

# Oracle plans to give Hurd \$950,000 annual salary

8 September 2010, By ANDREW VANACORE , AP Business Writer



In this March 6, 2008 photo, (then) Hewlett Packard Company CEO Mark Hurd speaks at HP headquarters in Palo Alto, Calif. Oracle Corp. plans to pay newly appointed co-President Mark Hurd a base salary of \$950,000 annually and said Wednesday, Sept. 8, 2010, the ousted Hewlett-Packard Co. CEO is eligible for a target bonus of \$5 million in the current fiscal year. (AP Photo/Paul Sakuma, file)

(AP) -- Oracle Corp. plans to pay newly appointed co-President Mark Hurd a base salary of \$950,000 annually and said the ousted Hewlett-Packard Co. CEO is eligible for a target bonus of \$5 million in the current fiscal year.

Oracle released the details of Hurd's pay package in a filing with the Securities and Exchange Commission on Wednesday.

Hurd's pay package includes stock options totaling 10 million shares. The company said Hurd's options will carry an exercise price equal to the market value of the shares on the date they are granted, which the filing did not specify. If he stays with the company, Hurd will be awarded options to buy another 5 million shares each year for the next

five years.

Oracle said Hurd's bonus for fiscal 2011, which ends in May, is targeted at \$5 million but could reach \$10 million. The company did not specify the conditions under which the bonuses would be awarded.

The new package will come on top of a severance payment from HP that could end up topping \$40 million.

Hurd resigned as HP's CEO last month following an investigation that uncovered inaccurate expense reports related to Hurd's outings with an HP contractor who claimed that her work at HP dried up after she rebuffed Hurd's advances. Hurd has denied making any advances on the woman and has insisted he didn't prepare his own expense reports.

Oracle named Hurd as its co-president on Monday, but HP sued Hurd a day later to block him from joining Oracle. HP is worried Hurd will use his knowledge of the company to give Oracle an unfair advantage. Lawsuits of that kind often end with a court ordering an executive to avoid certain parts of their employers' businesses. The [lawsuit](#) could also delay when Hurd can actually start work at Oracle.

Hurd's move to Oracle has injected new friction into Oracle's relationship with HP. The two companies have cooperated for years, with HP selling corporate servers and Oracle providing the software that helps organize the information stored on them. But Oracle, which is based in Redwood City, Calif., moved into direct competition with HP in the hardware business when it bought Sun Microsystems for \$7.4 billion last year.

[Oracle](#) has not been shy about handing out big salaries and bonuses.

In the fiscal year that ended in May, the company

awarded its other co-president, Safra Catz, a salary of \$800,000, a performance-related bonus of \$3.9 million and stock options valued at \$31.7 million.

Founder and CEO Larry Ellison, among the world's richest people, drew a pay package worth roughly \$70 million, according to an Associated Press analysis of Oracle's securities filings. It consisted of a base salary of \$250,000, a performance-based bonus of \$6.5 million, stock options valued at \$61.9 million and other perks totaling \$1.5 million.

Hurd's pay at HP did not quite reach that magnitude. During HP's most recent fiscal year, Hurd was awarded a pay package as CEO valued at \$24.2 million, according to an AP analysis. His base pay came to \$1.3 million, with bonuses totaling \$15.8 million and restricted stock valued at \$6.6 million.

The Associated Press formula is designed to isolate the value the company's board placed on the executive's total compensation package during the last fiscal year. It includes salary, bonus, performance-related bonuses, perks, above-market returns on deferred compensation and the estimated value of [stock options](#) and awards granted during the year.

The calculations don't include changes in the present value of pension benefits, and they sometimes differ from the totals companies list in the summary compensation table of proxy statements filed with the [Securities and Exchange Commission](#), which reflect the size of the accounting charge taken for the executive's compensation in the previous fiscal year.

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APA citation: Oracle plans to give Hurd \$950,000 annual salary (2010, September 8) retrieved 15 May 2021 from <https://phys.org/news/2010-09-oracle-hurd-annual-salary.html>

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