US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: **Merrill Lynch – 3/26/03**
PARTNER/VAD NAME:

SECTION I - Approval Requests:
HQAPP Requests:

1. Request reapproval of all previously approved terms and discounts from Q3 as stated below. Negotiations are ongoing and have moved into Q4.

Previously approved on 2/18/03:
HQAPP Requests:
Oracle uses Merrill Lynch's paper (a "Schedule") for the Ordering Document as previously agreed to in their Master Agreement. The following changes are being requested for Schedule 128 for this HR deal. Executive Management (Keith Block) has been engaged with the customer on this deal.

1. In our standard Technical Support paragraphs and in each case that this term appears throughout the Schedule, replace the term "Ordering Document" with "Schedule". Also, replace the term "Programs" with "Licensed Products". This is consistent with defined terms agreed upon in Merrill Lynch's Master Agreement.
2. Support Cap: Flatline support through Year 5, as the TCO calculation for this PSFT replacement included maintenance costs and needs to be minimized.
3. Delete the sentence in the first paragraph under Technical Support that refers to Oracle's Partner Program because it is not relevant for this order. The sentence to be deleted is **bolded** below:

   "Technical Support. For purposes of the ordering document, Technical Support consists of Updates Subscription Service, Product Support and/or other annual technical support services Customer may have ordered. If ordered, annual Technical Support is provided under Oracle's Technical Support Policies in effect at the time the services are provided. The Technical Support Policies, incorporated in this Agreement, are subject to change and may contain additional terms, and Customer should review the policies prior to entering into the Ordering Document for the applicable services. Customer may access the current version of the Technical Support Policies at http://oracle.com/support/index.html?policies.html. Technical Support acquired with Customer's order may be renewed annually and for the initial two renewal years the technical support fee will not increase by more than 4% over the prior year's fees. **If your order is fulfilled by a member of Oracle's Partner Program, the Technical Support fee for the first renewal year will be the price quoted to you by your partner; the Technical Support fee for the second renewal year will not increase by more than 4% over the prior year's fees.** If Customer desupports a subset of licenses in a license set, Customer may be required to terminate those licenses. Any cancellation of support may result in the re-pricing of support for Customer's remaining licenses."
4. In the 2nd paragraph of our standard Technical Support language, request approval to add modified MetaLink language as it pertains to the desupport notification time frame as **bolded** below (this has been approved by Support):

   "Oracle reserves the right to desupport its Programs. Customer will be notified in advance when a program is being desupported; **Desupport Notices will generally be available 12 months in advance of the desupport date but no earlier than 10 months**. Such desupport notices, which are posted at Oracle's customer support web site, MetaLink (or Oracle's then current customer support web site), contain desupport dates, information about availability of Extended Assistance Support and Extended Maintenance Support and information about migration paths for certain features. The desupport notices are subject to change; Oracle will provide updated desupport notices on MetaLink (or Oracle's then current customer support web site) as necessary."

PENGAD-Bayonne, N. J.
GOVERNMENT EXHIBIT
P1179

For reference, the following is the language from the "Right to Desupport" section in our standard Technical Support Policy:
"Oracle reserves the right to desupport its programs. Customers will be notified in advance when a program is being desupported; Desupport Notices will generally be available 12 months in advance of the desupport date. Desupport Notices, which are posted at MetaLink (under "Product LifeCycle"), contain desupport dates, information about availability of Extended Assistance Support and Extended Maintenance Support, and information about migration paths for certain features. The Desupport Notices are subject to change. Oracle will provide updated Desupport Notices on MetaLink as necessary."

TIER 1 Requests:
N/A

TIER 2/3 Requests:
N/A

Previously approved on 12/19/02:

1. Increase previously approved 85% discount to 88% Discount on HR, Self Service HR, Payroll, Advanced Benefits, HR Intelligence, iRecruitment, Training Administration, Time and Labor. The two products on controlled availability (iRecruitment and Time & Labor) have both been approved for release by Development, and the requested discount has been approved by Tony Kender.

Previously approved on 12/11/02:

1. 85% L+S Discount on HR, Self Service HR, Payroll, Advanced Benefits, HR Intelligence, iRecruitment, Training Administration, Time and Labor. The two products on controlled availability (iRecruitment and Time & Labor) have both been approved for release by Development, and the requested discount has been approved by Tony Kender.

SECTION II – Deal Summary:

Deal Summary	
Programs	HR, Self Service HR, Payroll, Advanced Benefits, HR Intelligence, iRecruitment, Training Administration, Time and Labor
License Discount	88% (ebiz + 63%)
Support Discount	88% (ebiz + 63%)
Comp & Admin Discount	-
Phased Implementation for Comp & Admin?	-
Support Options/Holds	Updates and Product Support / 0% through Year 5
Price Holds	None
List License	$ 17,875,000
List Support	$ 3,932,500
List Comp & Admin	-
Net License	$ 2,145,000
Net Support	$ 471,900
Net Comp & Admin	-
Net Total Price	$ 2,616,900
Price List Used	Oct. 4th, 2002

Customer History - Existing Price Holds	
Existing contractual discount (price hold)	70% through November 2004, then 30% through November

	2009 (95% received on original ELA database deal)
Date of Price List for price hold	November 1999
When does price hold expire?	November 2004 (70%), November 2009 (30%)
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	Technology
Name of Agreement if applicable	

SECTION III –
New Justification (3/26/03):
Negotiations began in late February, and we are trying to overcome contractual issues in the next 30 days.

Previous Justification (2/18/03):
This is a major strategic displacement for Oracle over PSFT at Merrill Lynch. Market visibility and impact significant.

1. Consistent language needs to be used per Merrill Lynch's Master.
2. TCO is a key driver for the PSFT displacement decision. Maintenance is s key factor.
3. Partner language does not apply to this Merrill contract.
4. Desupport language leaves open the length of time when notice can be given. Customer wants to ensure that it is protected from a desupport perspective. The current language exposes them to any date that Oracle chooses to desupport at any point in time. They want to get reasonable duration value for the product they're purchasing from Oracle, and they feel the 10-month request is reasonable.

Previous Justification (12/19/03):
After discussions with Tony Kender and License sales management, we need to request an additional 3% discount for this PSFT Competitive HR replacement. As their fiscal year ends, PSFT has come in to protect their HR install at Merrill and undercut our price as they now feel very vulnerable to being displaced in this major global account. Merrill management continues to engage our technical and functional teams as a decision will be reached next week.

Previous Justification (12/10/02):
This is for a Peoplesoft competitive replacement for the HR Suite and complete ERP commitment to Oracle. The price of PSFT migration to V8.8 is seen as expensive and considered a new implementation for Merrill. We have verified that this price point puts us in a competitive position. Price is the number one key issue for Merrill – both upfront and implementation costs. Oracle is the only other vendor they are considering. This should be viewed as a strategic competitive replacement that will enhance our HR position globally.

Background:
Merrill Lynch was the first and key Financial Services firm that purchased Oracle Financials in 1996 and helped build our product in the financial services vertical. This will be a similar historic opportunity for HR.

Merrill Lynch is very displeased with the PSFT migration track to V8.8, and the relationship has been severely compromised which has opened the door for Oracle. A high-level meeting with PSFT CFO and Merrill underscored price as a key factor. The next phase will be to outsource the entire ERP and HR suite, and Oracle's Tim Chou recently met with Merrill Executives. Oracle successfully demonstrated our HR Suite on 12/3/02 to HR LOB heads and positioned Oracle well in the account.

Key drivers of decision for Merrill:

1. Price
2. Pain (migration risk)
3. Pace (speed of implementation)

Why Approve:

1. Historic opportunity to gain foothold in PSFT core area of strength.
2. Merrill wants to be a strategic partner to assist in the build out of specific features that may be necessary for Financial Services as they did in 1996 with Oracle Financials.
3. Market opportunity would be considerable since Oracle has a strong foothold in Financials within Financial Services and sales model could be leveraged in other accounts that are in the PSFT Upgrade Cycle.
4. Substantial OCS opportunity for implementation.
5. Marquee Outsourcing opportunity.
6. Timing: There will not be another time to replace PSFT HR at Merrill due to upgrade cycle.

Tony Kender's Comments:
I approve the 85% discount for the HRMS suite in order to replace PeopleSoft at Merrill Lynch.

The employee record count is high enough to warrant a deeper discount than usual, as the HR price metric is linear and does not scale to market price requirements as the ee records get larger.

Most importantly, however, is the highly competitive and strategic nature of this sale. PeopleSoft has their CFO engaged in this deal to "save" their HR install and sell an upgrade to v 8. They have gotten very aggressive with their pricing. If Oracle can replace PeopleSoft in a recognizable market leader like Merrill Lynch, the result will be much greater than the $2.7M in license that we receive.

This win will lead to additional sales that we would not have gotten otherwise.

Without a discount of this level, we simply will not win. With it, we have a fighting chance to motivate the Merrill Lynch executives to unhook PeopleSoft HR and standardize on Oracle.

Additionally, I have mentioned this deal to the executive committee yesterday, all of whom are very interested in getting back into Merrill Lynch with HR, after having lost our initial attempt to win this business 5 years ago.

Recommendation: *(leave blank for HQAPP to fill out)*

Submitted By: ***Nick Khoury / Paul Seminara***
Field RM name if submitted by iSD:

R: *(leave blank for HQAPP to fill out)*
C:
L:
A:
BP:

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PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

SECTION IV – Computer and Admin Services:
(Delete this section if not applicable)

If Computer and Administration Services or Administration Services are being ordered please provide information below:

Does this deal include Phased Implementation?	
License minimums met at each implementation phase? Is customer purchasing the Ebusiness Suite? If so what is the total employee population? **Is the 20% rule met in each phase?** **Is the 10% professional user rule met in each phase?**	
Computer and Administration or Administration Services hosting minimums met at each implementation phase? ($6,000 monthly for C&A and $4,000 monthly for Admin)	
Standard Ordering Document Terms?	
Standard pricing?	
Is Customer using the Certified Configuration (applies to Admin only)?	
Administration Services or Computer and Administration Services:	
Applications or Technology or both: Applications	
Customer email address (required): ray_shejata@ml.com	
Service Implementer (required): OCS and Cap Gemini	
For existing licenses - (NOTE: Validation of existing licenses and support must be obtained from licmgmt@us.oracle.com)	CSI Number_____ Original License Agreement_____ Original Order Entry No._____ Date of Original License Purchase _____
Are additional users being purchased for applications that are already hosted?	
Is this purchase of Administration Services or Computer and Administration Services by a customer who is purchasing Outsourcing for additional products which were not previously hosted?	
Are any self-service apps for use outside the firewall being purchased?	
Did customer purchase FastForward OnLine Financials RPM (5 day implementation preconfigured general ledger)?	
Is customer purchasing an iLearning Subscription? Bundled into pricing.	

SECTION V – Ordering Document Details

Instructions - Fill in all sections completely.

APPROVAL REQUIREMENTS - Refer to the Approval Matrix at http://esource.oraclecorp.com
PRICING REQUIREMENTS – Refer to Price List and Price List Supplement for minimums and prerequisites.
PRICING SPREADSHEET – Include a pricing spreadsheet showing all products, quantities, license types, pricing, and discounts. Indicate if discount for drafting contract differs from approved discount.
MIGRATIONS - If your deal contains a migration, you must submit a Migration Worksheet to the ELM (eBusiness License Migrations) team. Refer to http://nafo.us.oracle.com under the Contract Management tab and e-Business License Migrations header to download the spreadsheet and for additional information.

Note: All business approvals & quotes are valid through the quarter they were approved, unless a formal RFP or Tender requires a longer validity period.

General Information	
Contract requested by (insert date): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts.	12/15/02
Opportunity I.D. (OSO Number):	914456
Is this a ship order?	x Yes ____ No
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	Direct
Is this deal the result of a compliance issue that LMS has been involved in?	____Yes x No
Does deal contain new licenses with an *approved* non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	____Yes (specify non-supported license type and eBusiness license type used to determine conversion) ____No
Quote Valid Through (insert date):	2/28/02
Partner (insert name, if applicable)?	Margin or % of net license fees_____
VAD (insert name, if applicable)?	Margin or % of net license fees_____
PARTNER PAYMENT: If this is a direct deal, does it involve a Partner Referral Fee? If yes, specify payment type:	____Yes ____No ____Applications Affiliate Fee ____ROP Fee *(GB Use Only)*
MIGRATIONS OR UPDATES:	____Yes ____No
PREMIUM SERVICES:	x Yes ____No (amt to be determined)
INCIDENT PACKS:	____Yes ____No
INTERNATIONAL: Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO.	____Yes ____No
Payment Terms:	x Net 30 ____Other (Specify)_____
Referenced Agreement:	____New OLSA x Other (Specify)_____

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	**Merrill Lynch Pierce, Fenner & Smith**
Business Address:	World Financial Center, North Tower, 250 Vesey St.
City / State / Zip:	New York, NY 10281
Customer Contract Admin:	Scott Curtis
Phone #:	below
Fax #:	
E-mail ID:	
Billing Contact:	Scott Curtiss
(Partner/VAD if Indirect):	
Address:	95 Green St
City / State / Zip:	Jersey City, NJ 07302
Phone #:	[1] 201-671-0549
Fax #:	[1] 201-671-3706
E-mail ID:	scott_curtiss@exchange.ml.com
Tax Status :	Exempt ___ (Need certificate for ship to state if not on Oracle's Tax Exemption Log)
	Non-Exempt ___
Shipping Contact:	Ray Shehata
Address:	1200 Merrill Lynch Drive
City / State / Zip:	New York, NY 08534
Phone #:	609-274-2951
Fax #:	609-274-0240
E-mail ID:	**Ray_shehata@ml.com**
Technical Support Contact:	same
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
Email ID:	
Partner Name (Indirect):	
Address:	
City / State / Zip:	
Contact Admin:	
Phone #:	
Fax #:	
E-mail ID:	

Education (EPPC)	
Education Prepaid Credit Amount:	$_____
Education Discount:	_____%
Education Revenue:	$_____
Education Sales Rep:	

PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:
Make: Sun Micro
OS: Solaris
PROGRAMS:

Applications	
Will applications be modified:	___Yes x No
Will users be accessing modified Apps from the web:	x Yes ___No
Have all prerequisites been included:	___Yes ___No
Will users use Fast Forward RPM:	___Yes ___No
Will applications be hosted:	x Yes ___No
Indicate database that Apps will run on:	Oracle
Indicate CSI for existing prerequisite database and tools:	

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	3rd party hosting rights
(2)	
(3)	
(4)	

Internal Administrative Information	
Applications Sales Manager	
Technology Sales Manager	
Account Manager	Nick Khoury
iSD Rep	John Cunningham
Education Sales Rep	Henry Williams
Support Renewals Rep	Chad Scott
Premium Support Rep	Suzanne McVeigh
Migrations Manager	Tara Bayless
Is there a teaming agreement?	____Yes (if yes, list all appropriate reps) ____No
Requester:	Name: ____Nick Khoury Business Telephone: _212 508-7732 Cell Phone: _____917-318-0294