll Tax Updates is not subject to the Reinstatement policies stated above. North American Payroll Tax Updates is not available in all countries or for all programs. Please contact your Support Sales Representative for service availability.

Cimmetry Support

Cimmetry Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 9:00 A.M. to 5:00 P.M. Eastern Time of the North America region
- Ability to log service requests online using the web based form available at <http://www.cimmetry.com/techsup.nsf/WebTechsupForm?OpenForm>
- Non-technical customer service during local business hours

Moniforce Support

Moniforce Support applies to technical support services for the following Moniforce programs: webSensor Enterprise and webProbe and consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:00 A.M. to 6:00 P.M. Central European Time
- Access to OracleMetaLink (24 x 7 web-based customer support system), including the ability to log service requests online
- Non-technical customer service during local business hours

Crystal Ball Support

Crystal Ball Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates

- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:00 A.M. to 5:00 P.M. Mountain Time of the North America region
- Ability to log service requests via online template located at <http://www.crystalball.com/helpdesk.html> or via telephone at 800.373.5885 (toll free in US) or 1.303.334.7599 (International)
- Non-technical customer service during local business hours

BEA Support

BEA Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- 7x24 Support Center Coverage for Severity 1 errors (Regional Time Zone)
- Assistance with service requests 24 hours per day, 7 days a week
- Access to eSupport Portal (AskBEA, Newsgroups, Case management, FAQ's, Product News and Updates, Product Documentation) and BID Portal
- Non-technical customer service during normal business hours
- Access to Customer First / Product Retirement support policy via eSupport Portal
- Ability to log service requests via email and telephone.

AdminServer Support

AdminServer Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 8:30 A.M. to 8:00 P.M. Eastern Time of the North America region
- Ability to log service requests via telephone at 1.800.566.5064
- Non-technical customer service during normal business hours

Skywire Support

Skywire Support consists of:

- Program updates, fixes, security alerts, and critical patch updates
- Major product and technology releases, which includes general maintenance releases, selected functionality releases, and documentation updates
- Assistance with service requests Monday through Friday during local business hours, excluding holidays; local business hours are 7:00 A.M. to 7:00 P.M. Central Time of the North America region except as follows:
 - 7:30 A.M. to 4:30 P.M. Eastern Time of the North America region for the following programs: Whitehill One, Enterprise, Elite Document Studio, XML Transport and Transform Suite
 - 9:00 A.M. to 5 P.M. GMT for the following programs: Documaker, Docuflex and PPS (EMEA and Asia Pacific only)
- Access to Skywire Online Support Portal (24 x 7 web-based customer support system)
- Ability to log service requests as follows:

Programs	Online	Telephone	Email
Insbridge, Ingage,	http://skywiresoftware.com	866.4-SKYWIRE	support@skywiresoftware.com

INSight, Documaker, Docuflex and PPS	com/Support/Support.aspx		
Documaker, Docuflex and PPS (EMEA and Asia Pacific only)	http://skywiresoftware.com/Support/Support.aspx	44.0.1372.366.222	eurosupport@skywire-software.co.uk
GA, IDX and QuickView	Not available	888.486.4683	cssg@skywiresoftware.com
Whitehill One (formerly BPI), Enterprise, Elite Document Studio, XML Transport and Transform Suite	Not available	888.944.8344	monctonsupport@skywiresoftware.com
IStream Document Manager, IStream Publisher, IStream Communicator, Tracker and Launcher	Not available	877.363.7027 x 3225	markhamdirectsupport@skywiresoftware.com

- Non-technical customer service during normal business hours

A list of technical support offerings that were previously offered by Oracle, or a company acquired by Oracle, is available at <http://www.oracle.com/support/collateral/tsp-previous-offerings.pdf>. The information contained within this list consists of a description of the service offering, date when new sales of the services was eliminated, and renewal options.

The following policy for Web-Based Customer Support Systems applies to all Oracle product lines except PeopleSoft Enterprise, JD Edwards EnterpriseOne, JD Edwards World, Cimmetry, Crystal Ball, BEA, AdminServer, and Skywire programs:

OracleMetaLink is one of Oracle's five customer support web sites. Access to OracleMetaLink is governed by the Terms of Use posted on the OracleMetaLink web site, which are subject to change. A copy of these terms is available upon request. Access to OracleMetaLink is limited to your designated technical contacts. Access to OracleMetaLink is included with Software Update License & Support, Priority Service, Incident Server Support, JDeveloper Support, Extended Support, and Sustaining Support. For customers with a current Software Updates service contract, limited access to OracleMetaLink is included for patches and bug fix information.

The following policy for Web-Based Customer Support Systems applies to PeopleSoft Enterprise, JD Edwards EnterpriseOne, and JD Edwards World programs only:

Customer Connection is Oracle's second customer support web site. Access to Customer Connection is governed by the Terms of Use (PDF) posted on the Customer Connection web site at <http://www.peoplesoft.com/corp/en/login.jsp>, which are subject to change. A copy of these terms is available upon request. Access to Customer Connection is included with Software Update License & Support, Extended Support, Sustaining Support, and PeopleSoft World Support Service and is limited to your designated technical contacts.

The following policy for eSupport Portal applies to 'Classic' BEA programs only:

eSupport Portal is Oracle's third customer support web site. Access to eSupport is governed by the Terms of Use posted on the eSupport Portal web site at <http://support.bea.com>, and are subject to change. A copy of these terms is available upon request. Access to eSupport Portal is limited to your designated technical contacts. Access to eSupport Portal is included with Software Update License & Support, Extended Support, and Sustaining Support.

The following policy for BID Portal applies to 'BID' BEA programs only:

BID Portal is Oracle's fourth customer support web site. Access to BID Portal is governed by the Terms of Use posted on the BID Portal web site at <http://one.bea.com/support>, and are subject to change. A copy of these terms is available upon request. Access to BID Portal is limited to your designated technical contacts. Access to BID Portal is included with Software Update License & Support, Extended Support, and Sustaining Support.

The following policy for Skywire Online Support Portal applies to Insbridge, Ingage, and INSight programs and Documaker, Docuflex and PPS (EMEA and Asia Pacific excluded) programs only:

Skywire Online Support Portal is Oracle's fifth customer support web site. Access to Skywire Online Support Portal is governed by the Terms of Use posted on the Skywire Online Support Portal web site at <http://skywiresoftware.com/Support/Support.aspx>, and are subject to change. A copy of these terms is available upon request. Access to Skywire Online Support Portal is limited to your designated technical contacts. Access to Skywire Online Support Portal is included with Software Update License & Support.

Oracle is deeply committed to the security of its technical support services. In providing standard technical support services, Oracle will adhere to the Global Customer Support Security Practices, which are available [here](#). The Global Customer Support Security Practices are subject to change at Oracle's discretion; however, Oracle will not materially reduce the level of security specified in the Security Practices during the period for which fees for technical support have been paid.

Oracle may make available software tools (such as tools to assist in the collection and transmission of configuration data) and web-based tools (such as tools that enable Oracle, with your consent, to access your computer system) to aid in the resolution of service requests. Such tools may be used only in connection with supported program licenses, and use of the tools will be subject to any additional license and other terms provided with the tools.

Service requests for supported Cimmetry programs may be submitted by you either online using the web form available at <http://www.cimmetry.com/techsup.nsf/WebTechsupForm?OpenForm> or by telephone by dialing 1.514.735.9941. Service requests for supported Crystal Ball programs may be submitted by you either online using the template at <http://www.crystalball.com/helpdesk.html> or by telephone by dialing 1.800.373.5885 (toll free in the U.S.) or 1.303.334.7599 (International). Service requests for all other supported Oracle programs may be submitted by you online through Oracle's web-based customer support systems, by email, or by telephone. The service request severity level is selected by you and Oracle and should be based on the following severity definitions:

Severity 1

Your production use of the supported programs is stopped or so severely impacted that you cannot reasonably continue work. You experience a complete loss of service. The operation is mission critical to the business and the situation is an emergency. A Severity 1 service request has one or more of the following characteristics:

- Data corrupted
- A critical documented function is not available
- System hangs indefinitely, causing unacceptable or indefinite delays for resources or response

- System crashes, and crashes repeatedly after restart attempts

For all supported Oracle programs other than Cimmetry, Crystal Ball, Moniforce webSensor Enterprise and webProbe, reasonable efforts will be made to respond to Severity 1 service requests within one (1) hour.

For Crystal Ball programs, the Severity 1 service request definition does not apply and thus no response guidelines are available for Crystal Ball programs.

For Moniforce webSensor Enterprise and webProbe programs, reasonable efforts will be made to respond to Severity 1 service requests within one (1) business day during local business hours, excluding holidays; local business hours are Monday through Friday 8:00 A.M. to 6:00 P.M. Central European Time.

24 Hour Commitment to Severity 1 Service Requests for all supported Oracle programs other than Cimmetry, Crystal Ball, Moniforce webSensor Enterprise and webProbe, AdminServer, and Skywire programs: OSS will work 24x7 until the issue is resolved or as long as useful progress can be made. You must provide OSS with a contact during this 24x7 period, either on site or by pager, to assist with data gathering, testing, and applying fixes. You are requested to propose this severity classification with great care, so that valid Severity 1 situations obtain the necessary resource allocation from Oracle.

Severity 2

You experience a severe loss of service. Important features are unavailable with no acceptable workaround; however, operations can continue in a restricted fashion.

Severity 3

You experience a minor loss of service. The impact is an inconvenience, which may require a workaround to restore functionality

Severity 4

You request information, an enhancement, or documentation clarification regarding your software but there is no impact on the operation of the software. You experience no loss of service. The result does not impede the operation of a system.

Phone numbers and contact information can be found on Oracle's support web site at <http://www.oracle.com/support/contact.html>.

EXHIBIT 3

ADVANCED CUSTOMER SERVICES: RATES

ACS – Assisted Services	Days	Amount	Estimated Travel and Expenses
Field Engineer	31	\$58,592.00	\$10,800.00

Should you purchase the services listed in this Exhibit 3 a separate Ordering Document will be sent subsequently for execution.

EXHIBIT 4

TRAINING: RATES

For a period of 24 months from the effective date of this Agreement, Oracle University is able to provide the Oracle Training products and services at the discounted rate of 25% provided that a minimum purchase order of \$250,000 is submitted for training. Oracle University training can be ordered by Nassau County as you require, and only invoiced after actual delivery. Nassau County can purchase training products and services as listed at www.oracle.com/education under standard terms and conditions.

EXHIBIT 5

FUNCTIONALITY AND REQUIREMENTS MATRIX

Exhibit 5

**FUNCTIONALITY AND REQUIREMENTS MATRIX
WHICH INCLUDES
RESPONSE CODE INTERPETATIONS,
PRODUCT NAME CROSS-REFERENCE
AND
ORACLE FUNCTIONALITY AND REQUIREMENTS MATRIX CLARIFICATIONS**

Notes:

1. Oracle's Proposal included program not ordered in the initial purchase of Software under this Agreement; therefore are not part of this Agreement; such products include:

Real Estate Management – Real Estate Management, Enterprise Manager Grid Control – Oracle Database Enterprise Edition, SOA Suite – SOA Suite for Non Oracle Middleware, Oracle Imaging and Process Management (Stellent/Content Management) – Imaging and Process Management, PeopleSoft Directory Interface – Directory Interface, Oracle Identity Management – Identity Manager, BPEL – SAO Suite

2. The following Software is being ordered in the initial purchase but does not appear on the Functionality and Requirements Matrix (Exhibit 5) Oracle Business Intelligence Management Pack and Business Intelligence Server Administration.

Exhibit 5 Functionality and Requirements Matrix-Response Code Interpretations

Set forth below is the Fit-Gap Response code from the RFP and Oracle's interpretation that was used to complete the functional matrices:

Fit-Gap Response	Additional Comment provided by Oracle
F = Fully Provided "Out-of-the-Box"	Oracle interprets these requirements to be satisfied if the functionality is provided out of the box or through the completing of a task associated with a routine configurable area. These routine configurable areas include, but are not limited to, user-defined fields, delivered or configurable workflows, alerts or notifications, table driven setups and standard reports with no changes. These routine configurable areas would be addressed as part of any implementation and the responsibilities of performing all the tasks associated with all these routine configurable areas are the responsibility of the County or its Implementor.
R = Provided with Reporting Tool	Oracle interprets these requirements to be satisfied by the reports generated using Reporting Tools. (See the Product Name Crosswalk tab for a list of the modules that comprise Reporting Tools.) The responsibilities of performing all the tasks associated with the generation of reports are the responsibility of the County or its Implementor.
CO = Configuration (no changes to underlying source code)	Oracle interprets these requirements to be satisfied if the functionality is provided through an extension to the application, the development of a new page to the application or logic added to the application through the use of PeopleTools. The responsibilities of performing all the tasks associated with configuration are the responsibility of the County or its Implementor.

TP = Third Party Software Required	Oracle's response in the "Module(s) Required to Fulfill Requirements" or Fit-Gap Notes / Closure Recommendations (or any updated thereto) may have made mention to third party products; however, this should not be construed as a recommendation of any particular third party product provider/third party product and should the County elect to purchase any such third party products, the County must contract directly with the third party product provider for the third party product.
IM = Modification/Customization (change to source code)	The responsibilities of performing all the tasks associated with modifications/customizations are the responsibility of the County or its Implementor.
W = Workflow Required	Oracle interprets these requirements to be satisfied if the functionality is provided either through the creation of a new workflow or a significant modification to a standard work flow that is contained in the proposed product(s). The responsibilities of performing all the tasks associated with the creation of new workflows or the modification of existing workflows are the responsibility of the County or its Implementor.
I = Interface Required	The responsibilities of performing all the tasks associated with interfaces are the responsibility of the County or its Implementor.
CF = Custom Fields Required	Oracle interprets these requirements to be satisfied by the creation of a new field being added to the product using PeopleTools. The responsibilities of performing the tasks associated with the creation of a new field are the responsibility of the County or its Implementor.

U = Unable to Meet Requirement

For any requirement marked as U, Oracle does not meet the requirement. Furthermore, Oracle has not provided any indication if or when a future version would meet these requirements. Oracle's response in the "Module(s) Required to Fulfill Requirements" or "Fit-Gap Notes / Closure Recommendations" (or any updated thereto) may have made mention to Oracle's modules or third party products and provide a comment to help the County understand why Oracle is unable to meet the requirement.

Exhibit 5 Functionality And Requirements Matrix-Product Name Cross-Reference

Module Names as Referenced in Matrix	Licensed Program name per Price List/Supplement	Software Version
General Ledger	Financials (PeopleSoft)	9.0
eProcurement	eProcurement (PeopleSoft)	9.0
Purchasing	Purchasing (PeopleSoft)	9.0
Strategic Sourcing	Strategic Sourcing (PeopleSoft)	9.0
eSupplier Connection	eSupplier Connection (PeopleSoft)	9.0
Supplier Contract Management	Supplier Contract Management (PeopleSoft)	9.0
Payables	Financials (PeopleSoft)	9.0
Expenses	Expenses (PeopleSoft)	9.0
Cash Management	Financials (PeopleSoft)	9.0
Grants	Grants (PeopleSoft)	9.0
Program Management	Program Management (PeopleSoft)	9.0
Project Costing	Project Costing (PeopleSoft)	9.0
Contracts	Contracts (PeopleSoft)	9.0
Billing	Financials (PeopleSoft)	9.0
Receivables	Financials (PeopleSoft)	9.0
Bill/Pay (Pay/Bill Management)	Financials (PeopleSoft)	9.0
Asset Management	Financials (PeopleSoft)	9.0
Inventory	Inventory (PeopleSoft)	9.0
Maintenance Management	Enterprise Asset Management (PeopleSoft)	9.0
Deal Management	Treasury (PeopleSoft)	9.0
Planning and Budgeting	Planning and Budgeting (PeopleSoft)	9.0
UPK	User Productivity Kit	9.0
Real Estate Management	Real Estate Management	9.0
Hyperion Planning System 9	Hyperion Planning Plus	11.1.1
Hyperion Workforce planning	Hyperion Workforce Planning	11.1.1

Hyperion Performance Scorecard- system 9	Hyperion Performance Scorecard Plus	11.1.1
Hyperion Capital Expense planning	Hyperion Capital Asset Planning	11.1.1
HR	Human Resources (PeopleSoft)	9.0
Payroll for North America	Payroll (PeopleSoft)	9.0
Absence Management	Absence Management (PeopleSoft)	9.0
Benefits Administration	Benefits Administration (PeopleSoft)	9.0
eBenefits	Human Resources (PeopleSoft)	9.0
ePay	Payroll Interface (PeopleSoft)	9.0
ELM	Enterprise Learning Management (PeopleSoft)	9.0
eCompensation Manager	eCompensation (PeopleSoft)	9.0
eCompensation.	eCompensation (PeopleSoft)	9.0
ePerformance	ePerformance (PeopleSoft)	9.0
eProfile	Human Resources (PeopleSoft)	9.0
eProfile Manager	Human Resources (PeopleSoft)	9.0
Talent Acquisition Manager	Recruiting Solutions (PeopleSoft)	9.0
Candidate Gateway	Recruiting Solutions (PeopleSoft)	9.0
eDevelopment	Human Resources (PeopleSoft)	9.0
Time & Labor	Time and Labor (PeopleSoft)	9.0
PeopleSoft Performance Management Warehouse	Performance Management Warehouse (PeopleSoft)	9.0
Oracle BI Enterprise Edition Suite	Business Intelligence Suite Enterprise Edition Plus	10.1.3
OBIEE	Business Intelligence Suite Enterprise Edition Plus	10.1.3
Enterprise Scorecard (7.0 - 7.4)	Scorecard (PeopleSoft)	9.0
EPM Portal Pack	EPM Portal Pack (PeopleSoft)	9.0
Workforce Scorecard	Workforce Scorecard (PeopleSoft)	9.0
Supplier Rating System	Supplier Rating System (PeopleSoft)	9.0
PeopleTools	PeopleTools (included with all PeopleSoft deals)	8.49
Enterprise Portal	Enterprise Portal (PeopleSoft)	9.0

Portal	Enterprise Portal (PeopleSoft)	9.0
Human Resources Portal Pack	HRMS Portal Pack (PeopleSoft)	9.0
Financial Portal Pack	Financial Portal Pack (PeopleSoft)	9.0
Enterprise Manager Grid Control	Oracle Database - Enterprise Edition	10.2
Application Management Pack for PeopleSoft	Application Manager Pack for PeopleSoft (PeopleSoft)	8.49.0.3.0
Diagnostic Pack for Oracle DB	Diagnostic Pack for Oracle Database	10gR3
SOA Suite	SOA Suite for Non Oracle Middleware	10.1.3
Oracle Imaging and Process Management (aka Stellent or Content Management)	Imaging and Process Management	10gR3
PeopleSoft Directory Interface	Directory Interface (PeopleSoft)	8.49
Oracle Identity Management	Identity Manager	10gR3
BPEL	SOA Suite	10.1.0.2
Crystal	Crystal Reports and Crystal Enterprise (PeopleSoft)	9.00
Query	PeopleTools (included with all PeopleSoft deals)	8.49
XML Publisher (aka BI Publisher)	PeopleTools (included with all PeopleSoft deals)	8.49
System Administrator	PeopleTools (included with all PeopleSoft deals)	8.49
Archive Manager	PeopleTools (included with all PeopleSoft deals)	8.49
Data Archive Manager	PeopleTools (included with all PeopleSoft deals)	8.49
Workflow (aka Workflow Tools)	PeopleTools (included with all PeopleSoft deals)	8.49
Security Administrator	PeopleTools (included with all PeopleSoft deals)	8.49
PeopleTools Security	PeopleTools (included with all PeopleSoft deals)	8.49

Process Scheduler	PeopleTools (included with all PeopleSoft deals)	8.49
Process Monitor	PeopleTools (included with all PeopleSoft deals)	8.49
Ascential Data Stage	Performance Management Warehouse (PeopleSoft)	9.0
IBM/Ascential MetaStage	Performance Management Warehouse (PeopleSoft)	9.0
Reporting Tools	Query, nVision, SQR, XML/BI Publisher (all part of PeopleTools), OBIEE, Crystal Reports,	See individual line item
Integration Tools	Component Interface, Application Engine, Integration Broker, Application Messaging (all part of PeopleTools), BPEL	See individual line item
Application Development Tools	Application Designer (Part of PeopleTools)	See individual line item

Exhibit 5 Oracle Functionality and Requirements Matrix Clarification

[illegible]

Item #	Item Description	Item Category	Item Subcategory	Item Code	Item Unit	Item Price	Item Quantity	Item Status	Item Location	Item Notes
F-FA 14	Manually assign specific asset number(s) that are generated from the third-party bar coding system.	Purchasing, Asset Management, 3rd Party Barcode Scanning	Purchasing, Asset Management	U	U				The Asset Management application provides the ability to interface to third party bar code reading devices. However, we are not including the third party hardware and software to meet this requirement. The County may work with a certified partner to meet this requirement.	
F-FA 24	Capture the market value of an individual asset.	Asset Management	Asset Management	F	F				Market Value can be captured using one of the user-defined Asset attributes.	
F-FA 31	Provide a useful life in whole years value.	Asset Management	Asset Management	CO	F				As defined, useful life is specified by number of months, not years. PeopleTools can be used to change this to years.	
F-FA 42	Bar Code Number	Asset Management, 3rd Party Barcode Scanning	Asset Management	U	U				The Asset Management application provides the ability to interface to third party bar code reading devices. However, we are not including the third party hardware and software to meet this requirement. The County may work with a certified partner to meet this requirement.	
F-GR 41	Export reports into popular desktop applications (i.e., Microsoft Office).	All Applications	Asset Management	F	F					
F-GR 42	Support report definitions with user-defined data tables	All Applications	Asset Management	F	F					
F-IN 11.02	Track MSRP inventory items in a table driven format to include: Personal Protective Equipment	Inventory	Inventory	F	F					
F-IN 18.05	Provide the following inventory costing methods, at a minimum: FIFO average	Inventory	Inventory	F	F					
F-IN 21	Support 'kit' issuance for inventory items that are always linked together (e.g., light bar, MOT, gun rack, etc. for a squad car).	Purchasing, Inventory	Purchasing, Inventory	F	F					
F-IN 22	'Kit' issuance performs an available inventory sell across all kit items prior to issuing a pick order to assemble the kit.	Purchasing, Inventory	Purchasing, Inventory	F	F					
F-IN 23	'Kit' backorder possible on out of stock item from an overall kit.	Purchasing, Inventory	Purchasing, Inventory	F	F					

F - IN 48.02	Generate cycle count lists by location in the warehouse according to the following priority categories (only one category can be assigned per inventory item): Priority code based upon sales unit volume threshold (e.g., over 12 turns per year is priority 'A')	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process	
F - IN 48.03	Generate cycle count lists by location in the warehouse according to the following priority categories (only one category can be assigned per inventory item): Priority code based upon nature of inventory item (e.g., syringes are priority 'A')	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process	
F - IN 48.04	Generate cycle count lists by location in the warehouse according to the following priority categories (only one category can be assigned per inventory item): Priority code based upon nature of inventory item (e.g., syringes are priority 'A')	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process	

F - IN 48.08	Generate cycle count list by location in the warehouse according to the following priority categories (only one category can be assigned per inventory item): Priority code assigned upon an expiration date of an inventory item (e.g., -synthes are priority 'A')	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process.	
F - IN 48.08	Prompt warehousemen to perform cycle counts based upon priority code assigned to inventory item via hard copy count sheet.	Inventory	Inventory	CO	An item priority code may be added via PeopleTools for inclusion in the cycle count process.	
		Inventory	Inventory	F		
F - IN 49 F - IN 5.02	Support business rules for surplus disposal.	Inventory	Inventory	F		
	Inventory status categories to include: Obsolete	Inventory	Inventory			
F - IN 58	Generate a transaction listing, by item, over a defined date range.	Inventory	Inventory	R		
F - IN 7.01 F - IN 7.02	Inventory parts with a labor cost component. Exclude parts from a cost element (e.g., alternator).	Inventory	Inventory	CO	Inventory costs can be captured that include labor. An integration to a third party application capturing those costs would be required.	
	Inventory parts with a labor cost component. Parts built with inventoried material.	Inventory	Inventory	CO	Inventory costs can be captured that include labor as a limited cost component. An integration to a third party application capturing those costs would be required.	
F - PUR 48.08	Grant expiration date (if applicable)	Purchasing	Purchasing	F	PeopleSoft does not capture the Grant Expiration Date on procurement transactions. This is stored as part of the Grant/Project profile.	

Item	Requirement	Functional Area	Category	Priority	Comments
F - TR 28.01	Fixed to variable rate analysis	Deal Management, Risk Management	F	U	Risk Management is a data-driven application for evaluating risk. You define how the application works with risk data and model it through capture mechanisms. Risk Management can accommodate the models you define to address the dynamic nature of the market and the varying effects of the types of risk. You can use delivered, predefined functions and analytic programs through our partnership with FEA. You can access and communicate with third-party analysis through three methods: Microsoft Excel, Component Object Model (COM), Flat File Export. See 28.01 above
F - TR 28.02	Variable to fixed rate analysis	Deal Management, Risk Management	F	U	See 28.01 above
F - TR 28.03	Inclusion of issuances / contract fees	Deal Management, Risk Management	F	U	See 28.01 above
F - TR 28.04	Sensitivity analysis to interest rate changes	Deal Management, Risk Management	F	U	See 28.01 above
F - AP 10	Cut customer refund checks via system interface (property tax refunds) without creating a vendor file.	Payables	F	F	
F - AP 40	Provide an authorization listing of approved vendor claims for funding prior to releasing checks or electronic payments.	Payables	F	F	
F - AP 40.02	Allow a transaction for refund County fund (e.g., services rendered on a special transaction) without generating a remittance to the County.	Purchasing, Payables/Receivables/Billing	F	F	
F - AR 17	Preserve customer history (i.e., payment transaction history) that is able to be accessed via inquiring on the customer record file.	Receivables, Billing	CO	F	
F - AR 39	Allow a user to put delinquent letters on hold at the invoice level.	Receivables	CO	F	A hold at the invoice level may be added via PeopleTools
F - AR 40	Preclude generation of delinquent letters to a customer with "bankrupt" as status in the customer record	Receivables, Billing	CO	F	The ability to preclude delinquent letters to customers in a bankrupt status may be added via PeopleTools

F-PR-4.1	Credit analysis, including NSF check	Receivables, Billing Project Costing				The delivered PeopleTools can be used to create functionality that tracks revolving loan funds including associated interest and terms.	
F-GR-4.00	Track revolving loan funds including associated interest and terms.	General Ledger				PeopleSoft General Ledger delivers the ability to spread costs across projects and project activities based on a variety of allocation methodologies. However, most customers enter transactions at the project/activity level and use allocations for items such as overhead allocations.	
F-PR-15.00	Spread project costs in a hierarchical structure using business amounts						
F-PR-15.01	"Triller" function to capture each date at the grant header level, Grant application deadline	Grants				The delivered workflow tools can be used to create a workflow notification based on a grant application deadline.	
F-PR-15.02	"Triller" function to capture each date at the grant header level, Grant closing date	Grants				The delivered workflow tools can be used to create a workflow notification based on a grant closing date.	
F-PR-15.03	"Triller" function to capture each date at the grant header level, Reimbursement deadline	Grants				The delivered workflow tools can be used to create a workflow notification based on a grant reimbursement deadline.	
F-PR-15.04	"Triller" function to capture each date at the grant header level, Report deadline	Grants				The delivered workflow tools can be used to create a workflow notification based on a grant report deadline.	
F-PR-28.02	Project manager contact information	Project Costing				The Project Costing application delivers user-definable fields associated with a project. The delivered PeopleTools can be used to re-label and format the user-definable fields, as needed.	
F-PR-28.03	Department head	Project Costing				The Project Costing application delivers user-definable fields associated with a project. The delivered PeopleTools can be used to re-label and format the user-definable fields, as needed.	
F-PR-28.04	Unit head	Project Costing				The Project Costing application delivers user-definable fields associated with a project. The delivered PeopleTools can be used to re-label and format the user-definable fields, as needed.	
F-PR-48.02	Pay verbiage including overtime, sick days, holidays, etc.	Project Costing				The Project Costing application delivers user-definable fields associated with a project. The delivered PeopleTools can be used to re-label and format the user-definable fields, as needed.	

IT 12.00	Uses a Web GUI interface with ability to customize the standard look and feel through common standards CSS or XML.	All modules	Programs / Procedures / Modules	F	F	F	This solution was completely rewritten for the Internet back in 1999. Common standards like the ones mentioned would be used to change the GUI.	This solution was completely rewritten for the Internet back in 1999. Common standards like the ones mentioned would be used to change the GUI.
IT 13.00	Provides field level edits to ensure validity of the data being entered into the system.	All modules	Programs / Procedures / Modules	F	F	F		
IT 14.00	Editable on-line user help to make County-specific changes to help text, graphics.	All modules	Programs / Procedures / Modules	F	F	F	The online help, which is placed on every page within the solution, are HTML pages which can be edited with any standard text editor.	The online help, which is placed on every page within the solution, are HTML pages which can be edited with any standard text editor.
IT 15.00	Browser compatibility IE 6 and greater, Firefox.	All modules	Programs / Procedures / Modules	F	F	F	Current certified versions for these browsers are IE 6, 7 and Firefox 2.0.	Current certified versions for these browsers are IE 6, 7 and Firefox 2.0.
IT 17.00	Display for user inquiry the related item preceding and/or following the current item on screen, within the flow of a process. (e.g. display previous / display next).	All modules	Programs / Procedures / Modules	F	F	F	This is standard functionality. The County can use our online help for this, but our online training tool, User Productivity Kit (UPK), is an additional charge.	This is standard functionality. The County can use our online help for this, but our online training tool, User Productivity Kit (UPK), is an additional charge.
IT 18.00 IT 2	On-line training and demo module included with application software.	All modules	Programs / Procedures / Modules	F	F	F	This is standard functionality with the Proprietary security model. The only exception is it secures down to the page level. Field level security is accomplished with configuration.	This is standard functionality with the Proprietary security model. The only exception is it secures down to the page level. Field level security is accomplished with configuration.

EXHIBIT 6

APPENDIX L – CERTIFICATE OF COMPLIANCE

Appendix L

Certificate of Compliance

In compliance with Local Law 1-2006, as amended (the "Law"), the Contractor hereby certifies the following:

The responses and representations provided on this document only apply to Oracle USA, Inc. and its employees located within the United States who will provide services in accordance with a resulting contract.

1. The chief executive officer of the Contractor's parent company is:

Larry Ellison

(Name)

500 Oracle Parkway, Redwood Shores, CA 94065

(Address)

1-800-ORACLE1

(Telephone Number)

2. The Contractor agrees to either (1) comply with the requirements of the Nassau County Living Wage Law or (2) as applicable, obtain a waiver of the requirements of the Law pursuant to section 9 of the Law. In the event that the contractor does not comply with the requirements of the Law or obtain a waiver of the requirements of the Law, and such contractor establishes to the satisfaction of the Department that at the time of execution of this agreement, it had a reasonable certainty that it would receive such waiver based on the Law and Rules pertaining to waivers, the County will agree to terminate the contract without imposing costs or seeking damages against the Contractor

Oracle clarifies its response by stating that its Technical Support services (on-call, as needed software support and maintenance) and Advanced Product Support services are incidental to the delivery of its software program licenses. Oracle further states that it is a large company offering support for its software products 24 hours a day, seven days a week. Support is provided from Oracle's support centers located around the world. Oracle's support centers operate according to the normal business hours and laws and regulations of their individual locations.

3. In the past five years, Contractor X has _____ has not been found by a court or a government agency to have violated federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If a violation has been assessed against the Contractor, describe below:

Oracle was cited for one violation by OSHA, issued on January 5, 2007. The citation was reclassified as a level "other" of seriousness. Oracle paid the fine and the abatement of all items has been accomplished within the required amount of time.

4. In the past five years, an administrative proceeding, investigation, or government body-initiated judicial action X has _____ has not been commenced against or relating to the Contractor in connection with federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If such a proceeding, action, or investigation has been commenced, describe below:

In the past five years, Oracle has been the subject of various routine administrative charges filed by current or former employees alleging potential violation of applicable federal and state laws. There are currently no such federal or state charges pending in the State of New York.

In September of 2004, the U.S. Department of Labor concluded an audit of the Oracle 401(k) Savings Plan. No action was taken by the DOL as a result of this audit; the DOL identified certain areas for remediation under ERISA, as well as the adequacy of the remedial steps taken.

5. Contractor agrees to permit access by work sites within Nassau County and relevant payroll records by authorized County representatives for the purpose of monitoring compliance with the Living Wage Law and investigating employee complaints of non-compliance.

I hereby certify that I have read the foregoing statement and, to the best of my knowledge and belief, it is true, correct and complete. Any statement or representation made herein shall be accurate and true as of the date stated below.

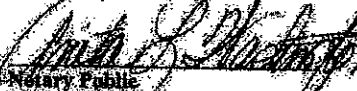
April 1, 2008
Date



Kevin Curry
Group Vice President, Public Sector

Sworn to before me this

1st day of April, 2008.


Notary Public #153800

My Commission Expires

December 31, 2008

