

CHARTER OF THE  
FINANCE AND AUDIT COMMITTEE OF  
THE ORACLE CORPORATION BOARD OF DIRECTORS

(As last amended by the Board of Directors on August 1, 2005)

I. PURPOSE

The primary function of the Finance and Audit Committee (the “Committee”) is to provide advice with respect to the Corporation’s financial matters, to oversee the accounting and financial reporting processes of the Corporation and the audits of the financial statements of the Corporation, to assist the Board of Directors in fulfilling its oversight responsibilities regarding finance, accounting, tax and legal compliance, and to evaluate merger and acquisition transactions and investment transactions proposed by the Corporation’s management. Consistent with this function, the Committee endeavors to encourage continuous improvement of, and foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation’s financial reporting process and internal control system.
- Review and appraise the audit efforts of the Corporation’s independent accountants and internal audit department.
- Evaluate the Corporation's quarterly financial performance as well as its compliance with laws and regulations.
- Oversee management's establishment and enforcement of financial policies and business practices that are designed to manage business and financial risk and to comply with significant legal, regulatory and ethical requirements.
- Provide an open avenue of communication among the independent accountants, financial and senior management, counsel, the internal audit department, and the Board of Directors.
- Review and, in its discretion, approve merger and acquisition and investment transactions proposed by the Corporation’s management.

Section IV of this Charter sets forth the primary responsibilities and duties of the Committee. The Committee may, in its discretion, also review reports from management on other finance, legal and administrative issues to the extent that it deems appropriate or necessary.

II. COMPOSITION

The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent directors, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. An independent director for purposes of the Committee is a director who:

1. is not and has not been employed by the Corporation or any subsidiary of the Corporation for at least three years;
2. has not accepted, nor has a family member (i.e., any person who is a relative by blood, marriage, or adoption, including any in-law, or who has the same residence address) who has accepted, any payments (including loans and political contributions) from the Corporation or any subsidiary of the Corporation in excess of \$60,000 during any twelve consecutive months within the three years preceding any determination of independence, other than compensation for board service, payments arising solely from investments in the Corporation's securities, compensation paid to a family member who is not an executive officer of the Corporation or any subsidiary of the Corporation, benefits under a tax-qualified retirement plan or non-discretionary compensation;
3. does not have a family member who is, or during the past three years was, employed by the Corporation or any subsidiary of the Corporation as an executive officer;
4. is not, nor has any family member of the director who is, a partner (other than a limited partner) in, or controlling shareholder or executive officer of, any organization to which the Corporation made, or from which the Corporation received, payments for property or services (other than those arising solely from investments in the Corporation's securities or made under non-discretionary charitable contribution matching programs) that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, in the current fiscal year or any of the prior three fiscal years;
5. is not, nor has any family member who is, employed as an executive officer of another entity for which any of the Corporation's executive officers presently serves as a compensation committee member or has done so during the past three years;
6. is not and was not, nor has any family member of the director who is or was, a partner or employee of the Corporation's outside auditor and worked on the Corporation's audit engagement during any of the past three fiscal years;
7. does not accept any consulting, advisory or other compensatory fee, either directly or indirectly, other than in the member's capacity as a board or committee member or fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with Corporation that are not contingent upon continued service; or
8. is not an affiliated person of the Corporation or any subsidiary of the Corporation, other than via board membership.

All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall have past employment experience in accounting or related financial management, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The management will update the Committee on relevant current accounting topics and otherwise assist the Committee in maintaining an appropriate level of financial literacy.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board. Each member of the Committee shall serve until the next annual organizational meeting of the Board or until his or her successor has been duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

### III. MEETINGS

The Committee shall hold such regular meetings as may be necessary, but not less than quarterly, and such special meetings as may be called by the Chairman of the Committee. As part of its effort to foster open communication, the Committee shall meet annually (or more frequently as it deems appropriate) with management, the general counsel, the director of the internal audit department and the independent accountants in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or its Chair should meet with the independent accountants and management quarterly to review the Corporation's financial statements consistent with IV.4 below. The Committee shall maintain minutes of all of its meetings and will report its activities to the Board at each Board meeting.

### IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

#### Documents/Reports Review

1. Review this Charter periodically, at least annually, and update as conditions dictate. Submit the Charter to the Board of Directors for approval and have the Charter published at least every three years in the Corporation's proxy statement.
2. Review the Corporation's quarterly financial statements and any other reports or financial information deemed appropriate by the Committee, including any certification, report, opinion, or review rendered by the independent accountants.
3. Review the regular internal reports to management prepared by the internal audit department and management's response to such reports.

4. Review with financial management of the Corporation the Form 10-Qs and the Form 10-Ks prior to filing. The Chair of the Committee may represent the entire Committee for purposes of this review.
5. Prepare a report to be included in the Corporation's proxy statement for each annual meeting that discloses whether the Committee has reviewed the financial statements with management and discussed Statement on Auditing Standards No. 61 (Communicating with Audit Committees) and Independence Standards Board Standard No. 1 (Auditor Independence) with the independent accountants, and if it has recommended to the Board of Directors that the audited financial statements be included in the Form 10-K.

#### Control Processes

6. Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices as suggested by the independent accountants, management, or the internal audit department.
7. Establish regular and separate systems of reporting to the Committee by management, the independent accountants, and the internal auditors regarding management's preparation of the financial statements.
8. Review with management and the independent accountants on an annual basis, the Corporation's critical accounting policies.
9. Review the disclosures made by the Corporation's principal executive officer and principal financial officers regarding compliance with their certification requirements under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder, including the Corporation's internal controls for financial reporting and disclosure controls and procedures.
10. Review with management and the independent accountants at the completion of the annual examination:
  - The Corporation's annual financial statements and related footnotes.
  - The independent accountants' audit of the financial statements and their report thereon.
  - Any significant changes required in the independent accountants' audit plan.
  - Any serious difficulties or disputes with management encountered during the course of the audit.
  - The existence of significant estimates and judgments underlying the financial statements, including the rationale behind those estimates as well as the details of material accruals and reserves.
  - Other matters related to the conduct of the audit that are communicated to the Committee under generally accepted auditing standards.

11. Review any significant disagreement among management and the independent accountants or the internal audit department in connection with the preparation of the financial statements.
12. Make and approve recommendations to change or improve the financial and accounting practices and evaluate their implementation.

#### Independent Accountants

13. Recognizing that the independent accountants are ultimately accountable to the Committee and the Board of Directors, select the independent accountants, considering their independence and effectiveness. The Committee has the sole authority to appoint, retain and terminate the independent accountants of the Corporation, including sole authority to approve all audit engagement fees and terms and all non-audit services to be provided by the independent accountants. The Committee must pre-approve all non-audit services to be provided by the Corporation's independent accountants. The Committee may, from time to time, delegate its authority to approve non-audit services on a preliminary basis to one or more Committee members, provided that such designees present any such approvals to the full Committee at the next Committee meeting.
14. The Committee shall be directly responsible for the oversight of the work of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (subject, if applicable, to stockholder ratification). Each such accounting firm shall report directly to the Audit Committee.
15. On an annual basis, the Committee shall receive from the independent accountants a formal written statement regarding the independent accountants' independence and shall review and discuss with the accountants all significant relationships the accountants have with the Corporation to determine the accountants' independence.
16. On an annual basis, the Committee shall receive from the independent accountants a written report regarding the auditor's internal quality control procedures and any major issues raised by internal or regulatory reviews.
17. Review the performance of the independent accountants, including that of the lead partner, and discharge the independent accountants or lead partner when circumstances warrant.
18. Periodically consult with the independent accountants out of the presence of management about internal controls and the fullness and accuracy of the organization's financial statements.

19. Consider the independent accountants' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
20. Review practices for the Corporation's hiring of current or former employees of the independent accountants.

#### Internal Auditors

21. Review and evaluate the process used in establishing the annual internal audit plan.
22. Consider, in consultation with the director of internal audit, the audit scope and role of the internal auditors.
23. Review and evaluate the scope, risk assessment, and nature of the internal auditors' plan and any subsequent changes, including whether or not the internal auditors' plan is sufficiently linked to the Corporation's overall business objectives and management's success and risk factors.
24. Consider and review with management and the director of internal audit:
  - Significant findings during the year and management's responses thereto, including the timetable for implementation of the recommendations to correct weaknesses in internal control.
  - Any difficulties encountered in the course of internal audits, including any restrictions on the scope of work or access to required information.
  - Any changes required in the planned scope of the audit plan of the internal audit department.
  - The internal audit department's budget, staffing, qualifications and performance.
25. At least annually, the Committee shall evaluate the performance of the senior officer or officers responsible for the internal audit function of the Corporation, including the objectivity of such officer or officers, and shall convey its findings and conclusions to management.

#### Acquisition Transactions and Investment Transactions

26. The Committee shall consider acquisition and investment candidates identified by the Corporation's management.

#### Miscellaneous

27. Oversee the Corporation's policies and procedures regarding compliance with applicable laws and regulations and with the Corporation's Code of Conduct and Business Ethics and receive reports from the Chief Compliance Officer.
28. Establish Procedures for:
  - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
29. Ensure that management has the proper review system in place to ensure that the Corporation's financial statements, reports, and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
30. Perform any other activities consistent with this Charter, the Corporation's By-laws, and governing law as the Committee or the Board deems necessary or appropriate.
31. The Committee shall have the power to hire legal, financial or other advisors as they may deem necessary in their best judgment with due regard to cost, without the need to obtain the prior approval of any officer of the Corporation. The secretary of the Corporation will arrange for payment of the invoices of any such third party.
32. In connection with its oversight responsibilities, the Committee shall be directly responsible for the resolution of disagreements between management and the independent accountants regarding the Corporation's financial reporting.

The Committee's function is one of oversight and, therefore, the Committee does not serve to relieve the Corporation's management of its responsibility to prepare accurate and fairly presented financial statements in accordance with generally accepted accounting principles. Although the Committee is directly responsible for the appointment, compensation, retention and oversight of the independent accountants, the Committee's function does not relieve the independent accountants of their responsibilities relating to the audit or review of the Corporation's financial statements. It is not the duty of the Committee to conduct investigations, or to assure compliance with regulations, laws or the Corporation's business practices or code of ethics. Furthermore, while the Committee is responsible for reviewing the Corporation's policies and practices with respect to risk assessment and management, it is the responsibility of the principal executive officer and senior management to determine the appropriate level of the Corporation's exposure to risk.