

PRIVATE AND CONFIDENTIAL



001905

[REDACTED]  
New House  
Greenhall Farm  
Bramfield  
Hertfordshire  
SG14 2QQ

### Sun Microsystems Limited Retirement and Death Benefit Scheme

30th April 2004

Dear Member,

Please find enclosed your personal benefit statement as at 1st January 2004. I am pleased to say that the statement contains more detail than in the past. Page 1 includes details of your normal contributions and any Additional Voluntary Contributions, the contribution from Sun Microsystems (7%, 8% or 9% dependent on your age) and the value of your funds. The funds are the funds that you have selected, please remember that you are free to change funds twice a year in April and October. If you have not made an active fund selection the Trustees and their Investment Advisors have selected default funds.

Page 2 of the pension statement covers the number of units held in each of your selected funds and the value of those units as at 31st December 2003. Under new government legislation the Trustees must now provide you with an illustration of benefits you would expect to receive at Normal Retirement Date. It is important that you review those benefits and the assumptions that have been used to calculate them. These assumptions are given on page 3.

I cannot stress enough how important it is that you review your projected income at retirement and take any steps necessary to provide yourself with a comfortable retirement.

The last six months has again been a busy time for the Trustees. We have completed the switch of Technology fund from Aegon to Fidelity Investments. All members affected by this change have been written to.

We are in the process of changing the provider of our Socially Responsible Investment fund from NPI to the Morley SRI Managed Fund. This follows a selection process carried out by the Trustees and their Investment advisors. Once again all members affected will be written to individually.

The total value of the Sun Microsystems Retirement and Death Benefit Fund is now well in excess of £100m, this has enabled the Trustees to negotiate a reduced level of fees with Fidelity Investments. To implement this saving Fidelity have priced the Sun Microsystems fund separately to the funds shown in the daily financial papers. However, the publicly quoted figures are close enough for most purposes.

To be able to provide our members with access to regularly updated fund values, pension information and an interactive pension planning tool, Sun HR plan to introduce Aon's PensionLine in the next few months. This is an online password protected tool that will enable you to see the value of your individual fund. Full details will follow shortly.