



Closure of the Sun Microsystems Limited Retirement & Death Benefits Scheme

Active Member Options

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Benefits Solutions – Aon Hewitt

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Agenda

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- Your Options Explained
- Considerations when making a decision
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- Where can I get more information?
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- Questions





Closure of the Sun Microsystems Limited Retirement & Death Benefits Scheme

- Also called “Sun Main Scheme”
- Occupational Defined Contribution Scheme
- Closed since 31 March 2011
- Scheme is to be “wound up”
- Since 1 April 2011 employees of Oracle Corporation UK Limited (‘Oracle’) are eligible to join the Group Flexible Retirement Plan (GFRP) with Standard Life
- Various options now available to ‘Active’ members under Sun Main Scheme
- Letter, Booklet & Form were issued to your home address on 29 June 2011
- If you were a ‘Deferred’ Sun Main Scheme member, but have since joined Oracle you will need to request an ‘Active’ member pack from Aon Hewitt





Your Options Explained

Transfer your existing fund value to the Group Section 32 Buyout Plan with Fidelity (This is the Default option if you do not respond)	See Option 1
Transfer your existing fund value to an alternative pension arrangement of your choice	See Option 2
Take your pension benefits if you are over 55 years old	See Option 3
Take a refund (less tax) of the current value of the personal contributions you have paid (Only available if you have less than 2 years service with the Company)	See Option 4
Transfer your existing fund value to the Oracle GFRP with Standard Life	See Option 5

In order that the Trustees can provide you with a quotation or transfer pack
before 29 September 2011 (the final date by which you must make your decision)
please complete the Employee Options Form and return it to
Aon Hewitt by 10 August 2011





Considerations When Making a Decision

A – The charges applicable to your funds

B – Where you want to invest your funds

C – Flexibility & Retirement Options

D – Tax Free Cash entitlement above 25% of your fund value



Sun Main Scheme Charges

Summary of Funds and Charges

Fund Name	Annual Management Charge (AMC)
Fidelity Multi Asset Growth Fund	0.47%
BlackRock DC Diversified Growth Fund	0.65%
Newton Real Return Fund	0.75%
BlackRock Aquila Life UK Equity Index Fund	0.10%
BlackRock Aquila Life World Equity (ex-UK) Index Fund	0.25%
BlackRock Aquila Life (60:40) Global Equity Index Fund	0.15%
BlackRock Aquila Life Over 15 Years Gilt Index Fund	0.10%
BlackRock Aquila Life Cash Fund	0.15%

You should check your recent pension statement for confirmation of which funds you are currently invested in. In addition, please note that you are only able to switch your funds under the Sun Main Scheme up until 10 August 2011, as the priority thereafter is to deal with option requests during this wind-up process.

The current charges that are payable under the Sun Main Scheme are for investment management costs only, as the Company bears all other administration and associated running costs.



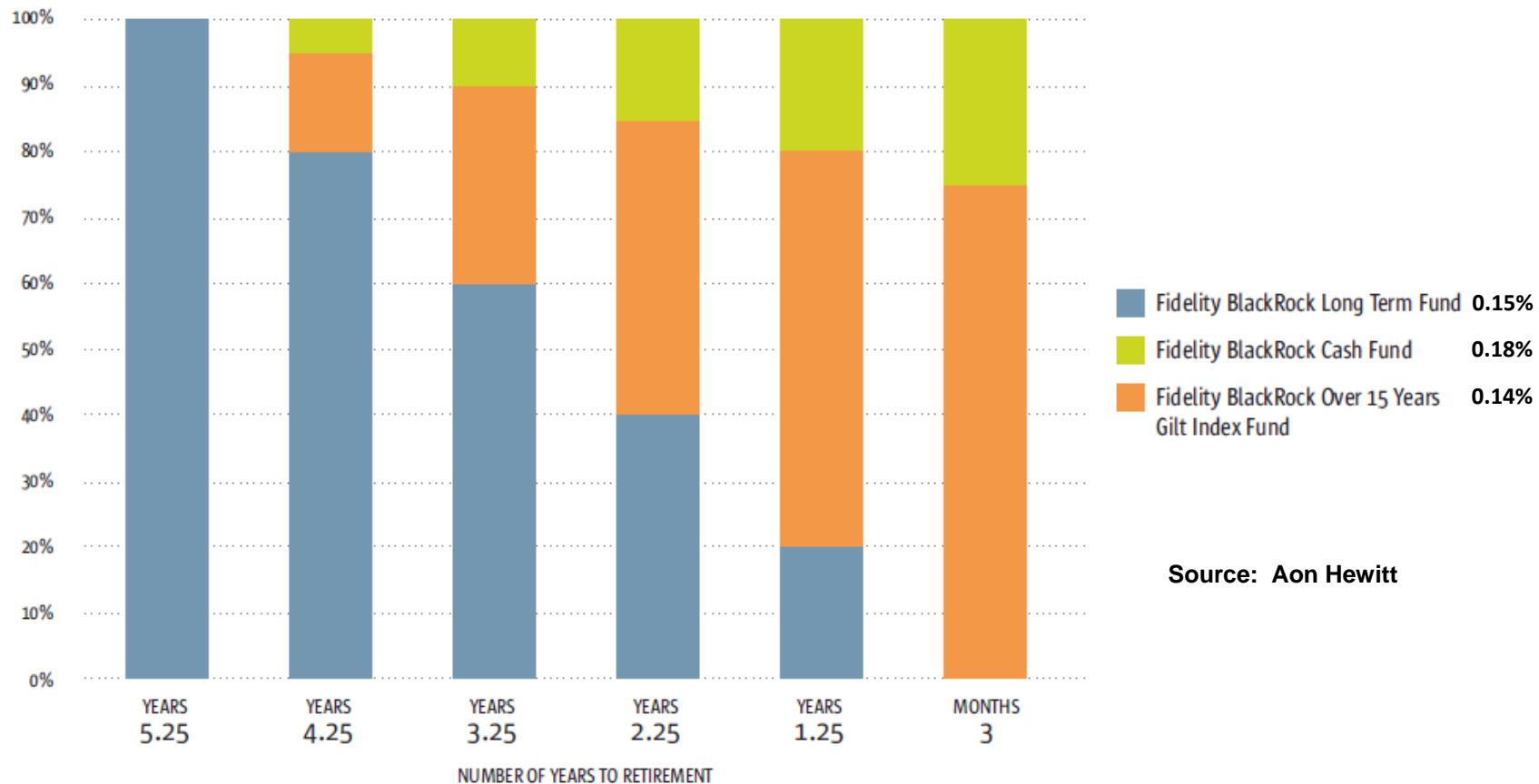
Option 1: Transfer your existing fund value to the Group Section 32 Buyout Plan with Fidelity

- Default Option for those members who do not choose to take action
- Defined Contribution Scheme, to secure assets on transfer, but no further contributions allowed
- Automatically invested in equivalent funds
- Existing Defaults available plus a new Lifestyle Investment Option
- Around 100 funds are available
- Total Expense Ratio's (TER's) for all funds range from 0.14% to 1.79%*
- No "Out of Market" Risk due to re-registration of funds with Fidelity
- Members retain any Tax Free Cash entitlement above 25%, if applicable.
- Aon Hewitt will not receive any commission from Fidelity
- You will need to complete a Fidelity death benefit Nomination Form

* The Total Expense Ratio (TER) encompasses charges made to funds typically including the Annual Management Charge, custody fees and other legal expenses e.g. audit fees. The TERs for the eight equivalent funds with Fidelity are unfixed and are typically sourced from the underlying funds' financial year end reports.



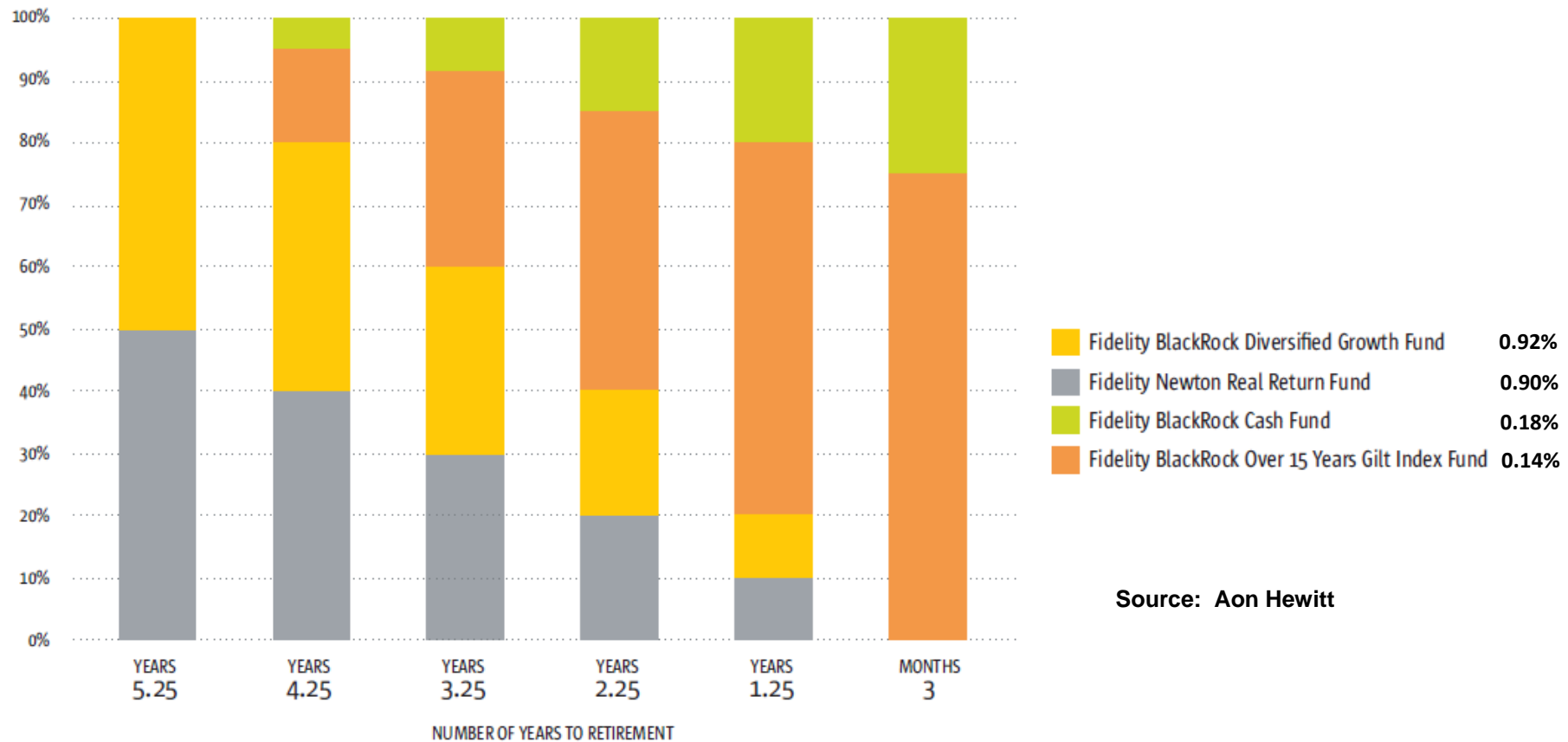
Pre-April 2009 Regular Contributions Default Investment Option



These are the funds that will be used by Fidelity under the Group Section 32 Buyout Plan.

The above table indicates the annual position, although please note that under the Group Section 32 Buyout Plan with Fidelity that the switching actually takes place on a quarterly basis.

Post-April 2009 Regular Contributions Default Investment Option



These are the funds that will be used by Fidelity under the Group Section 32 Buyout Plan.

The above table indicates the annual position, although please note that under the Group Section 32 Buyout Plan with Fidelity that the switching actually takes place on a quarterly basis.

Fidelity Group Section 32 Buy Out Plan Summary of Funds & Charges

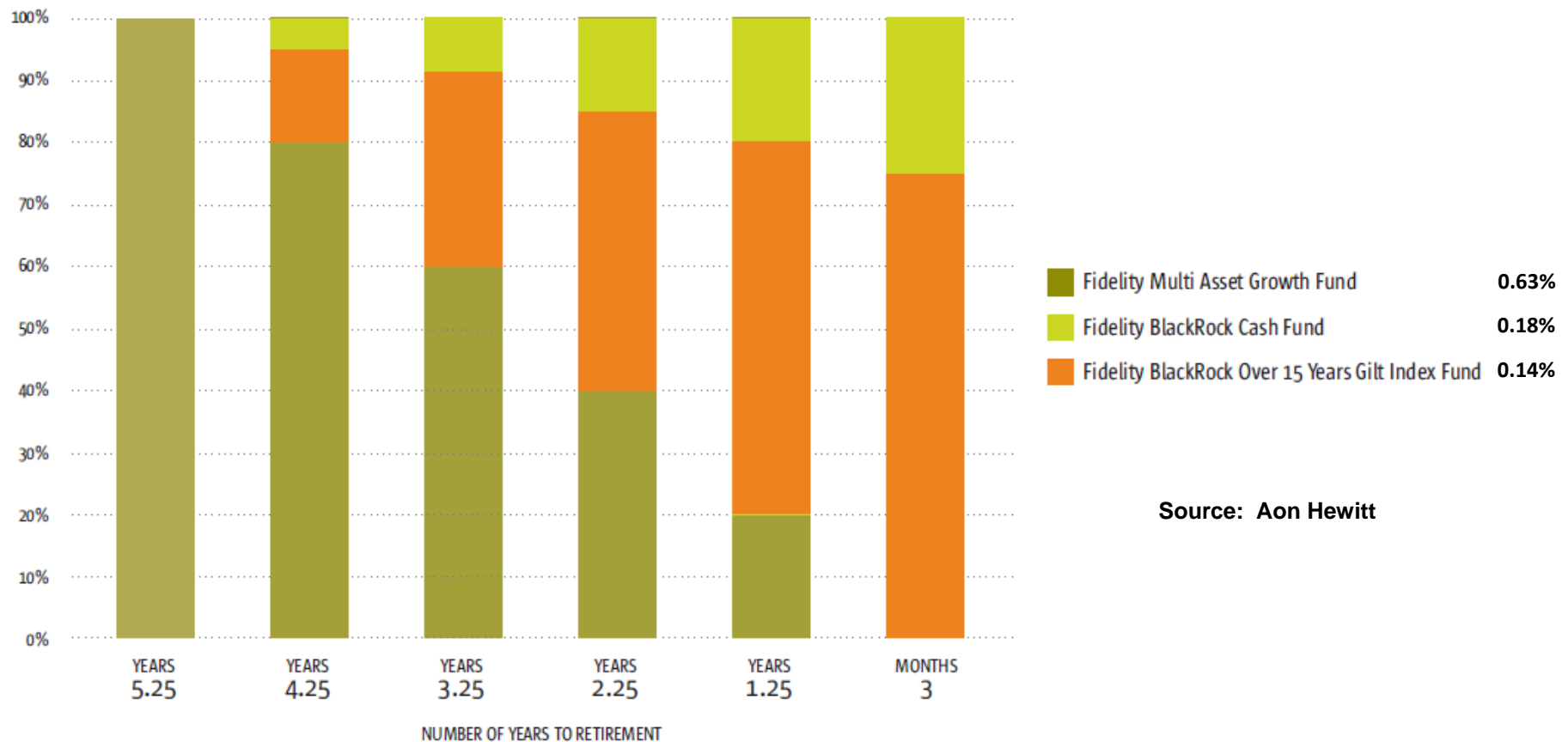
Summary of Funds and Charges		
Fund Name	Total Expense Ratio (TER)*	Fund Management Style
Fidelity Multi Asset Growth Fund	0.63%	Active
Fidelity BlackRock Diversified Growth Fund	0.92%	Active
Fidelity Newton Real Return Fund	0.90%	Active
Fidelity BlackRock UK Equity Index Fund	0.14%	Passive
Fidelity BlackRock World Equity (ex-UK) Index Fund	0.15%	Passive
Fidelity BlackRock Long Term Index Fund#	0.15%	Passive
Fidelity BlackRock Over 15 Years Gilt Index Fund	0.14%	Passive
Fidelity BlackRock Cash Fund	0.18%	Active

#This fund invests approximately 60% UK and 40% Overseas.

The above noted funds with Fidelity under the Group Section 32 Buyout Plan are the equivalent to the corresponding funds under the Sun Main Scheme. As a result your investment selection will be replicated. Under the Group Section 32 Buyout Plan with Fidelity the member meets both the investment and administration costs.

* The Total Expense Ratio (TER) encompasses charges made to funds typically including the Annual Management Charge, custody fees and other legal expenses e.g. audit fees. The TERs for these eight funds are unfixed and are typically sourced from the underlying funds' financial year end reports.

New Additional Lifestyle Investment Option (available post transfer)



These are the funds that will be used by Fidelity under the Group Section 32 Buyout Plan.

The above table indicates the annual position, although please note that under the Group Section 32 Buyout Plan with Fidelity that the switching actually takes place on a quarterly basis.



Option 2: Transfer your existing fund value to an alternative pension arrangement of your choice

- Personal Pension or Stakeholder Pension
- Check with existing provider if they can accept the transfer
- Exposed to “Out of Market” risk
- Your Tax Free Cash entitlement will be limited to 25%

Key Considerations

- Charges
- Out of Market Risk
- Tax Free Cash
- Investment options available

It is recommended that you seek appropriate independent financial advice





Option 3: Take your pension benefits if you are over 55 years old

- To retire from the scheme, you do **not** have to leave employment of Oracle
- Benefits secured now could be lower than you might expect at Normal Retirement Age
- Tax Free Cash
- Various retirement options available
- Income from pension will be taxed at your marginal rate

You are strongly urged to seek appropriate independent financial advice when deciding when and how to take your benefits. You should also note that you are not obliged to purchase a pension (i.e. an annuity) via Aon Hewitt's annuity service; more competitive rates may be available elsewhere.





Option 4: Take a refund (less tax) of the current value of the personal contributions you have paid

- Only available if you had less than 2 years membership at 31 March 2011
- Employee contributions only can be returned
- Less Short Service Refund tax (20% below £20,000, 50% above £20,000)
- Employer contributions are retained in the fund and ultimately returned to the Employer

The Sun Main Scheme Trustees and Oracle would strongly urge you to carefully consider the advantage 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 (this could be up to 2 years).





Option 5: Transfer your existing fund value to the Oracle GFRP with Standard Life

- Must be an active member of the Oracle GFRP (Group Flexible Retirement Plan)
- Standard Life will automatically invest the transfer payment in the same funds that you have selected for your regular contributions to the Oracle GFRP, unless you select an alternative way
- Exposure to “Out of Market” Risk, but will be kept to a minimum
- Should you elect to transfer as part of this ‘bulk’ exercise, you will retain any Tax Free Cash entitlement above 25%, if applicable
- You could transfer to the Oracle GFRP at a later date from Fidelity Group Section 32 Buyout Plan, however you will lose any Tax Free Cash entitlement above 25%, if applicable
- Three Lifestyle Profiles
 - Cautious
 - Balanced (default)
 - Adventurous





Option 5: Transfer your existing fund value to the Oracle GFRP with Standard Life - Continued

- Charges
 - Oracle Lifestyle Profiles – 1.00% Annual Management Charge (AMC)
 - Rebate of 0.75% per annum, effective AMC of 0.25% for Oracle Lifestyle Profiles
 - Should you leave Oracle rebate reduces to 0.55% per annum, effective AMC of 0.45% for Oracle Lifestyle Profiles
 - External and Specialist funds range from 1.00% - 2.00% AMC
 - Additional Expenses range from 0.01% - 1.12%
 - Rebate of 0.75% per annum (reducing to 0.55% per annum if you leave service) also applies to External and Specialist funds
 - Second sight adviser remuneration charge of 0.25% per annum in addition to AMC
 - **So effective total charge is 0.50% for active members and 0.70% for leavers***
- Under the Oracle GFRP with Standard Life the member meets the investment, administration and adviser costs
- 160 Funds available under the Oracle GFRP
- Online access
- Annual statements
- You should complete a Standard Life death benefit Nomination Form, unless you have already done so

***This assumes members invest in one of the Oracle Lifestyle Profiles or core Standard Life funds which have the same charges.**





Comparison of charges under the Fidelity Group Section 32 Buyout Plan with Oracle Group Flexible Retirement Plan with Standard Life

	Fidelity Group Section 32 Buyout Plan	Oracle Group Flexible Retirement Plan with Standard Life	
Funds	All members TER*	Active Total Cost**	Deferred Total Cost**
Fidelity Multi Asset Growth Fund	0.63%	N/A	N/A
BlackRock Diversified Growth Fund	0.92%	N/A	N/A
Newton Real Return Fund	0.90%	N/A	N/A
BlackRock UK Equity Index Fund	0.14%	0.51%	0.71%
BlackRock World Equity (ex-UK) Index Fund	0.15%	0.52%	0.72%
BlackRock Long Term Index Fund#	0.15%	N/A	N/A
BlackRock Over 15 Years Gilt Index Fund	0.14%	0.51%	0.71%
BlackRock Cash Fund	0.18%	0.51%	0.71%
My Pension Adventurous Lifestyle Profile	N/A	0.50%	0.70%
My Pension Balanced Lifestyle Profile	N/A	0.50%	0.70%
My Pension Cautious Lifestyle Profile	N/A	0.50%	0.70%

#This fund invests approximately 60% UK and 40% Overseas.

The above noted funds with Fidelity under the Group Section 32 Buyout Plan are the equivalent to the corresponding funds under the Sun Main Scheme. As a result your investment selection will be replicated. Under the Group Section 32 Buyout Plan with Fidelity the member meets both the investment and administration costs. *TER please see slide 9 **Total Cost please see slide 15





The action that you need to take

- 1 Choose one of the options that you believe meets your individual needs
 - 2 Complete the Employee Options Form
 - 3 Return the completed form in the prepaid envelope to Aon Hewitt.
- Letter, Booklet & Form were issued to your home address on 29 June 2011, if you have not received this please contact Aon Hewitt
 - If you were a 'Deferred' Sun Main Scheme member, but have since joined Oracle you will need to request an 'Active' member pack from Aon Hewitt

In order that the Trustees can provide you with a quotation or transfer pack before 29 September 2011 (the final date by which you must make your decision) please complete the Employee Options Form and return it to Aon Hewitt by 10 August 2011





Summary

▪ Five Options

1. Transfer your existing fund value to the Group Section 32 Buyout Plan with Fidelity
(This is the Default option if you do not respond)
2. Transfer your existing funds to an alternative pension of your choice
3. Take your pension benefits if you are over 55 years old
4. Take a refund (less tax) of the current value of the personal contributions you have paid
(Only available if you have less than 2 years service with the Company)
5. Transfer your existing fund value to the Oracle GFRP with Standard Life.

▪ Considerations

- The charges applicable to your funds
- Where you want to invest your funds
- Flexibility & retirement options
- Tax Free Cash entitlement above 25% of your fund value
- Plus 'Out of Market' risk

▪ Deadline

- In order that the Trustees can provide you with a quotation or transfer pack before **29 September 2011** (the final date by which you must make your decision) please complete the Employee Options Form and return it to Aon Hewitt by **10 August 2011**
- If you do not respond or return your additional forms by 29 September 2011, funds will be transferred to the Group Section 32 Buyout Plan with Fidelity





Where can I get more information?

Aon Hewitt – General Questions

Tel: 01252 768 552

Email: sun.windup@aonhewitt.com

Second sight – Oracle GFRP

Tel: 0845 60 66 057

Email: oracle@second-sight.com

Or visit

Fidelity – Section Group 32 Buyout Plan

Tel: 08457 234 235

Email: pensions.service@fil.com

Microsite:

www.fidelitypensions.co.uk/sunmicrosystems

Website: www.oraclepensions.co.uk

Hosted by Standard Life



Important Comments Regarding Investments

- The value of your pension fund is not guaranteed and the value can fall as well as rise.
- Several funds invest in one particular sector, with the assets within each sector being chosen by the investment manager. In general, it is suggested that members only invest in these more specialist funds if they have knowledge of these markets or are fully aware of the type of risks involved.
- If the fund you choose invests in overseas markets, changes in rates of exchange between currencies may cause the value of your holding to fall. Some overseas funds invest in developing markets where arrangements in relation to regulation, dealing, liquidity and custody may be less secure than in the UK. Such funds can therefore carry greater risk.
- If you invest in property funds these carry additional risks in that they can suffer from problems with liquidity due to the delays and expenses that can arise with property transactions. This may result in increased volatility and, in extreme circumstances, can delay the encashment of investments in these funds.
- Some cash and/or deposit funds do not actually hold only cash on deposit; they can be money market funds that invest in different types of securities within the money markets. Such funds are potentially more volatile than funds that hold cash on deposit. As such, you should be aware that, in certain economic conditions, unit prices can fluctuate significantly and the value of your assets within such funds can go down as well as up and therefore the value of your capital is not guaranteed.
- The Trustees of the Sun Microsystems Limited Retirement and Death Benefits Scheme, Aon Consulting Limited (Aon Hewitt) and Fidelity are not providing you with any advice in respect of your existing funds held in the Sun Main Scheme.

If you are unsure which option is right for you please seek appropriate financial advice.



Questions?

