

Statement of Corporate Governance Arrangements

The Company has not applied a corporate governance code during the period, as it is not mandatory for it to do so. The Company operates with a robust level of governance across the business, with clear governance infrastructure. The Company has a number of policies and procedures in place globally to support the Group and to ensure its Directors operate appropriately and develop the business. This approach is designed to promote the long-term success of the Company and its subsidiary businesses both within the UK and globally, to minimise risk and to create value for shareholders. The Company's stakeholders are its employees, suppliers, shareholders, and the communities in which it operates. The Board is comfortable that formal application of a corporate governance code is not essential for the Company at this time. Set out below, in further detail, is the infrastructure which the Board presently has in place, along with details of a proposed governance road-map which the Board has committed to implement during the course of 2021.

Application of Governance

This section provides an overview of how the Company applied its corporate governance practices for the financial year ending 31 May 2020. The Directors are mindful of corporate governance and seek to demonstrate understanding of their accountability and statutory responsibilities, including application of Section 172 under the Act.

In response to the ever increasing focus on corporate governance for private companies and the need for transparency, the Directors of the Company have proactively instigated a review of the Company's current UK corporate governance framework, with a particular focus on subsidiary governance and the changes required to support the disclosures required under the Regulations.

A key output of this review, and as set out in the Section 172 statement, is that the Oracle Group is in the process of implementing a number of changes to the governance framework, including adopting an entity governance policy which will support decision making at a subsidiary level by Directors.

The entity governance policy will formalise and set out key corporate governance operating standards, including the Group's delegations and operational governance framework and the process for making principal decisions, as detailed and defined in the Section 172(1) Statement, to ensure that the Company, its statutory Directors and its management are able to comply with its obligations under the Regulations, and to support the governance and key controls underpinning the decision-making process across the Oracle Group. In making its decision, the Board of Directors will be required to consider the outcome of any stakeholder impact assessment that has been undertaken to support it making that principal decision (details of the principal decisions made during the reporting period, and the governance process behind principal decisions, are set out within the Section 172 Statement).

The Company continues to apply corporate governance as follows:

- governance of the Company continues to be supported by a robust structure which allows for constructive debate and challenge by its members. This approach enables Directors to make effective decisions, at the right time and based on the right information;
- the culture is one of openness and constructive debate. The Company's Directors are able to voice their opinions in a relaxed and respectful environment, allowing coherent discussion. When running Board meetings, the Chairperson maintains a collaborative atmosphere and ensures that all Directors have the opportunity to contribute to the debate;
- delegated authorities throughout the organisation enable effective decision making at appropriate levels; and
- a UK focused team to ensure that the Directors' receive the right information at the right time to support their decision-making processes. This includes a dedicated company secretary to support with information-flows.

Purpose and Values

Oracle's purpose is to help people see data in new ways, discover insights and unlock endless possibilities. At the heart of this purpose are the following values:

- Mutual respect;
- integrity;
- customer satisfaction;
- quality;
- teamwork;
- fairness;
- communication;
- compliance;
- innovation; and
- ethics.

These values drive the focus, define the strategy and underpin the behaviours and attitudes of the Company's employees and senior management in their work, establishing a holistic and robust approach to risk management and corporate governance.

Board Composition

Governance is an integral part of the way the Company delivers its strategy, and why it has such long-standing and dedicated Directors on the Company board. As part of the proposed entity governance policy which the Company will be implementing, the Directors of the Company will regularly review the structure, size and composition of the Board in order to ensure it comprises the right people with the requisite skills and experience, including diversity of thought and approach, who can provide strong and effective leadership to the business, and support delivery of the Company's strategy. The Company has composed a Board with a balance of skills, backgrounds, experience and knowledge required to compliment the promotion of the long term success of the Company, and to identify the impacts of the Board's decisions on the Company's stakeholders, and where relevant, the likely consequences of those decisions in the long-term. Individual Directors have sufficient capacity to make a valuable contribution that is aligned to the Company's activities.

Below is a brief biography of the Directors of the Company:

David Hudson

Mr. Hudson has been an Oracle employee for over 20 years and currently serves as Senior Vice President of EMEA Legal, Regional General Counsel and Compliance and Ethics Officer. Mr. Hudson manages over 120 indirect reports across the EMEA region. Mr. Hudson brings to the Board his extensive knowledge and experience of legal and compliance matters, as well as substantial in-depth knowledge of the Oracle business and its stakeholders and Oracle's Compliance and Ethics Program.

Simon Allison

Mr. Allison has been an Oracle employee for over 20 years and currently serves as Vice President of EMEA Tax. Mr. Allison brings to the board his considerable knowledge and experience of tax matters and the ability to evaluate how such matters may impact the business. Mr. Allison also has extensive and intricate knowledge of the Oracle business operations and its policies and processes.

Glenn Sharpe

Mr. Sharpe has been an Oracle employee for over 15 years and currently serves as Senior Finance Director responsible for the UK and Ireland. Mr. Sharpe is responsible for the financial risk and compliance aspects of Oracle's legal entities across the EMEA region. This incorporates financial risk management, local statutory compliance and Board of Directors responsibilities. Mr. Sharpe provides the Board with an important financial perspective on its operations.

Training

On appointment, each director undertakes an induction programme. As employees of Oracle, the Directors receive regular compliance training which covers various legislative updates including Anti-Bribery and Corruption, Conflicts of interest, Environmental Health and Safety, Global Compliance Training, Insider Trading, Respectful Workplace and Unconscious Bias training. The regularity of the training ensures that the Directors will maintain a clear understanding of their responsibilities and accountabilities. In 2021 the Directors will also undertake Directors' duties and corporate governance training to further support them in the delivery of their director roles.

Opportunity and Risk

The Board perceives its main opportunity to success is its people and the products and services that it provides. It is critical to the Company's success to attract, retain, develop, motivate and keep the best people with the right capabilities at all levels. Failure to achieve this would be detrimental to the services delivered by the Company.

The Board of Directors is responsible for identifying significant risks to the business and for ensuring that appropriate internal controls and risk management are in place, such as innovative product sourcing, strict control of costs, and close attention to customer service levels. Oracle has a global system for managing risk and controls, including innovative product sourcing, cost control, close attention to customer service levels, insurance, business policies and organisational structures and the Board receives reports when necessary on the oversight of this risk and the Directors' review, reassess and limit the risks when relevant. More details on the principal risks facing the business can be found in the Strategic Report.

The Board is ultimately responsible for enhancing and protecting the brand and reputation of the Company. As such, the Board recognises the importance of receiving regular, timely and accurate information on any matter affecting the brand and reputation, allowing it to take appropriate action when required.

Stakeholder Relationship and Engagement

The Board has considered the stakeholders that are impacted by the Company and its business activities, and consider its employees, suppliers, investors and the communities in which it operates to be its key stakeholders. For details of how the Company engages with its key stakeholders, please refer to the Employee Engagement Statement and Stakeholder Engagement Statement.