

SUN MICROSYSTEMS LIMITED RETIREMENT & DEATH BENEFITS SCHEME ("THE SUN MAIN SCHEME")

Frequently Asked Questions for Active Members

The letter sent to you on 29th June 2011 explained that the Sun Microsystems Limited Retirement & Death Benefits Scheme closed on 31st March 2011 and will now be wound up.

To assist members in understanding the issues we have produced this Frequently Asked Questions document for your information. Please take a few minutes to read through the questions and answers below:

(Q1) Why is the Sun Microsystems Limited Retirement & Death Benefits (the Sun Main Scheme) closing?

- (A) Oracle Corporation UK Limited (who acquired Sun Microsystems Limited and Sun Microsystems Scotland Limited) wanted to harmonise the pension provision for all of its employees and in order to achieve this it was agreed that the Sun Main Scheme would be closed to any further contribution payments on 31st March 2011. As a result of this decision, under the rules of the Scheme this now has to be wound up and members' funds secured or transferred to an alternative arrangement.

In addition, from 1 April 2011 employees of Oracle Corporation UK Limited ('Oracle') were eligible to join the Group Flexible Retirement Plan (GFRP) with Standard Life, which has been arranged by Second sight as advisers.

(Q2) How will this affect me as an active member?

- (A) As the Sun Main Scheme is being wound up, there are five options for you to consider as follows:

- Transfer your existing fund value to the Group Section 32 Buyout Plan with Fidelity (this is the default option if you do not respond)
- Transfer your existing fund value to an alternative pension arrangement of your choice
- Take your pension benefits if you are over 55 years old
- Take a refund (less tax) of the current value of the personal contributions you have paid, provided you had completed less than two years membership as at 31 March 2011
- Transfer your existing fund value to the Oracle GFRP with Standard Life

(Q3) What are my options if I was an active member, but have since left the employment of Oracle?

- (A) You are now classified as a deferred member and the options available to you are slightly different. Please visit the microsite hosted by Fidelity to obtain the Options Booklet and Form for deferred members; www.fidelitypensions.co.uk/sunmicrosystems.

(Q4) I joined the Oracle Group Flexible Retirement Plan (GFRP) but have since left the employment of Oracle. Can I still transfer my Sun benefits to the Oracle GFRP?

(A) Yes, as long as you still have your fund in the GFRP and have not transferred it out. Select Option 5 on the Employee Options Form and return it to Aon Hewitt by 10 August 2011. You will then be sent a transfer form.

(Q5) How did the Trustees select Fidelity as the Group Section 32 Buyout Plan provider?

(A) The Trustees took advice from Aon Hewitt, who reviewed the market and made recommendations taking account of a number of factors including, the charging structure, range of investments, administration and web based services as well as the financial strength of the providers. Following this review Aon Hewitt recommended Fidelity to the Trustees as the most suitable pension provider to secure the members' benefits.

In view of the importance of this decision, the Trustees sought an independent review of the Aon Hewitt recommendation by a third party adviser, who agreed with the selection of Fidelity as the most suitable Group Section 32 Buyout Plan provider. In addition the Trustees also met with Fidelity at their offices to meet the key personnel and discuss the services to be provided to members in detail, prior to making a formal decision to proceed with the recommendation from Aon Hewitt.

(Q6) Can I make any further payments into the Group Section 32 Buyout Plan?

(A) Under current legislation no further contributions can be paid to a Group Section 32 Buyout Plan, although you can transfer your funds out to an alternative arrangement in the future, should you wish to do so.

(Q7) Are the current fund choices under the Sun Main Scheme still going to be available under the Group Section 32 Buyout Plan?

(A) Yes, the equivalent funds will be offered by Fidelity under the Group Section 32 Buyout Plan as those currently available under the Sun Main Scheme. Please refer to pages 8-10 in the Options Booklet dated 29 June 2011 for more details.

(Q8) Why are there two Default Lifestyle Investment Options (Pre-April 2009 & Post-April 2009) under the Sun Main Scheme?

(A) The Trustees changed the Default Lifestyle Investment Option in April 2009 for future regular contributions from this date. As a result members may have funds invested in either of these investment options or possibly both. Please refer to your recent pension statement to check where you are invested and read the Options Booklet for more information about these investment options.

(Q9) Will there be additional funds available with Fidelity that are not currently available under the Sun Main Scheme?

(A) Yes, there are around 100 funds available through the Group Section 32 Buyout Plan with Fidelity. Further details can be obtained from Fidelity by calling their Pension Service Centre on 08457 234 235 or by emailing them at pensions.service@fil.com. There is also a Fidelity member website and the web address is www.fidelitypensions.co.uk/sunmicrosystems.

(Q10) Why are the Annual Management Charges (AMCs) for Fidelity higher than those currently charged under the Sun Main Scheme?

- (A) The Trustees received advice from Aon Hewitt who reviewed the market to compare the terms offered by a range of leading pension providers. As a result the Trustees have secured an exceptionally competitive deal with Fidelity. It should be noted however, the current charges that are payable under the Sun Main Scheme are for the investment management costs only, as the Company bears all other administration and associated running costs. Under the Group Section 32 Buyout Plan with Fidelity, the member meets both the investment and administration costs.

(Q11) Could I secure a better deal elsewhere?

- (A) These are the most competitive terms that the Trustees have secured on a 'bulk' basis for members, so it is unlikely that as an individual you will be able to secure more competitive charges for the equivalent funds. However, Oracle launched the Group Flexible Retirement Plan (GFRP) with Standard Life from 1 April 2011 and if you are a member of this arrangement, you could consider transferring your funds from the Sun Main Scheme to this arrangement.

Further details of the charges applicable to the GFRP with Standard Life are detailed in the Options Booklet provided dated 29 June 2011. If you are in any doubt, we strongly recommend you seek appropriate independent financial advice.

(Q12) I have other funds in other pension arrangements. As the Fidelity deal is so competitive, can I transfer these into the Group Section 32 Buyout Plan as well?

- (A) Unfortunately under current legislation this is not allowed, as the Group Section 32 Buyout Plan can only receive the transfer of funds for the pension scheme that is being wound up.

(Q13) How do I transfer my benefits from the Sun Main Scheme to an alternative pension arrangement of my choice?

- (A) Select Option 2 on the Employee Options Form and return it to Aon Hewitt by 10 August 2011 who will then forward you a transfer pack to progress your request. Please check with your chosen pension provider that they will accept a transfer payment, so as to ensure that your request can be completed without delay.

(Q14) When do I need to complete my transfer to an alternative arrangement by?

- (A) If you do not return the completed additional transfer forms provided with your transfer value quote by 29 September 2011, your funds will automatically be transferred to the Group Section 32 Buyout Plan with Fidelity later in 2011 once all legal requirements have been met. You would still retain the ability to transfer your funds from the Group Section 32 Buyout Plan with Fidelity, to your alternative arrangement at a later date, if you so wish.

(Q15) Are there any penalties or charges for transferring my funds out of the Sun Main Scheme?

- (A) There are no penalties or charges and your full fund value will be available to transfer to an alternative arrangement.

(Q16) I am over 55 years old so can I draw a pension from the Sun Main Scheme?

- (A) Yes, if you are over 55 years old it is possible to take your benefits and you do not need to leave the employment of Oracle to do this. You will normally be able to take 25% of your fund as tax free cash and purchase an annuity with the remainder.

Please note that we strongly recommend you carefully consider all the options and take appropriate independent financial advice before deciding when and how to take your benefits.

(Q17) I am over age 55, how do I find out what pension I can take?

- (A) Select Option 3 on the Employee Options Form and return it to Aon Hewitt by 10 August 2011. You will then be provided with a retirement quote. If you decide to proceed, Aon Hewitt will look at the annuity market for you and put forward a recommended annuity provider, although, if you prefer to do this yourself, you can do so.

(Q18) I am over age 55, when do I need to confirm my early retirement?

- (A) If you do not return the additional forms provided with your retirement quote by 29 September 2011, your funds will automatically be transferred to the Group Section 32 Buyout Plan with Fidelity. You would still retain the ability to draw your pension from the Group Section 32 Buyout Plan with Fidelity, if you so wish.

(Q19) Can I receive a refund of my fund?

- (A) If you have less than 2 years membership as at 31 March 2011, you may receive a refund of the current value of your own contributions (less tax) by selecting Option 4 on the Employee Options Form.

(Q20) Can I receive a refund of the value of my total fund?

- (A) No, your refund will be the value of your own contributions only. The Sun Scheme Trustees and Oracle would strongly urge you to carefully consider the advantages of transferring your funds to gain the benefit of the contributions paid by your Employer for your period of membership in the Sun Main Scheme.

(Q21) What are the criteria for transferring my Sun Main Scheme Funds to the Oracle GFRP with Standard Life?

- (A) You must already be an active member of the Oracle GFRP in order to transfer your funds in from the Sun Main Scheme.

(Q22) Where will my funds be invested under the Oracle GFRP if I transfer them?

- (A) Standard Life will automatically invest the transfer payment in the same funds that you have selected for your regular contributions, unless you elect to invest the transfer payment in an alternative way.

Oracle established three Lifestyle Profiles with Standard Life when they set up the GFRP: Cautious, Balanced and Adventurous. The Balanced Lifestyle profile was the default option for your regular contributions if you did not select an alternative investment option when you joined the GFRP.

Further information is in the "Description of Funds" leaflet from Standard Life and also on the Oracle website – www.oraclepensions.co.uk.

(Q23) How do I transfer my benefits from the Sun Scheme to the Oracle GFRP?

- (A) Select Option 5 on the Employee Options Form and return it to Aon Hewitt by 10 August 2011. You will then be sent a transfer / application form.

(Q24) When do I need to confirm my wish to transfer to the Oracle GFRP?

- (A) If you do not return the additional transfer forms provided by 29 September 2011, your funds will automatically be transferred to the Group Section 32 Buyout Plan with Fidelity. You will retain the right to transfer your funds from the Group Section 32 Buyout Plan with Fidelity, to the Oracle GFRP with Standard Life, at a later date.

(Q25) What are the charges under the Oracle GFRP?

- (A) The AMC for the Oracle Lifestyle Profiles (and other core Standard Life funds) is 1.00%. Oracle have negotiated enhanced terms which means that Standard Life will rebate part of the AMC by adding extra units to your fund each month. The rebate is 0.75% so reduces the effective AMC to 0.25%. If you leave Oracle, the rebate will reduce to 0.55% so the effective AMC on the Lifestyle Profiles (and other core Standard Life funds) will be 0.45%.

In addition under the GFRP you also pay for the services of Second Sight who are the pension advisers for Oracle. This fee is 0.25% pa and is in addition to the above AMCs.

So in summary as an active member, if you use one of the Oracle Lifestyle Profiles (or core funds) for investment, the overall effective charge is 0.5% pa. For members who leave Oracle, but still use one of the Oracle Lifestyle Profiles (or core funds) for investment, the overall effective charge is 0.7% pa.

(Q26) Is my fund value held in the Sun Main Scheme secure until it is finally wound up?

- (A) Yes your fund is secure; the Sun Main Scheme is not closing because it is in any deficit or at risk in any way. Once all funds are transferred or settled, the formal Trust will be wound up and the various statutory bodies advised.

(Q27) If my fund value is transferred to the Group Section 32 Buyout Plan with Fidelity, how I am protected in the event that they become insolvent?

- (A) Fidelity is covered by the Financial Services and Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS, if Fidelity cannot meet their obligations. Your Policy within the Group Section 32 Buyout Plan falls into the 'Insurance Advising and Arranging' category for compensation entitlement purposes, which provides cover of 90% of the claim, without any upper limit.

(Q28) Will I need to complete a new death benefit Nomination Form?

- (A) If your funds are transferred to the Group Section 32 Buyout Plan with Fidelity, when they send you your policy documentation, they will also send you a new death benefit Nomination Form. We would recommend that you complete this form and return it to Fidelity as soon as possible.

If you elect to transfer your funds to the Oracle GFRP with Standard Life, as you are already a member you should have completed a death benefit Nomination Form. If you have not already done so, please contact Second-sight for a copy of the form.

If you have elected to transfer your funds to an alternative pension arrangement, please speak to your pension provider or adviser about completing a death benefit Nomination Form.

(Q29) How can I check where my money is invested at the moment?

(A) You can access your fund details and values at the Scheme website: www.sunppc.co.uk.

(Q30) How do I enrol and log into the Scheme website?

(A) Go to the Scheme website, www.sunppc.co.uk, and click on Enrol. You will need your enrolment number which is your old Sun ID number. If you do not have this or have any problem logging onto the Sun PPC site, please call the administration helpline on 0141 222 7286.

If you have already enrolled, click on Login and enter your Login ID which is your National Insurance number and your password. If you have any problem logging onto the Sun PPC site, please call the administration helpline on 0141 222 7286.

(Q31) Who can I contact for further information?

- For questions regarding the Sun Main Scheme please contact Aon Hewitt whose details are noted below. Please note there is no charge for this service.

Email: sun.windup@aonhewitt.com
Telephone: 01252 768552

- For questions regarding the Group Section 32 Buyout Plan with Fidelity:

Email: pensions.service@fil.com
Telephone: 08457 234 235
Microsite: www.fidelitypensions.co.uk/sunmicrosystems

- For your current fund details and values, please go to the Sun Scheme website:
Website: www.sunppc.co.uk

- For questions regarding the Oracle GFRP with Standard Life please contact Second-sight:
Email: oracle@second-sight.com
Telephone: 0845 6066057
Website: www.mysecond-sight.com/client/oracle

Or visit the Oracle pension website hosted by Standard Life: www.oraclepensions.co.uk.

Date: 29 June 2011