

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

Frequently Asked Questions for Deferred 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 pensions 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.

(Q2) How will this affect me as a deferred member?

(A) As the Sun Main Scheme is being wound up, there are four 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 winding up lump sum if your fund value is less than £18,000 at date of payment

(Q3) What are my options if I was a deferred member, but have since joined Oracle as an employee?

(A) You are now classified as an active 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 active 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 Active Members 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 by members 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 would be able to secure more competitive charges for the equivalent funds. However, it may be appropriate to compare the charges against those applicable for any pension arrangement offered by your current employer, if applicable. If you are in any doubt, we strongly recommend you seek appropriate independent financial advice.

(Q12) I have 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 Member 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 regardless of whether or not you are still working. 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 Member 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) My fund value is under £18,000 and I want it paid as a cash sum, how is this done?

- (A) Select Option 4 on the Member Options Form and return it to Aon Hewitt by 10 August 2011. You will then be contacted to provide payment details. Please note that wind up lump sums may take up to 6 weeks to process as they are paid via a payroll system to account for tax deducted and will be settled on a bulk basis after 10 August 2011. The first 25% of your fund value will be paid tax free with the remainder being taxed through the PAYE system and you will be given further details at the time of payment. If your fund value does increase to over £18,000 between now and the final settlement date, this option would no longer be open to you.

If you have any tax free cash entitlement in excess of 25% of your fund value, which may be applicable to some members, this would be lost should you take the wind up lump sum. Therefore your tax free cash would revert to 25% of your fund value.

(Q20) What tax will I pay on the remainder of the Wind Up Lump Sum?

- (A) The Wind Up Lump Sum will be subject to emergency tax, depending on the size of the fund this will be either 40% or 50%, this tax will be paid at source. If your existing marginal income tax rate is lower than this you may be entitled to a tax rebate. You would need to discuss this with your local tax office. Upon payment of the lump sum you will receive a pay slip detailing the net payment and details of the tax paid. You will need to show this to your tax office when discussing any tax rebate.

If you are no longer a UK resident for tax purposes, you will need to contact the HMRC centre for non-residence on 0845 070 0040 in order to ascertain the tax implications. The Trustees recommend that you do this prior to making your decision.

For all members of the scheme, we are unable to process the wind up lump sum using your tax code. As such the tax will be paid at source and you will need to reclaim any overpayment of tax on an individual basis, if applicable.

(Q21) My fund value is currently above the £18,000 limit, will my fund fall in value or can I forgo part of the payment?

- (A) Your fund is invested in unit-linked funds and as such can go down as well as up. Aon Hewitt and the Trustees cannot predict any change in value. Large rises and falls in value in short periods of time are rare and generally as a consequence of a significant events in

equity markets. This is not to say such volatility cannot happen. So if your fund is above £18,000 it is unlikely that it will fall below this level.

You are not able to forgo part of your fund value, to take the Wind Up Lump Sum, nor are you allowed to partially transfer the excess above £18,000 to another pension arrangement to utilise this option.

(Q22) What happens if I select Option 4 (the winding up lump sum) and my fund value has risen above £18,000 when it is dis-invested?

- (A) If your fund value has risen above £18,000, you will be given until 29 September 2011, to select a different Option. If another Option is not selected in this period, your funds will be transferred to the Group Section 32 Buyout Plan with Fidelity.

(Q23) Do I have to be a certain age or have completed a certain length of service to qualify for receiving the winding up lump sum?

- (A) No, you can be any age and have completed any length of service under the Sun Main Scheme. The only criteria are that your fund value is less than £18,000 at date of settlement and that you will not receive pension contributions from Oracle for the next 12 months.

(Q24) 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.

(Q25) If my fund value is transferred to the Group Section 32 Buyout Plan with Fidelity, how I am protected in the event that they became 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.

(Q26) 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 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.

(Q27) 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.

(Q28) 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.

(Q29) 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

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